DRAFT RED HERRING PROSPECTUS
Dated September 25, 2010
Please read section 60B of the Companies Act, 1956, as amended
Book Built Issue

HINDUSTAN COPPER LIMITED

Our Company was incorporated as a Government company as 'Hindustan Copper (Private) Limited' on November 9, 1967, under the Companies Act, 1956, as amended (the "**Companies Act**"). Subsequently, our Company became a public limited company pursuant to a shareholders' resolution dated February 27, 1968 and the name of our Company was changed to 'Hindustan Copper Limited' and our Company received a fresh certificate of incorporation on March 26, 1968.

Registered and Corporate Office: Tamra Bhavan, 1, Ashutosh Chowdhury Avenue, Kolkata 700 019, India; **Tel.:** + (91 33) 2283 2224/2226; **Fax:** + (91 33) 2283 2478/2640; **Website:** www.hindustancopper.com; **Deputy General Manager, Company Secretary and Compliance Officer:** C. S. Singhi; **E-mail**: investors_cs@hindustancopper.com.

For details of changes in the registered office of our Company, see "***History and Certain Corporate Matters***" on page 114.

Promoter: President of India, acting through the Ministry of Mines, Government of India (the "**MoM**")

PUBLIC ISSUE OF 185,043,600 EQUITY SHARES OF ₹ 5 EACH ("EQUITY SHARE") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE OF HINDUSTAN COPPER LIMITED (THE "COMPANY") AGGREGATING ₹ [●] MILLION (HEREINAFTER REFERRED TO AS THE "ISSUE"). THE ISSUE COMPRISES A FRESH ISSUE OF 92,521,800 EQUITY SHARES BY OUR COMPANY (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF 92,521,800 EQUITY SHARES (THE "OFFER FOR SALE") BY THE PRESIDENT OF INDIA, ACTING THROUGH THE MINISTRY OF MINES, GOVERNMENT OF INDIA (THE "SELLING SHAREHOLDER"). THE ISSUE COMPRISES A NET ISSUE TO THE PUBLIC OF UP TO 183,970,000 EQUITY SHARES ("THE NET ISSUE") AND A RESERVATION OF 1,073,600 EQUITY SHARES FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (AS DEFINED HEREIN) ("THE EMPLOYEE RESERVATION PORTION"). THE ISSUE WOULD CONSTITUTE 18.18% OF THE POST ISSUE PAID-UP EQUITY CAPITAL OF OUR COMPANY AND THE NET ISSUE WOULD CONSTITUTE 18.08% OF THE POST ISSUE PAID-UP EQUITY CAPITAL OF OUR COMPANY.

THE FACE VALUE OF THE EQUITY SHARE IS ₹ 5 EACH.

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDER IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND ADVERTISED IN ALL EDITIONS OF [●], AN ENGLISH NATIONAL DAILY NEWSPAPER, ALL EDITIONS OF [●], A HINDI NATIONAL DAILY NEWSPAPER AND [●] EDITION OF [●], A BENGALI NEWSPAPER, EACH WITH WIDE CIRCULATION, AT LEAST ONE (1) WORKING DAY PRIOR TO THE BID OPENING DATE.*

Discount of up to 5% of the Issue Price determined pursuant to completion of the Book Building Process may be offered to Eligible Employees (the "Employee Discount**") and to Retail Individual Bidders (the "**Retail Discount**")*

THE FACE VALUE OF THE EQUITY SHARE IS ₹ 5 EACH

In case of revision in the Price Band, the Bidding Period will be extended for at least three additional Working Days after the revision of the Price Band subject to the Bidding Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bidding Period, if applicable, will be widely disseminated by notification to the Bombay Stock Exchange Limited (the "**BSE**") and the National Stock Exchange of India Limited (the "**NSE**"), by issuing a press release, by indicating the change on the websites of the Book Running Lead Managers ("**BRLMs**") and at the terminals of the Syndicate and by intimation to Self Certified Syndicate Banks ("**SCSBs**").

This Issue is being made through the Book Building Process wherein up to 50% of the Net Issue will be allocated on a proportionate basis to Qualified Institutional Buyers ("**QIBs**"), ("**QIB Portion**") provided that our Company and the Selling Shareholder in consultation with the BRLMs may allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis, out of which at least one-third will be available for allocation to domestic mutual funds only ("**Anchor Investor Portion**"). For details, see "***Issue Procedure***" on page 243. Further, 5% of the QIB Portion (excluding Anchor Investor Portion) will be available for allocation on a proportionate basis to Mutual Funds only. The remainder will be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. In addition, not less than 15% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Further, 1,073,600 Equity Shares will be available for allocation on a proportionate basis to Eligible Employees, subject to valid Bids being received from them at or above Issue Price. Any Bidder may participate in this Issue through the ASBA process by providing the details of the ASBA Accounts in which the corresponding Bid Amounts will be blocked by the Self Certified Syndicate Banks ("**SCSBs**"). For details in this regard, specific attention is invited to "***Issue Procedure***" on page 243.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue 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 Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue 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 Draft Red Herring Prospectus. Specific attention of the investors is invited to the "***Risk Factors***" on page xiii.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this Draft 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 pursuant to this Draft Red Herring Prospectus are proposed to be listed on the BSE and the NSE. We have received the in-principle approvals of the BSE and the NSE for the listing of our Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of this Issue, the Designated Stock Exchange is the [●].

BOOK RUNNING LEAD MANAGERS

ICICI Securities	ENAM	kotak Investment Banking
ICICI SECURITIES LIMITED ICICI Centre, H.T. Parekh Marg, Churchgate Mumbai 400 020, India Tel: + (91 22) 2288 2460 Fax: + (91 22) 2282 6580 E-mail: hcl.fpo@icicisecurities.com Investor Grievance E-mail: customercare@icicisecurities.com Website: www.icicisecurities.com Contact Person: Mr. Mrigesh Kejriwal / Mr. Sumit Agarwal SEBI Registration No.: INM000011179	**ENAM SECURITIES PRIVATE LIMITED** 801/802, Dalamal Towers, Nariman Point Mumbai 400 021, India Tel: + (91 22) 6638 1800 Fax: + (91 22) 2284 6824 E-mail: hindustancopper.fpo@enam.com Investor Grievance E-mail: complaints@enam.com Website: www.enam.com Contact Person: Mr. Anurag Byas SEBI Registration No.: INM000006856	**KOTAK MAHINDRA CAPITAL COMPANY LIMITED** 1st Floor, Bakhtawar, 229, Nariman Point Mumbai 400 021, India Tel: + (91 22) 6634 1100 Fax: + (91 22) 2284 0492 E-mail: hcl.fpo@kotak.com Investor Grievance E-mail: kmccredressal@kotak.com Website: www.kmcc.co.in Contact Person: Mr. Chandrakant Bhole SEBI Registration No.: INM000008704

BOOK RUNNING LEAD MANAGERS		REGISTAR TO THE ISSUE
SBI Capital Markets Limited	UBS	KARVY
SBI CAPITAL MARKETS LIMITED 202, Maker Tower E, Cuffe Parade Mumbai 400 005, India Tel: + (91 22) 2217 8300 Fax: + (91 22) 2218 8332 E-mail: hcl.fpo@sbicaps.com Investor Grievance E-mail: investor.relations@sbicaps.com Website: www.sbicaps.com Contact Person: Mr. Nithin Kanuganti SEBI Registration No.: INM000003531	**UBS SECURITIES INDIA PRIVATE LIMITED** 2/F, 2 North Avenue Maker Maxity Bandra Kurla Complex, Bandra (E) Mumbai 400 051, India Tel: + (91 22) 6155 6100 Fax: + (91 22) 6155 6292 E-mail: customercare@ubs.com Investor Grievance E-mail: customercare@ubs.com Website:www.ubs.com/indianoffers.com Contact Person: Mr. Ashish Mukkirwar SEBI Registration No.: INM000010809	**KARVY COMPUTERSHARE PRIVATE LIMIED** Plot No. 17 - 24, Vithalrao Nagar Madhapur Hyderabad 500 086, India Tel : + (91 40) 2342 0815-20 Fax : + (91 40) 2342 0814 E-mail: einward.ris@karvy.com Invest Grievance E-mail: einward.ris@karvy.com Website: www.karvy.com Contact Person: Mr. Murali Krishna SEBI Registration No: INR000000221

BIDDING PROGRAM*

BID OPENS ON	BID CLOSES ON
[●]	[●]

** Our Company and the Selling Shareholder may consider participation by Anchor Investors. Anchor Investors, if any, will submit their Bids on the Anchor Investor Bidding Date, which is one Working Day prior to the Bid Opening Date. Further, our Company and the Selling Shareholder, in consultation with the BRLMs, may decide to close the Bidding for QIBs one day prior to the Bid Closing Date.*

TABLE OF CONTENTS

SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or implies, the following terms have the following meanings in this Draft Red Herring Prospectus, and references to any statute or regulations or policies will include any amendments or re-enactments thereto, from time to time.

Company Related Terms

Term	Description
"HCL", "the Company", "our Company" and "the Issuer"	Hindustan Copper Limited, a public limited company and Government company incorporated under the Companies Act with its registered office at Tamra Bhavan, 1, Ashutosh Chowdhury Avenue, Kolkata 700 019, West Bengal, India
AoA/Articles of Association	The Articles of Association of our Company, as amended
Auditors	The joint statutory auditors of our Company, Ray & Co., Chartered Accountants and Agrawal Anil & Co., Chartered Accountants
Board of Directors/Board	Board of Directors of our Company duly constituted or a committee thereof
Directors	Directors on the Board of our Company
ICC	Indian Copper Complex at Ghatsila, East Singhbhum district, Jharkhand
KCC	Khetri Copper Complex at Khetrinagar, Jhunjhunu district, Rajasthan
MCP	Malanjkhand Copper Project at Malanjkhand, Balaghat district, Madhya Pradesh
MoA/Memorandum of Association	The Memorandum of Association of our Company, as amended
Planned MCP Expansion	The proposed expansion of our Malanjkhand Copper Project. For more information, see "***Business***", "***Objects of the Issue***" and "***Risk Factors***" on pages 68, 42 and xiii, respectively
Promoter/Selling Shareholder	The President of India, acting through the Ministry of Mines, Government of India
TCP	Taloja Copper Plant, our copper extrusion plant at Taloja in Maharashtra
Registered and Corporate Office	The registered and corporate office of our Company located at Tamra Bhavan, 1, Ashutosh Chowdhury Avenue, Kolkata 700 019, West Bengal, India

Issue Related Terms

Term	Description
Allotted/Allotment/Allot	The issue and allotment of Equity Shares to successful Bidders pursuant to this Issue
Allottee	A successful Bidder to whom Equity Shares are Allotted
Application Supported by Blocked Amount/ASBA	The application, whether physical or electronic, used by a ASBA Bidder to make a Bid authorizing the SCSB to block the Bid Amount in his/her specified bank account maintained with the SCSB
ASBA Account	Account maintained with a SCSB which will be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder
ASBA Bid cum Application Form	The application form, whether physical or electronic, used by an ASBA Bidder to make a Bid, which will be considered as the application for Allotment for the purposes of the Red Herring Prospectus and the Prospectus
ASBA Bidder	Any Bidder who intends to apply through ASBA
Anchor Investor	A Qualified Institutional Buyer, who applies under the Anchor Investor Portion with a minimum Bid of ₹ 100 million
Anchor Investor Bid	Bid made by the Anchor Investor
Anchor Investor Bidding Date	The date which is one Working Day prior to the Bid Opening Date, prior to or after which the Syndicate will not accept any Bids from the Anchor Investors
Anchor Investor Issue Price	The final price at which Equity Shares will be issued and Allotted in terms of the Red Herring Prospectus and the Prospectus to the Anchor Investors, which will be a price equal to or higher than the Issue Price but not higher than the Cap Price.
Anchor Investor Portion	Up to 30% of the QIB Portion, which may be allocated to Anchor Investors by our Company and the Selling Shareholder, in consultation with the BRLMs, on a discretionary basis. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Anchor Investor Bids being received from domestic Mutual Funds at or above the price at which allocation will be made to Anchor Investors
Basis of Allotment	The basis on which the Equity Shares will be Allotted, described in "***Issue Procedure***" on page 243]
Banker(s) to the Issue/Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Bankers to the Issue with whom the Escrow Account will be opened, in this case [●]

Term	Description
Bid	An indication to make an offer during the Bidding Period by a Bidder (including an ASBA Bidder), or on the Anchor Investor Bidding Date by an Anchor Investor, pursuant to submission of a Bid cum Application Form or ASBA Bid cum Application Form to subscribe to our Equity Shares 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 payable by a Bidder on submission of a Bid in the Issue and in the case of ASBA Bidders, the amount mentioned in the ASBA Bid cum Application Form
Bid Closing Date	Except in relation to Anchor Investors, the date after which the Syndicate and SCSBs will not accept any Bids, which will be notified in all editions of [●], an English national daily newspaper, in all editions of [●], a Hindi national daily newspaper and [●], a Bengali newspaper, each with wide circulation.
Bid Opening Date	Except in relation to Anchor Investors, the date on which the Syndicate and SCSBs will start accepting Bids, which will be notified in all editions of [●], an English national daily newspaper, in all editions of [●], a Hindi national daily newspaper and [●], a Bengali newspaper, each with wide circulation.
Bid cum Application Form	The form in terms of which the Bidder will make an offer to purchase Equity Shares and which will be considered as the application for issue of Equity Shares pursuant to the terms of the Red Herring Prospectus and the Prospectus including the ASBA Bid cum Application, as may be applicable
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form, including an ASBA Bidder and an Anchor Investor
Bidding Period	The period between the Bid Opening Date and the Bid Closing Date, inclusive of both days during which prospective Bidders (other than Anchor Investors) can submit their Bids, including any revisions thereof
Book Building Process	The book building process as provided in Schedule XI of the SEBI ICDR Regulations, in terms of which this Issue is being made
Book Running Lead Managers/BRLMs	The book running lead managers to this Issue, in this case being, ICICI Securities Limited, Enam Securities Private Limited, Kotak Mahindra Capital Company Limited, SBI Capital Markets Limited and UBS Securities India Private Limited
Confirmation of Allocation Note/CAN	The note or advice or intimation of allocation of Equity Shares that may be sent to the successful Anchor Investors who have been allocated Equity Shares after discovery of the Anchor Investor Issue Price, including any revisions thereof
Cap Price	The higher end of the Price Band, above which the Issue Price and Anchor Investor Issue Price will not be finalized and above which no Bids will be accepted, including any revisions thereof
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate Bids in the Issue by ASBA Bidders with the BRLMs, the Registrar to the Issue and the Stock Exchanges, a list of which is available on http://www.sebi.gov.in/pmd/scsb.pdf
Cut-off Price	The Issue Price (net of Employee Discount and Retail Discount, as applicable), finalized by our Company and the Selling Shareholder, in consultation with the BRLMs which will be any price within the Price Band. Only Retail Individual Bidders and Eligible Employees, whose Bid Amount does not exceed ₹ 100,000 (net of Employee Discount and Retail Discount, as applicable) are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Designated Branches	Such branches of the SCSBs which will collect the ASBA Bid cum Application Form used by ASBA Bidders and a list of which is available on http://www.sebi.gov.in/pmd/scsb.pdf
Designated Date	The date on which funds are transferred from the Escrow Account(s) to the Public Issue Account and the amount blocked by the SCSBs are transferred from the ASBA Account specified by the ASBA Bidders to the Public Issue Account, as the case may be, after the Prospectus is filed with the RoC, following which the Board of Directors will Allot Equity Shares to the Allottees
Designated Stock Exchange	[●]
Draft Red Herring Prospectus/DRHP	This Draft Red Herring Prospectus dated September 25, 2010 filed with SEBI and issued in accordance with Section 60B of the Companies Act, which does not contain complete particulars of the price at which the Equity Shares are offered
Eligible Employees	All or any of the following: (i) A permanent and full-time employee of our Company as on the date of filing of the Red Herring Prospectus with the RoC and based, working and present in India and in employment of our Company as on the date of submission of the Bid cum Application Form; (ii) a Director of our Company, whether a whole time Director or a part time

Term	Description
	Director, as on the date of filing of the Red Herring Prospectus with the RoC and based, present and working in India as on the date of submission of the Bid cum Application Form and who continues to be a Director of our Company until submission of the Bid cum Application Form. It does not include the Promoter. For the purpose of this definition, an employee who is recruited against a regular vacancy but is on probation as on the date of submission of the Bid cum Application Form will also be deemed as a permanent employee. (It may be noted that all participation by Directors and the employee of our Company will be in accordance with circular No. 15(7)/99-DPE(GM)-GL-95 dated July 28, 2009, circular No. 15(7)/2002-DPE(GM)-GL-96 dated August 11, 2009 issued by the Department of Public Enterprises, GoI and any other laws, regulations, guidelines, circulars or notifications applicable to them.)
Eligible NRI	An Non Resident Indian in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Red Herring Prospectus will constitute an invitation to subscribe for the Equity Shares
Employee Discount	The difference of ₹ [●] between the Issue Price and the differential lower price at which our Company has decided to Allot the Equity Shares to Eligible Employees
Employee Reservation Portion	The portion of the Issue, being 1,073,600 Equity Shares, available for allocation to Eligible Employees. The employee reservation portion will not exceed 5% of the post-Issue capital of our Company.
Equity Share(s)	Equity Share(s) of our Company of face value of ₹ 5 each
Escrow Account(s)	Account(s) opened with the Escrow Collection Bank(s) for the Issue and in whose favour the Bidders (excluding ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount
Escrow Agreement	Agreement to be entered into among our Company, the Selling Shareholder, the Registrar, the BRLMs, the Syndicate Member(s) and the Escrow Collection Bank(s) for collection of the Bid Amounts and remitting refunds, if any, of the amounts to the Bidders (excluding ASBA Bidders) on the terms and conditions thereof
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or the Revision Form or the ASBA Bid cum Application Form
Floor Price	The lower end of the Price Band and any revisions thereof below which the Issue Price will not be finalized and below which no Bids will be accepted and which will not be lesser than the face value of our Equity Shares
Issue	This further public issue of 185,043,600 Equity Shares of ₹ 5 each at the Issue Price by our Company. The Issue comprises a Net Issue to the public of 183,970,000 Equity Shares and an Employee Reservation Portion of 1,073,600 Equity Shares for subscription by Eligible Employees
Issue Agreement	The agreement entered into amongst our Company, the Selling Shareholder and the BRLMs pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Price	The final price (net of Employee Discount and Retail Discount, as applicable) at which Equity Shares will be issued and Allotted to the successful Bidders in terms of the Red Herring Prospectus and the Prospectus. The Issue Price will be decided by our Company and the Selling Shareholder, in consultation with the BRLMs on the Pricing Date
Monitoring Agency	[●]
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Fund Portion	5% of the QIB Portion (excluding the Anchor Investor Portion) equal to a minimum of 4,599,250 Equity Shares available for allocation to Mutual Funds only, on a proportionate basis
Net Issue	Issue less the Employee Reservation Portion, consisting of 183,970,000 Equity Shares to be Allotted in the Issue at the Issue Price less the Employee Discount
Net Proceeds	Proceeds of the Issue that are available to our Company, excluding the Issue related expenses and the proceeds of the Offer for Sale.
Non Institutional Bidders	All Bidders, including sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals, that are not QIBs (including Anchor Investors) or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than ₹ 1,00,000
Non Institutional Portion	The portion of the Net Issue, being not less than 27,595,500 Equity Shares, available for allocation to Non Institutional Bidders
Pay-in Date	The Bid Closing Date, except with respect to Anchor Investors, the Anchor Investor Bidding Date or a date not later than two days after the Bid Closing Date, as may be applicable

Term	Description
Pay-in Period	Except with respect to ASBA Bidders, the period commencing on the Bid Opening Date and extending until the Bid Closing Date
Price Band	Price band of a minimum price (Floor Price) of ₹ [●] and a maximum price (Cap Price) of ₹ [●] including revisions thereof. The Price Band and the minimum Bid lot size for the Issue will be decided by our Company and the Selling Shareholder, in consultation with the BRLMs and advertised in all editions of [●], an English national daily newspaper, in all editions of [●], a Hindi national daily newspaper and [●], a Bengali newspaper, each with wide circulation, at least one Working Day prior to the Bid Opening Date
Pricing Date	The date on which our Company and the Selling Shareholder, in consultation with the BRLMs will finalize the Issue Price
Prospectus	The Prospectus to be filed with the RoC in terms of Section 60 of the Companies Act, containing, among other things, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information and including any addenda or corrigenda thereof
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the Escrow Account(s) and the ASBA Accounts, on the Designated Date
Qualified Institutional Buyers or QIBs	Public financial institutions as specified in Section 4A of the Companies Act, FIIs and 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, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of ₹ 250 million and pension funds with 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 Government of India published in the Gazette of India and insurance funds set up and managed by army, navy or air force of the Union of India
QIB Portion	The portion of the Net Issue being a minimum 91,985,000 Equity Shares to be Allotted to QIBs, including the Anchor Investor Portion
Refund Account(s)	Account(s) opened with Escrow Collection Bank(s) from which refunds of the whole or part of the Bid Amount (excluding to the ASBA Bidders), if any, will be made
Refund Bank(s)	The bank(s) which is a/are clearing member(s) and registered with the SEBI as Bankers to the Issue, at which the Refund Accounts will be opened, in this case being, [●]
Registrar/ Registrar to the Issue	Registrar to the Issue, in this case being, Karvy Computershare Private Limited
Resident Retail Individual Bidder	Retail Individual Bidder who is a person resident in India as defined in the Foreign Exchange Management Act, 1999 and who has Bid for Equity Shares for an aggregate amount not more than ₹ 100,000 in all of the Bidding options in the Issue, and excluding Bidders under the Employee Reservation Portion
Retail Discount	The difference of ₹ [●] between the Issue Price and the differential lower price at which our Company has decided to Allot the Equity Shares to Retail Individual Bidders
Retail Individual Bidder(s)	Individual Bidders (including HUFs and NRIs) who have Bid for Equity Shares for an aggregate amount less than or equal to ₹ 100,000 in all of the bidding options in the Issue
Retail Portion	The portion of the Net Issue being up to 64,389,500 Equity Shares available for allocation to Retail Bidder(s)
Revision Form	The form used by the Bidders including ASBA Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their Bid cum Application Forms, ASBA Bid cum Application Forms or any previous Revision Form(s)
Red Herring Prospectus/RHP	The Red Herring Prospectus which will be issued in accordance with Section 60B of the Companies Act, which will not have complete particulars of the price at which the Equity Shares will be issued and which will be filed with the RoC at least three days before the Bid Opening Date and will become the Prospectus after filing with the RoC after the Pricing Date
RoC	Registrar of Companies, West Bengal
Self Certified Syndicate Bank/ 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
Stock Exchanges	The BSE and the NSE
Syndicate	Collectively, the BRLMs and the Syndicate Member(s)
Syndicate Agreement	Agreement among the Syndicate, our Company and the Selling Shareholder in relation

Term	Description
	to the collection of Bids (excluding Bids from the ASBA Bidders) in this Issue
Syndicate Member(s)	[●]
TRS/ Transaction Registration Slip	The slip or document issued only on demand by the Syndicate or the SCSB to the Bidder as proof of registration of the Bid
Underwriters	The BRLMs and the Syndicate Member(s)
Underwriting Agreement	The Agreement between the Underwriters, our Company, the Selling Shareholder and the Registrar to be entered into, on or after the Pricing Date
Working Day(s)	All days other than a Sunday or a public holiday (except during the Bidding Period where a working day means all days other than a Saturday, Sunday or a public holiday) on which commercial banks in India are open for business

Technical/Industry Related Terms

Term	Description
CC Rod(s)	Continuous Cast Rod(s)
DPR	Detailed Project Report
EIA	Environmental Impact Assessment
EMP	Environment Management Plan
LME	London Metal Exchange
MTPA	Million Tonnes Per Annum
MVA	Mega Volt Ampere
SX-EW	Solvent Extraction and Electrowinning
Rc	Refining Charge
Tc	Treatment Charge

Conventional / General Terms

Term	Description
11^{th} Plan	Eleventh Five-Year Plan (2007-08 to 2011-12)
Air Act	Air (Prevention and Control of Pollution) Act, 1981
BPLR	Benchmark Prime Lending Rate
CLRA	Contract Labour (Regulation and Abolition) Act, 1970
Cr.P.C.	Code of Criminal Procedure, 1973
Companies Act	Companies Act, 1956
Competition Act	Competition Act, 2002
Competition Commission	Competition Commission of India
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996
DGMS	Directorate General of Mines Safety
DIPP	Department of Industrial Policy and Promotion of the Ministry of Commerce and Industry, Government of India
DP/ Depository Participant	Depository participant as defined under the Depositories Act, 1996
Environment Act	Environment (Protection) Act, 1986
EIA Notification	Environment Impact Assessment Notification S.O. 1533(E), 2006
EPF Act	Employees (Provident Fund and Miscellaneous Provisions) Act, 1952
ESI Act	Employees State Insurance Act, 1948
Factories Act	Factories Act, 1948
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FII(s)	Foreign Institutional Investors (as defined under FEMA (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000), registered with SEBI under applicable laws in India
Financial Year / Fiscal	Period of 12 months ended March 31 of that particular year
Forest Conservation Act	Forest (Conservation) Act, 1980
FVCIs	Foreign Venture Capital Investors (as defined under the SEBI (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
IBM	Indian Bureau of Mines
Indian GAAP	Generally Accepted Accounting Principles in India
IPC	Indian Penal Code, 1860
I.T. Act	Income Tax Act, 1961
LIBOR	London Interbank Offered Rate
Mineral Concession Rules	Mineral Concession Rules, 1960

Term	Description
Mineral Conservation and Development Rules	Mineral Conservation and Development Rules, 1988
Mines Act	Mines Act, 1952
Mines Rescue Rules	Mines Rescue Rules, 1985
Mines Rules	Mines Rules, 1955
Minimum Wages Act	Minimum Wages Act, 1948
MMDRA	Mines and Minerals (Development and Regulation) Act, 1957
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
OCB/Overseas Corporate Body	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 beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Transfer or Issue of Foreign Security by a Person resident outside India) Regulations, 2000
Payment of Bonus Act	Payment of Bonus Act, 1965
Payment of Gratuity Act	Payment of Gratuity Act, 1972
Payment of Wages Act	Payment of Wages Act, 1936
PLR	Prime lending rate
RBI Act	Reserve Bank of India Act, 1934
SBAR	State Bank Advance Rate
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act 1992
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Standing Orders Act	Industrial Employment (Standing Orders) Act, 1946
Takeover Code	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997
Water Act	Water (Prevention and Control of Pollution) Act, 1974
Water Cess Act	Water (Prevention and Control of Pollution) Cess Act, 1977
Weights and Measures Act	Standard of Weights and Measures Act, 1976
Workmen's Compensation Act	Workmen's Compensation Act, 1923

Abbreviations

Term	Description
A/c	Account
AGM	Annual General Meeting
AS	Accounting Standards issued by the ICAI
AVVNL	Ajmer Vidyut Vitran Nigam Limited
AY	Assessment Year
BAN	Beneficiary Account Number
BSE	Bombay Stock Exchange Limited
CAGR	Compounded Annual Growth Rate
CBI	Central Bureau of Investigation
CCEA	Cabinet Committee on Economic Affairs
CDSL	Central Depository Services (India) Limited
CENVAT	Central Value Added Tax
CRU	CRU Strategies Limited
CSR	Corporate Social Responsibility
DIN	Director Identification Number
DPE	Department of Public Enterprises
DP ID	Depository Participant's Identity
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EEA	European Economic Area
EGM	Extraordinary General Meeting
EPS	Earnings Per Share *i.e.*, profit after tax for a fiscal year divided by the weighted average number of equity shares at the end of that fiscal year, in accordance with

Term	Description
	Accounting Standard 20 issued by ICAI
FCNR	Foreign Currency Non Resident
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GoI/ Government	Government of India
GSI	Geographical Survey of India
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
ICSG	International Copper Study Group
IFRS	International Financial Reporting Standards
IMACS	ICRA Management Consulting Services Limited
IMMT	Institute of Minerals and Materials Technology, Bhubaneswar
IM-SRGC	IMC-SRG Consulting (Private) Limited
JORC Code	Australasian Joint Ore Reserves Committee's Code for Reporting of Mineral Resources and Ore Reserves
JSEB	Jharkhand State Electricity Board
MAT	Minimum Alternative Tax under the I.T Act
MCA	Ministry of Corporate Affairs, Government of India
MGMC	Monarch Gold Mining Company Limited
MIDC	Maharashtra Industrial Development Corporation
ML(s)	Mining Lease(s)
MoEF	Ministry of Environment and Forests, Government of India
MoM	Ministry of Mines, Government of India
MSEB	Maharashtra State Electricity Board
MPSEB	Madhya Pradesh State Electricity Board
MT	Million Tonnes
NA	Not Applicable
NALCO	National Aluminium Company Limited
NAV	Net Asset Value
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NR	Non-resident
NRE Account	Non Resident External Account
NRI	Non Resident Indian as defined under FEMA and the Foreign Exchange Management Act (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
PAN	Permanent Account Number allotted under the I.T. Act
PBDIT	Profit before depreciation, interest and tax
P/E Ratio	Price Earnings Ratio
PCB	Pollution Control Board
PIB	Public Investment Board
PIO	Persons of Indian Origin
PL(s)	Prospecting licence(s)
PPP	Purchasing Power Parity
RBI	Reserve Bank of India
RONW	Return on Net Worth
RP(s)	Reconnaissance permit(s)
₹ / Rs.	Indian Rupees
RTGS	Real Time Gross Settlement
RTI	Right to Information
SHG	Self Help Group
STT	Securities Transaction Tax
UIN	Unique Identification Number
UNFC	United Nations Framework Classification
U.S. / USA	United States of America
USD/US$	United States Dollar
USGS	U.S. Geological Survey
U.S. GAAP	United States Generally Accepted Accounting Principles
w.e.f.	With effect from

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

Financial Data

Unless stated otherwise, the financial data in this Draft Red Herring Prospectus is derived from our financial statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI ICDR Regulations for the three months period ended June 30, 2010, fiscal 2010, 2009, 2008, 2007 and 2006.

Our fiscal year commences on April 1 and ends on March 31 of the next year, so all references to a particular fiscal year are to the 12 months period ended March 31 of that year. In this Draft Red Herring Prospectus, any discrepancies 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, U.S. GAAP and IFRS. We urge you to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

All references to "**India**" contained in this Draft Red Herring Prospectus are to the Republic of India, all references to the "**U.S.**", "**USA**", or the "**United States**" are to the United States of America.

Except where specified, in this Draft Red Herring Prospectus, all figures have been expressed in "**million**" which means "10 lakhs"; and a "billion" means "10,000 lakhs".

Industry and Market Data

Unless stated otherwise, the industry and market data used throughout this Draft Red Herring Prospectus has been obtained from industry publications and government data. These publications generally state that the information contained therein has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decision should be made on the basis of such information. Although we believe industry data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified. Data from these sources may also not be comparable. The extent to which industry and market data used in this Draft Red Herring Prospectus is meaningful depends on the readers' familiarity with and understanding of the methodologies used in compiling such data.

This data has not been prepared or independently verified by us or the BRLMs or any of their respective affiliates or advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "***Risk Factors***" on page xiii. Accordingly, investment decisions should not be based on such information.

In accordance with the SEBI ICDR Regulations, we have included in "***Basis for the Issue Price***" on page 47] information relating to our peer group companies. Such information has been derived from publicly available sources and our Company has not independently verified such information.

Currency and Units of Presentation

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

Exchange Rates

This Draft Red Herring Prospectus contains translations of certain U.S. Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of item (VIII) sub-item (G) of Part A of Schedule VIII of the SEBI ICDR Regulations. These convenience translations should not be construed as a representation that those U.S. Dollar or other currency amounts could have been, or can be converted into

Indian Rupees, at any particular rate or at all.

The exchange rates of the respective foreign currencies as on March 31, 2009, March 31, 2010, June 30, 2009 and June 30, 2010 are provided below.

(₹)

Currency	Exchange Rate as on March 31, 2010	Exchange Rate as on March 31, 2009	Exchange Rate as on June 30, 2010	Exchange Rate as on June 30, 2009
1 US$	45.14	50.95	46.6	47.87

Source: www.rbi.gov.in

NOTICE TO INVESTORS

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 Draft Red Herring Prospectus. Any representation to the contrary is a criminal offence in the United States and may be a criminal offence in other jurisdictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the 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 Securities Act and referred to in this Draft Red Herring Prospectus as "**U.S. QIBs**", for the avoidance of doubt, the term U.S. QIBs do not refer to a category of institutional investor defined under applicable Indian regulations and referred to in the Draft 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 under the U.S. Securities Act ("**Regulation S**") and the applicable laws of the jurisdiction where those offers and sales occur.

Each purchaser of Equity Shares inside the United States or who is a U.S. person will be required to represent and agree, among other things, that such purchaser (i) is a U.S. QIB; and (ii) will only reoffer, resell, pledge or otherwise transfer the Equity Shares in an "offshore transaction" in accordance with Rule 903 or Rule 904 of Regulation S.

This Draft 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 placement contemplated in the Red Herring Prospectus should only do so in circumstances in which no obligation arises for our Company, the Selling Shareholder, or any of the Underwriters to produce a prospectus for such offer. None of our Company, the Selling Shareholder or the Underwriters have authorized, nor do they authorize, the making of any offer of Equity Shares through any financial intermediary, other than the offers made by the Underwriters which constitute the final placement of Equity Shares as contemplated in the Red Herring Prospectus.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "contemplate", "expect", "estimate", "future", "goal", "intend", "propose", "may", "objective", "plan", "project", "seek", "will", "will continue", "will seek to" or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward looking statement.

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 we have our businesses and our ability to respond to them, 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 performance of the financial markets in India and globally, and changes in competition in our industry. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- Outcome of any outstanding litigation, including criminal litigation, against our Company and our Directors and investigation or prosecution by any statutory authority;
- Changes in the copper prices on the London Metal Exchange ("**LME**");
- Interruptions in our mining operations at our mining complexes, namely, Indian Copper Complex, Khetri Copper Complex and Malanjkhand Copper Project;
- Downward revisions in our statement of mineral reserves;
- Ability to obtain and maintain mining leases or regulatory clearances and approvals;
- Successful implementation of our strategies;
- Completion of our expansion projects in the timeframe or cost levels originally anticipated;
- Obtaining the necessary environmental and other regulatory approvals and awarding contracts in connection with our proposed expansion of Malanjkhand Copper Project ("**Proposed MCP Expansion**");
- Operating risks in relation to our mining operations that could result in decreased production or increased cost of production;
- Failure of our contractors to perform as contracted and not violate any applicable laws and regulations;
- Fluctuations in exchange rates of Rupees and U.S. Dollars;
- Changes in tariffs, royalties, customs duties or government assistance;
- Loss of our monopoly as the only copper ore producing mining company in India;
- Change in business of financial condition of the two major refined copper producers in India to whom we sold all of our surplus copper concentrate in fiscal 2010 or loss of their business;
- Our ability to mine existing reserves at competitive costs and secure additional reserves that can be mined at competitive costs;
- Increase in our production costs;
- Interruptions in the timely supply of raw materials and transportation of semi-finished products between our production facilities and finished products to our customers;
- Compliance with environmental laws;
- Loss of our management and certain key employees;
- Materializing of contingent liabilities;
- Our ability to maintain positive cash flow;
- Changes in the amount of the proceeds of the Issue available to us;
- Our ability to access financing for future capital requirements;
- Political instability or changes in GoI or financial instability in Indian financial markets;
- Downturn in the rate of economic growth in India

For further discussion of factors that could cause our actual results to differ from our expectations, see "***Risk Factors***," "***Business***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages xiii, 68 and 172, respectively.

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. Neither our Company, the Selling Shareholder nor the BRLMs nor the Syndicate

Member(s) 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, the Selling Shareholder and the BRLMs will ensure that investors in India are informed of material developments until such time as the grant of final listing and trading approvals by the Stock Exchanges.

SECTION II - RISK FACTORS

RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should consider all information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks and uncertainties described in this section are not the only risks that we currently face. Additionally 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. If any of the following risks or any of the other risks and uncertainties discussed in this Draft 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. Unless specified or quantified in the relevant risk factors mentioned below, we are unable to quantify the financial or other implication of any of the risks mentioned herein.

Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our audited restated financial statements.

Part I. Internal Risks

Risks Relating to our Business

1. **There are certain criminal proceedings presently pending against us, and any adverse decision may have a significant adverse effect on our business and results of operations.**

   From time to time, in the ordinary course of our operations, our Company, through or along with certain Directors or officers may be involved in legal proceedings, including criminal proceedings. The proceedings currently pending against our Company are briefly described below:

   - The Sub Divisional Magistrate, Khetri, has issued a notice dated December 14, 2007, under section 133 of the Criminal Procedure Code, 1973 ("**CrPC**") against our Company alleging that we had not complied with applicable safety norms in the transportation and disposal of acidic soil at KCC, resulting in bodily harm and injury to several villagers and causing public nuisance in the area. The Sub Divisional Magistrate, Khetri, has asked our Company to explain why proceedings under the CrPC should not be initiated against us. Our Company filed a reply dated on December 20, 2007, and the matter is currently pending.

   - The State of Madhya Pradesh filed a criminal case (945 of 2005) against Ram Bihari Sahu, a night guard at MCP, in the District Court, Baihar, in relation to an accident caused by a gun shot fired by him while on patrol.

   - The State of Madhya Pradesh filed a criminal case (630 of 2008) against our employees Ganpat Singh Pandre and Makarim Ansari in the District Court, Baihar, in relation to a road accident caused while driving while transporting materials for our Company.

   - The State of Madhya Pradesh filed a criminal case (536 of 2008) against our employee Bhupendra Singh Meravi, in the District Court, Baihar, in relation to an accidental death caused by him while driving our Company's jeep.

   - Mr. S. K. Karanjia, a former employee of our Company, has filed an application dated August 20, 2003 in the Calcutta High Court for restoration of a writ petition which he had filed against us in the High Court at Kolkata in 1988, which had been dismissed by the High Court at Kolkata by order dated April 11, 2002. The writ petition had been filed against the sanction accorded by our Chairman-cum-Managing Director to prosecute Mr. Karanjia on a chargesheet submitted in the court of the Special Judge at Ranchi, by the Central Bureau of Investigation ("**CBI**") in a criminal conspiracy causing loss of approximately ₹ 2 million to our Company.

     We cannot assure you that these legal proceedings will be decided in our favour. Any adverse decision may have a significant adverse effect on our business and results of operations.

2. **Changes in the copper prices on the London Metal Exchange could adversely affect our results of operations and thus affect our financial condition.**

The majority of our sales of refined copper products and copper concentrate are made to customers in the domestic market in India. For fiscal 2010, we generated approximately 75% of our revenue from sales of refined copper in the domestic market and 22% of our revenue from sales of copper concentrate in the domestic market. Refined copper products prices in India are benchmarked to the LME copper price. The price of copper concentrate is negotiated between buyers (i.e. refined copper producers) and sellers (i.e. mining companies) by working backwards: subtracting treatment and refining charge ("**TcRc**") from the LME copper price. Copper concentrate undergoes the smelting and refining processes to become refined copper products in the form of copper cathodes. Treatment charge ("**Tc**") reflects the charge for the smelting process and refining charge ("**Rc**") reflects the charge for the electrolytic refining process. In many cases, the charge is established as a single, combined charge, the TcRc, expressed in US cents per pound of copper, which is the charge that refined copper producers receive for processing copper concentrate into copper cathodes. In practice, the TcRc charges are determined by the oversupply or deficit of copper concentrates in the market and not by the real cost for carrying out these processes. If there is an oversupply of copper concentrates in the market as compared with global smelting capacity, smelters will demand higher TcRc charges, and vice versa. In both cases, the real cost of smelting and refining remains unchanged.

LME copper prices have been volatile in the past. Sharp declines in the LME copper price have caused us to suspend mining, smelting and refining operations in the past and were largely responsible for us undergoing government restructuring three times in the past 15 years. For more information on our restructurings, see "***History and Certain Corporate Matters***" on page 114. The average spot LME copper price in January 2005 was approximately US$3,100 per tonne. It increased rapidly to approximately US$8,800 per tonne in May 2006. The global financial crisis led to a sharp decline in spot LME copper price from approximately US$8,900 per tonne in January 2008 to approximately US$3,000 per tonne in December 2008. Since early 2009, this trend has been reversed as financial investors have invested significant amounts of money in commodities in expectation of global recovery and metal traders and consumers have been coming back to the market to restock. Our improvement in financial performance during fiscal 2010 was partly due to an increase in LME copper price when compared to fiscal 2009. The spot LME copper price as on September 10, 2010 was approximately US$7,735. LME copper prices have fluctuated significantly in the past and they may continue to fluctuate in the future and there is no assurance that the LME price of copper will continue to increase in the future. Although we hedge a small part of our exposures of our copper business to LME price fluctuations, there is no assurance that these hedging activities will adequately protect us from price fluctuations. In fact, currently available hedging products in India only provide a coverage duration of no more than six months. Accordingly, any significant decline of LME copper price in the future will adversely affect the prices of our refined copper products and indirectly adversely affect the prices of our copper concentrate, which will negatively impact our business, financial condition and results of operations.

3. **There is outstanding litigation against our Company and one our Directors, which if determined adversely, could affect our business, operations and financial condition.**

We are involved in certain legal proceedings that are incidental to our business and operations, which are pending at different levels of adjudication before various courts and tribunals. The amounts claimed in these proceedings have been disclosed to the extent ascertainable. Should any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase our expenses and current liabilities. We cannot assure you that these legal proceedings will be decided in our favour. Any adverse decision may have a significant adverse effect on our business and results of operations.

Our outstanding legal proceedings and amounts claimed, to the extent ascertainable, in these proceedings are disclosed below:

Litigation against our Company

(in ₹ million, except as specified)

S. No.	Nature of Proceeding	No. of Outstanding Proceedings	Aggregate approximate amount involved (to the extent ascertainable)
1.	Criminal proceedings	5	Not ascertainable
2.	Motor accident claims	4	0.55

S. No.	Nature of Proceeding	No. of Outstanding Proceedings	Aggregate approximate amount involved (to the extent ascertainable)
3.	Statutory notices	3	Not ascertainable
4.	Right to Information (“**RTI**”) applications before Central Information Commission	-	-
5.	Income tax proceedings	3	5,180.80
6.	Claims under Rajasthan Finance Act	4	168.17
7.	Other tax related proceedings/statutory dues	12	2,885.98
8.	Civil suits	67	56.71
9.	Labour/Employment	112	Not ascertainable
10.	Arbitration	11	182.05 and US$ 0.11 million
11.	Land	7	Not ascertainable
	Total	**228**	**8,474.26 and US$ 0.11 million**

** Number of proceedings have been cumulated where, in the case of tax demands or other statutory dues, the proceedings pertain to a single assessment year or to a single matter in dispute. Further, in respect of excise and sales tax proceedings, see Risk Factor 4 titled **“Certain disclosures in this Draft Red Herring Prospectus, in relation to our sales tax and excise liabilities, have not been independently verified as on the date of this Draft Red Herring Prospectus.”***

Litigation against our Directors

Additionally, one of our Directors, Mr. K.D. Diwan in his official capacity of Nominated Owner of Surda mine, is involved in a criminal proceeding filed against him in 2009 by the Deputy Director of Mines Safety, DGMS (South-Eastern Zone) in the court of the Additional Chief Judicial Magistrate, Singhbhum (East), Ghatsila involving a fatal accident at our Surda mine (the re-opening and operation of which had been outsourced to Monarch Gold Mining Company Limited, who had subsequently engaged India Resources Limited as their sub-contractor) under section 146 of the Electricity Act, 2003 read with section 200(a) of the Cr.P.C. It is alleged that Mr. Diwan had contravened rules 3(2), 45(1), 45(2), 36(2) and 131 of the Electricity Rules, 1956, by not appointing competent persons at the Surda mine which led to the accident on April 2, 2008, whereby three workers working on a 3.3 KV switchgear panel without proper shutdown were electrocuted, leading to substantial burn injuries, resulting in the demise of one of the three workers, Mr. K.C. Bhattacharya. The Additional Chief Judicial Magistrate, Ghatsila, by order dated January 20, 2009, has taken cognizance in the matter and issued summons. In response, Mr. K.D. Diwan has filed a criminal miscellaneous petition in the High Court of Jharkhand at Ranchi for quashing the criminal proceedings including the order dated January 20, 2009. The High Court at Ranchi, by order dated April 27, 2009, ordered that no coercive action be taken against Mr. K.D. Diwan and others in complaint case pending before the Additional Chief Judicial Magistrate, Ghatsila, Singbhum (East).

Further, incidental to the business of our Company, parties may from time to time file suits/cases impleading our Company through and along with the respective officers and Directors in their official capacity. We cannot assure you that any such legal proceedings will be decided favorably. In the event we fail to satisfactorily resolve any such legal proceedings or any regulatory or third party claims or allegations against us, our Directors or other officers, our reputation, financial condition and results of operations may be adversely affected. Further, our involvement in such litigation could result in substantial costs and diversion of resources and management attention. For more information, see “***Outstanding Litigation and Material Developments***” on page 200.

4. Certain disclosures in this Draft Red Herring Prospectus, in relation to our sales tax and excise liabilities, have not been independently verified as on the date of this Draft Red Herring Prospectus.

We are involved in certain excise and sales tax proceedings pending at various fora for various assessment years, involving total contingent liability of approximately ₹ 60.20 million and ₹ 814.10 million, respectively (as on June 30, 2010) including penalty demand, not including amounts deposited under protest. However, certain documentation pertaining to such excise and sales tax proceedings has not been independently verified by the BRLMs or any other third party, as on the date of this Draft Red Herring Prospectus. Accordingly, the information in this respect provided in this Draft Red Herring Prospectus is based on the statement on contingent liability included in our audited restated financial statements (calculated for the period ended June 30, 2010). For more information, see “***Outstanding Litigation and Material Developments***”, “***Management’s Discussion and Analysis of Financial Condition and Results of Operations***” and “***Financial Statements-***

Annexure XV- Standalone Summary of Contingent Liabilities" on pages 200, 172 and 168, respectively.

5. We may be subject to investigation or prosecution by the Ministry of Corporate Affairs, Government of India ("MCA") or by the Stock Exchanges, in respect of our compliance with applicable company laws and accounting requirements, as well as the provisions of the Equity Listing Agreement.

We received a letter dated May 22, 2009 from the MCA, regarding an inspection of our records under Section 209A of the Companies Act, in the course of which certain irregularities were observed. The MCA sought certain clarifications in respect of our financial statements, primarily for the period from fiscal 2006 to fiscal 2008. The MCA's observations included, among other things, contraventions of section 217(3), section 292A read with Schedule X and section 211 of the Companies Act read with Accounting Standards 2, 6, 17 and 29. We replied to the MCA on June 12, 2009, providing clarifications in respect of the alleged irregularities. There has been no further communication from the MCA as on date. The MCA has wide administrative powers to deal with any violation or failure to comply with continuing regulatory oversight, including the power to impose fines. In the event the MCA should initiate further investigation or prosecution against us at any time in the future for any reason, including the alleged irregularities claimed above, there may be an adverse effect on our reputation, financial condition and results of operations. In particular, any requirement to revise the manner in which we prepare our financial statements may negatively impact our reported profit and loss, assets and liabilities and other financial results.

The MCA has also intimated the SEBI regarding our non-compliance with clause 49 of the Equity Listing Agreement by our Company. The SEBI has intimated the BSE and the NSE of the same, further to which the BSE and the NSE have sent us letters dated September 16, 2010 and September 20, 2010, respectively, seeking detailed clarifications from our Company. Our Company is in the process of replying to the Stock Exchanges.

For more information, see "*Our Management*" and "**"*Outstanding Litigation and Material Developments*"** on pages 119 and 200, respectively.

6. If we fail to maintain an effective system of internal controls, we may be unable to accurately report our operating and financial results or prevent fraud, and investor confidence and the market price of our ordinary shares may be adversely affected.

We are a PSU with limited disclosure and accounting personnel and other resources with which to address our internal controls and procedures for both our disclosures and our financial controls. In addition, we are required to adopt IFRS by April 1, 2011 and we will need to further develop our accounting and financial capabilities for such an adoption. We have, in the past, experienced disclosure issues. For example, we received a letter dated May 22, 2009 from the MCA, regarding an inspection of our records under Section 209A of the Companies Act, in the course of which certain irregularities were observed. The MCA sought certain clarifications in respect of our financial statements, primarily for the period from fiscal 2006 to fiscal 2008. For fiscal 2009, we have also not completed our internal audit as per our own policy and the requirements of being a PSU. If we are unable to implement solutions to any weaknesses in our existing internal controls and procedures, or if we fail to maintain an effective system of internal controls in the future, we may be unable to accurately report our operating and financial results or prevent fraud and investor confidence and the market price of our ordinary shares may be adversely impacted.

7. Our copper ore mining operation is dependent upon the ore produced at our Indian Copper Complex, Khetri Copper Complex and Malanjkhand Copper Project. Any interruption in the operations at these mining complexes could have a material adverse effect on our results of operations and financial condition.

For fiscal 2010, we produced 28,202 tonnes of copper concentrate from our copper ore mining operations at our Indian Copper Complex ("**ICC**"), Khetri Copper Complex ("**KCC**") and Malanjkhand Copper Project ("**MCP**") mining complexes. Out of these 28,202 tonnes of copper concentrate, approximately 11%, 28% and 61% were produced from our ICC, KCC and MCP complexes, respectively. In the future, we intend to expand our mining capacities and to sell copper concentrate as our primary product. Our results of operations have been and are expected to continue to be substantially dependent on the reserves of the mines at these three mining complexes, and any interruption in the operations at these mines for any reason could have a material adverse effect on our results of operations and financial condition.

8. Our statements of mineral reserves are subject to estimations, and if the actual amounts of such reserves are less than estimated, our results of operations and financial condition may be adversely affected.

Our future performance depends on, among other things, the accuracy of the estimates of our ore reserves and resources. The ore reserves and resources set forth in the this Draft Red Herring Prospectus are in accordance with the JORC code, pursuant to the report produced by IMC-SRGC, an independent technical consultant. IMC-SRGC has reviewed the practice and estimation methods undertaken by us for reporting resources and reserves and has reviewed the resources and reserves statement compiled by us in accordance with the JORC code. Our mineral resources and ore reserves have been historically estimated by us using the Geological Survey of India ("**GSI**") system. Since 2005, the United Nations Framework Classification (the "**UNFC**") has been introduced and most of the reserves have been adequately converted to the UNFC system under our own internal reports. IMC-SRGC has reviewed both of the GSI and UNFC systems for conversion in accordance with the JORC code for purposes of the IMC–SRGC JORC Report.

The report of IMC-SRGC is based only upon a "desktop review" (no "field survey" having been performed by IMC-SRGC), and recalculated under JORC, of the UNFC codified reserves and resources prepared by us and the supporting documents provided by us. The estimates of reserves may differ in certain significant respects under JORC and UNFC guidelines. We cannot assure you that one set of guidelines will produce more accurate reserve numbers than the other.

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

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

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

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

For more information on our ore reserve and resources, see "***Business – Overview***" on page 68.

9. We depend and will continue to depend on obtaining and maintaining mining leases to mining sites and a number of regulatory clearances and approvals, some of which are in the process of renewal. If such leases are not renewed or such approvals are not granted, our results of operations and financial condition, as well as our mining prospects and future growth, may be adversely affected.

Our exploration and mining activities depend on the grant, renewal or continuance in force of various exploration and production contracts, licences, permits and other regulatory approvals that are only valid for a finite period of time and may provide for early termination. In India, the government grants exploration and production rights through mining leases, mining licences, contracts, permits and other regulatory approvals. These rights are not granted in perpetuity, with all of our licences or mining lease contracts due to expire within the next six years. In addition, our ability to mine new areas of land on which we are seeking mining rights, pursuant to leases, is dependent on our acquisition of surface rights separately and subsequently to the grant of mining leases and generally over only part of the land leased. Additional surface rights may be negotiated separately with landowners, though there is no guarantee that these rights will be granted. Substantial compensation costs may be incurred by us in obtaining surface rights. Any delay or substantial compensation costs in obtaining, or any inability to obtain, surface rights at reasonable costs could negatively affect our financial condition and results of operations.

There can be no assurance that we will be able to retain such leasehold rights or surface rights on acceptable terms, or, if obtained, such rights may not be obtained in a timely manner or may involve requirements which restrict our ability to conduct our operations or to do so profitably. All of our mining leases are due to expire between 2011 and 2016. The Rakha mining lease will expire in 2011 and our application for renewal is pending. There can be no assurance that the relevant State Government will renew our leases under the same or favourable terms in the future. Lease terms in respect of certain of the mines in which we have, or plan to have, an interest have already expired. For example, the application for renewal filed by us in 1993 for lease of the Kendadih mine at ICC is still pending.

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

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

For additional information concerning the status of the lease, mining plan, forest clearance and environmental approval of each of the deposits in which we currently have, or are planning to have, an interest, see "***Business***" and "***Government and Other Approvals***" on pages 68 and 214, respectively.

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

10. We may not be successful in implementing our strategies.

The success of our business will depend greatly on our ability to effectively implement our business and strategies. For more information, see "***Business – Strategy***" and "***Business – Mining Development and Expansion***" on pages 72 and 88, respectively. Even if we have successfully executed our business strategies in the past, there can be no assurance that we will be able to execute our strategies on time and within the estimated budget, or that we will meet the expectations of targeted customers. We expect our strategies to place significant demands on our management and other resources and require ourselves to continue developing and improving our operational, financial and other internal controls. One of our key strategies is to expand our current production level of approximately 3.21 million tonnes per annum ("**MTPA**") to an expected mining capacity of at least 12.41 MTPA by the end of fiscal 2017. We expect that this strategy will place significant demands on our management, mining technology and capital expenditure. Part of the capital expenditures required for this key strategy will be funded out of the Net Proceeds. See "***Objects of the Issue***" on page 42] for details. Our inability to implement and manage this key strategy as well as others could have an adverse effect on our business, financial condition and profitability.

11. Our expansion, reopening and new mine projects may require significant capital expenditure and may not be completed in the timeframe or at cost levels originally anticipated, and we may not achieve the intended economic results.

We currently have a number of expansion, reopening and new mine projects planned for our mining operations. We intend to expand our mining capacities, including (i) expanding our existing mines, namely the Malanjkhand mine of MCP, the Khetri mine and Kolihan mine of KCC as well as the Surda mine of ICC, (ii) reopening some of the mines that were closed in the past and renewing our mining leases, namely the Kendadih mine and the Rakha mine of ICC and (iii) establishing new mines, namely the Banwas mine at KCC and the Chapri-Sideshwar mine at ICC. Any of these prospects may lead to unforeseen delays or expenses. See "***Business – Future Development and Expansion***" on page 88.

These projects and any other future projects can require many years to reach anticipated production targets and could be significantly delayed by failure to receive necessary licenses, regulatory approvals or to obtain sufficient funding, or due to difficulties in sourcing additional water or power requirements, construction delays, technical difficulties, human resources, technological or other resource constraints, or for other unforeseen reasons, events or circumstances that could affect our results of operations. The funding requirements and project costs for these planned expansion, reopening and new mine projects are based on management estimates. We estimated that the project costs for expansion of mining capacities at the Khetri mine and the Kolihan mine of our KCC mining complex would amount to approximately ₹ 1,740 million and ₹ 2,740 million, respectively. For the expansion of the Malanjkhand mine of MCP, we estimated that the project costs for both phases would amount to approximately ₹ 20,200 million. For the expansion of the Surda mine of ICC, we estimated that the project costs would amount to approximately ₹ 2,150 million. For the reopening of the Rakha mine and Kendadih mine of ICC, we estimated that the project costs would amount to approximately ₹ 3,460 million and ₹ 870 million, respectively. For the establishment of the Banwas mine at KCC and the Chapri-Sideshwar mine at ICC, we estimated that the project costs would amount to approximately ₹ 910 million and ₹ 4,680 million, respectively. In total, we will need ₹ 36,750 million for all of the above projects. The implementation of these expansion, reopening and new mine projects is subject to a number of variables, and the actual amount of capital required for these projects may differ from our estimates. We cannot guarantee that the funding requirements of any particular project will not substantially exceed these estimates.

The Net Proceeds will be used to partially fund one of our planned mine capacity expansion projects – the first phase of the Malanjkhand expansion project. To fund all of our expansion, reopening and new mine projects as well as our other capital expenditures and working capital requirements, we will be required to obtain debt financing or other capital investment. There can be no assurance that we will achieve such financing in a timely manner and on favourable terms, or at all. Although we currently have no outstanding debt, future debt financing, if available, may still result in increased finance charges, increased financial leverage, decreased income available to fund further acquisitions and expansions and the imposition of restrictive covenants on our business and operations. In addition, future debt financing may limit our ability to withstand competitive pressures and render us more vulnerable to economic downturns. If we fail to generate or obtain sufficient additional capital in the future, we could be forced to reduce or delay the planned expansion, reopening or new mine projects or other capital expenditures.

12. Our Malanjkhand mine expansion project has not yet obtained the necessary environmental and other regulatory approvals and we have not yet awarded contracts in connection with the proposed expansion.

Our proposed Phase I Malanjkhand expansion project, which is intended to be partially financed out of the Net Proceeds, has been appraised by ICRA Management Consulting Services Limited, an external agency. For further details, see "***Objects of the Issue***" on page 42. The Planning Commission (Minerals Division) has by office memorandum dated September 9, 2010 granted its in-principle approval for the expansion of the planned MCP expansion project from 2.0 MTPA to 5.0 MTPA. A new Environmental Impact Assessment and

Environmental Management Plan ("**EIA/EMP**") for the expansion project will need to be prepared by us and submitted to the Ministry of Environment and Forests ("**MoEF**") for approval, along with approvals from the Madhya Pradesh Pollution Control Board ("**PCB**") under the Water (Prevention & Control of Pollution) Act, 1974 ("**Water Act**") and the Air (Prevention & Control of Pollution) Act, 1981 ("**Air Act**") for expanded project capacity.

Currently, we have not applied for or obtained the above mentioned environmental approvals and have not awarded contracts or service orders to vendors, suppliers or consultants for the proposed expansion. Failure to obtain the necessary approvals within the expected timeframe may delay our planned expansion and adversely affect our prospects.

13. Our operations are subject to operating risks that could result in decreased production or increased cost of production, which could adversely affect our business, results of operations and financial condition.

The success of our business is subject to operating conditions and events beyond our control that could, among other things, increase our mining, processing, transportation or production costs, disrupt or halt operations at our mines and production facilities permanently or for varying lengths of time, or interrupt the transportation of our semi-finished products between our facilities and our finished products to our customers. These conditions and events include:

Availability of water.

Water is critical in copper mining operations and refined copper production, especially for our operations at KCC, ICC and MCP and our proposed expansion plans. This is particularly so for KCC as the facility is located in a desert area. Water at our KCC facilities is sourced from tube wells located approximately 26 km to 42 km away and is supplied through a water pipeline of a total length of approximately 17 km. Water at ICC and MCP is sourced from the Subarnarekha River and the Banjar River which are approximately 0.2 km and approximately 4.5 km away, respectively. Any disruptions in water supply could seriously hamper our copper production and may adversely affect our business, operating revenues and results of operations. In the past, we have encountered water problems at KCC and MCP. During fiscal 2008, production at our KCC beneficiation plant was severely bottlenecked due to lack of water. During fiscal 2010, our copper concentrate production at MCP experienced production loss for one and a half months due to water shortage. We are currently in a dispute with the Government of Jharkhand over the imposition of approximately ₹ 70.58 million for water cess in relation to our use of water from the Subarnarekha river at ICC from fiscal 2000 to 2010. We filed a writ petition against the State of Jharkhand in 2010, which is currently pending. There is no assurance that disruptions to our water supply will not occur in the future and any such disruptions may adversely affect our operations, financial condition and results of operations.

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

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

Availability of electricity.

We require substantial electricity for our copper mining and refining and energy costs represent a significant portion of the production cost for our operations. Our mining complexes are located in remote areas and we rely on the state electricity boards for almost all the electricity requirements for our production facilities. We maintain electricity generators at our facilities to meet emergency requirements. State electricity boards are not always able to consistently meet our requirements especially as our mining complexes are located in remote areas that require transmission over greater distances. If for any reason such electricity is not available, we will need to rely entirely on our own backup electricity generators. If our backup facilities are not sufficient, we may need to shut down our plants until an adequate supply of electricity is restored. Interruptions of electricity supply can also result in production shutdowns, increased costs associated with restarting production and the loss of production in progress. Historically, we have not experienced significant power interruption but we cannot assure you that such power interruptions will not occur in the future. Furthermore, any increase in the cost of such purchased power would adversely affect our cost of production and profitability.

Accidents at mines, smelters, refineries, cargo terminals and related facilities.

Mining operations are subject to risks normally associated with exploration, development and production of natural resources, any of which could disrupt our operations, cause damage to property or cause injury or fatalities among our workforce. Any fires, flooding, explosions or other accidents causing personal injury, property damage or environmental damage at or to our mines, smelters, refineries, cargo terminals or related facilities may result in significant losses, expensive litigation, imposition of penalties and sanctions or suspension or revocation of permits and licences. In addition, certain risks associated with our mining activities may have a negative effect on our ability to economically extract our resources, thereby reducing our stated reserves.

Risks associated with our open-pit mining operations include flooding of the open-pit, collapses of the open-pit wall, slope failure and operation of large equipment for open-pit mining and rock transportation. The open-pit mines get deeper as we mine them, presenting certain geotechnical challenges including the possibility of slope failure. If we are required to decrease pit slope angles or provide additional road access to prevent such a failure, the cost of operating our mines would increase, which would negatively affect how much of our ore resources we could economically extract, thereby reducing our stated ore reserves and could negatively affect our results of operations and financial conditions. Further, hydrological conditions relating to pit slopes, removal of material displaced by slope failures and increased stripping requirements could also negatively affect our stated reserves in this manner. We have taken action in order to maintain slope stability, but we cannot assure you that we will not have to take additional action in the future or that any action taken will be successful. If any of our open-pit mines experience unexpected slope failure, or we are required to take additional measures to prevent slope failure, such measures may negatively affect our results of operations and financial condition, as well as have the effect of diminishing our stated ore reserves.

Risks associated with our underground mining operations include underground fires and explosions (including those caused by flammable gas), cave-ins or ground falls, discharges of gases or toxic substances, flooding, sinkhole formation and ground subsidence.

Accidents may also cause disruptions in production. For example, in the first quarter of fiscal 2011, a transformer fire at our ICC smelter caused a loss of production of more than one month.

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

We use a variety of materials and chemicals in our manufacturing processes that may be harmful to humans, as well as in our smelting operations and in connection with maintenance work on our manufacturing facilities. Because of the nature of these substances or related residues, we may be liable for certain costs, including, amongst others, costs for health-related claims or removal or re-treatment of such substances. Certain of our current and former facilities incorporate asbestos-containing materials, a hazardous substance that has been the subject of health-related claims for occupational exposure. In addition, although we have developed environmental, health and safety programmes for our employees, including measures to reduce employee exposure to potentially dangerous substances, and conduct regular assessments at our facilities, we are currently, and in the future may be, involved in claims and litigation filed on behalf of persons alleging injury or death caused predominantly as a result of occupational exposure to substances or other risks at our current or former facilities. It is not possible to predict the ultimate outcome of these claims and lawsuits due to the unpredictable nature of personal injury litigation. If these claims and lawsuits, individually or in the aggregate, were finally resolved against us, our results of operations and cash flows could be adversely affected.

Even though we provide safety training to our employees, injuries to and deaths of workers at our mines and facilities have occurred in the past and may occur in the future. In fiscal 2009, one fatal accident occurred at the Surda mine at ICC operated by our contractor. We cannot assure you that serious or fatal accidents will not occur at our mines and facilities and any of such accidents may have an adverse effect on our business operations and financial conditions.

Strikes and industrial actions or disputes.

All of our employees are represented by labour unions under collective bargaining agreements with varying durations and expiration dates. We may not be able to satisfactorily renegotiate our collective bargaining agreements when they expire. In addition, existing collective bargaining agreements may not prevent a strike or work stoppage or other industrial actions or disputes at our facilities in the future. Strikes, work stoppages and industrial actions or disputes have occurred in the past and may occur in the future, which may lead to business interruptions and halts in production. In addition, our businesses may be subject to union demands and litigation for pay raises and increased benefits, and existing arrangements with trade unions may not be renewed on terms favourable to us, or at all. There can also be no assurance that work stoppages or other labor-related developments (including the introduction of new labour regulations 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. For example, our Surda mine is operated entirely by Monarch Gold Mining Company Limited, a third party contractor. Third party contractors and their employees/workmen are also subject to labour regulations. During April 2010 to May 2010, a strike occurred at our Surda mine and there is no assurance that this will not recur in the future. Any industrial unrest or slowdowns which our third party contractors may experience could disrupt the provision of services to us and may adversely impact our operations and financial condition.

Other risks and hazards.

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

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

14. There is no assurance that our contractors will perform as contracted and not violate any applicable laws and regulations.

We have outsourced a portion of our mine operations to third party contractors. For example, we have outsourced the operation of the Surda mine at ICC to Monarch Gold Mining Company Limited. We also plan to outsource a portion of our planned expansion projects to third party contractors. For example, we plan to outsource the expansion of the Khetri mine, Kolihan mine and Malanjkhand mine. In respect of logistics services, we have contracted with Sical Multimodal and Rail Transport Limited, a third party logistics provider, to provide a total logistics solution to us across all of our operating units. We generally select contractors based on a competitive bidding process. Our selection criteria include factors such as the quality of work performed and their overall reputation. Prior to engaging any contractor, we will conduct on-site visits and interviews, in particular with their respective senior management to ensure that they will comply with our specific quality and other requirements. Although we have established internal control procedures in the selection of contractors, there is no assurance that our contractors will deliver quality services as contemplated by our outsourcing agreements. In addition, there is no assurance that our contractors will not violate any applicable laws and regulations in their provision of services. If we become aware that any of our contractors is involved in any material breach of applicable laws and regulations, we will pursue all reasonable means for terminating the relevant contracting agreement with such contractor immediately. In the event that our contractors do not perform as contemplated under the outsourcing agreements or if we are unable to identify any substitute, our business operations or planned expansion projects may be adversely affected.

15. Fluctuation in exchange rates of Rupees and U.S. Dollars could affect our financial condition and results of operations.

Although most of our sales of refined copper are made to domestic customers in Rupee, our products are priced based on the LME copper price, which is quoted in U.S. Dollars. An appreciation of Rupee against the U.S. Dollar would mean that our price in U.S. Dollars stays the same, but the amount we receive in Rupee would decrease. The exchange rate between the Rupee and U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate significantly in the future. We bear the complete risk of currency exchange rate fluctuations between the Rupee and the U.S. Dollar and do not currently hedge against currency fluctuations. Any appreciation of Rupee against the U.S. Dollar may adversely affect our sales and our results of operations.

16. Changes in tariffs, royalties, customs duties and government assistance may reduce our domestic premium, which would adversely affect our profitability and results of operations.

Copper is sold in the Indian market at a premium to the international prices of these metals due to tariffs payable on the import of such metals. Between 2001 and 2009, customs duties on imported refined copper were reduced from 35% to 5%. Customs duties on copper concentrate were reduced from 5% to 2% in fiscal 2007. The GoI may reduce customs duties further in the future, although the timing and extent of such reductions cannot be predicted. As we sell the majority of the copper we produce within India and price our products to include the premium created by such tariffs, any further reduction in Indian tariffs on imports will decrease the premiums we can charge in respect of those sales. Any reduction of such tariffs or customs duties would have an adverse affect on our results of operations and financial condition.

We pay royalties to the State Governments of Jharkhand, Rajasthan and Madhya Pradesh based on our extraction of copper ore, as well as a flat monthly dead rent to the respective State Governments for our mines which are currently non-operational. The royalties and dead rents we pay are subject to change. Any upward revision to the royalty or dead rents rates being charged currently will adversely affect our results of operations.
In addition, the District Mining Officer, Balaghat, Madhya Pradesh, has raised additional demand for payment of royalty of approximately ₹ 7.62 million, against which we have filed a writ petition against the State of Madhya Pradesh, the Collector, Balaghat and the District Mining Officer, Balaghat, Madhya Pradesh, in the High Court of Madhya Pradesh at Jabalpur. For more information, see "***Outstanding Litigation and Material Developments***" on page 200.

Any upward revision to the royalty rates being charged currently or payment of additional royalty for mining of associated minerals, or any adverse decision of a court in any dispute over royalty payments that we may be involved in currently or in the future, will adversely affect our results of operations.

17. The Mines and Minerals (Development and Regulation) Bill, 2010 has been proposed which will amend the Mines and Mineral Development and Regulation Act, 1957. If approved in its current form, this Bill may have a material impact on our business and financial conditions and future acquisition of mines.

The Mines and Minerals (Development and Regulation) Bill, 2010 (the "**Mining Bill**") has been approved on September 17, 2010 by the "group of ministers" headed by the Finance Minister, Government of India. It proposes to implement the National Mining Policy, 2008, based on the recommendations given in 2006 by the Hoda Committee appointed by the Planning Commission, Government of India. The Mining Bill is slated to amend the Mines and Mineral Development and Regulation Act, 1957 ("**MMDRA**").

The Mining Bill seeks to rationalize royalties, taxes and cesses and offer of mining blocks on an auction basis, pursuant to promotional regional exploration by the concerned State Governments. The Mining Bill, among other things, replaces the procedure of renewal of mining leases currently applicable under the MMDRA, provides for expeditious disposal of mining applications and an efficient dispute resolution mechanism. The Mining Bill provides that mining leases be extended when an application is made at least 24 months prior to the expiry of the lease. The Mining Bill further mandates that with respect to the land in which minerals vest, the holder of a mining lease or prospecting license 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 and lease has been granted, as mutually agreed (failing which State Government will determine the compensation payable). The holder of the mining lease is also liable to allot a certain number of free shares through the promoters' quota of the mining company or an annuity equal to a certain proportion of the profit after deduction of tax paid in case the holder of the lease is a person, 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 Mining Bill provides for payment of an amount as compensation to the stakeholders. The proposal includes the formation of National Mineral Royalty Commission consisting of representatives of the Central Government, the State Governments and the mining industry, which will review the existing royalty payable.

The GoI proposes to introduce the Mining Bill in the winter session of the Indian Parliament in 2010. After such introduction, the Mining Bill is likely to go to a standing committee for further deliberation. The Mining Bill is subject to changes based on such debates and discussions and, if approved, will be the law which will apply to the mining sector in India and it could have a material impact on our business and acquisitions of future mines and financial condition.

18. We may lose our monopoly as the only operating copper ore producing mining company in India in the future.

We are the only operating copper ore producing mining company in India. Out of the estimated 370 million tonnes of copper ore reserves in the country as of April 2005, our lease rights cover approximately 300 million tonnes (both reserve estimates are as classified under the UNFC system and the estimate of our copper ore reserves is based on our own internal report). Accordingly, we believe that we have adequate opportunity to benefit financially by increasing our mining capacities. However, there is no prohibition against other domestic or international mining companies obtaining copper ore mining leases in India. Large international mining companies may become increasingly active in terms of obtaining copper ore mining leases in India. We may lose our status as the only operating copper ore producing mining company in India. Competition from other mining companies may have a material adverse effect on our results of operations or financial condition.

19. There are two major refined copper producers in India, and we could be adversely affected by changes in the business or financial condition of these producers or by the loss of their business.

In fiscal 2010, we sold all of our surplus copper concentrate to two major refined copper producers in India. Through the planned expansion of our mining capacities, we expect that copper concentrate, rather than refined copper products, will be our primary product in the future. We expect that we will continue to sell most or all of our copper concentrate to these two large refined copper producers in India, where our cost advantages are most prominent. A significant downturn in the business or financial condition of these two customers could adversely affect our results of operations. In addition, we do not maintain any long-term contracts with these customers in relation to sales of copper concentrate. If our relationship with either of these two customers deteriorates or is terminated in the future, we may be required to seek new customers outside of India. In the event that we are required to sell our copper concentrate to international refined copper producers, our cost advantages would be less pronounced and our results of operations and financial condition could be adversely affected.

20. If we cannot mine existing reserves at competitive costs or cannot secure additional reserves that can be mined at competitive costs, our profitability and results of operations could decline.

We operate copper ore mining operations at ICC, KCC and MCP to obtain copper ore for production of copper concentrates. Historically, our copper ore mining operations met approximately 60% of our copper concentrate requirement, the rest being imported. From December 2008, with the closure of our KCC smelter, being one of our two smelting plants, we have stopped the purchase of copper concentrate. In the future, we plan to expand our copper ore mining capacities in order to be self-sufficient in respect of copper concentrate requirements and to sell copper concentrate as our primary product. However, if our existing copper ore reserves cannot be mined at competitive costs or if we cannot secure additional reserves that can be mined at competitive costs, our profitability and results of operations will be adversely affected. Based on our current requirements as well as our proposed expansion, we expect our total reserves at ICC, KCC and MCP to last for approximately 30, 24 and 30 years, respectively. Such estimates are our internal estimates and could be subject to change. A steady supply of copper ore from these sources is contingent upon geological and economic uncertainties, and renewal of our mining leases. Furthermore, if the quality of copper ore deteriorates in our existing mines, our production cost may increase, thereby adversely affecting our results of operations.

We have applied for renewal of the mining leases for the Kendadih mine and the Rakha mine of ICC. However, there is no assurance that any copper ore that we may extract from these mines will be of commercially viable quality. If such copper ore is of sub-optimal quality, our production costs could be higher than anticipated.

21. Any increase in our production costs could reduce our ability to compete and achieve long-term profitability.

Our competitiveness and long-term profitability substantially depends upon our ability to maintain a low cost base, including low transport, energy and labour costs. There can be no assurance that our cost inputs will be maintained at current levels. Our cost inputs include power, materials, fuel, transport, rental and labour costs. Labour costs have significantly increased over the last two years partly because of increased competition for skilled labour. Any increase in these costs could materially and adversely affect our profitability, financial condition, results of operations and prospects. We are planning to invest a significant amount of capital to expand our current production level. Our unit production costs are therefore 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 impair our overall cost competitiveness.

22. Our operations are reliant on the timely supply of raw materials and transportation of semi-finished products between our production facilities and finished products to our customers, which are subject to uncertainties and risks.

Due to considerations of cost and convenience, we contracted with Sical Multimodal and Rail Transport Limited to provide a total logistics solution to us across all of our operating units, including transportation of semi-finished products between our production facilities and transportation of our finished products from our plants to our customers. The contract that we entered into with this third party contractor on January 8, 2010 provided for a contract term of two years, with a potential one year extension at our sole discretion. As we currently rely on one logistics provider, in the event that the logistics provider is unable to provide satisfactory logistics services to us, or at all, we would be required to arrange for alternative transport which may cost more and cause delays, which could adversely affect our results of operations and financial condition.

Pursuant to this agreement with Sical Multimodal and Rail Transport Limited, we depend on various forms of transport, such as rail and road transport and seaborne freight to receive raw materials used in production, to deliver semi-finished products between our production facilities and mining complexes and to deliver our products from our production facilities to our customers. Among these forms of transportation, road transportation is the main transportation utilized by us to transport semi-finished products between our mining complexes and finished products to our customers. Non-availability of adequate road transportation due to, among others, strikes, has had in the past and may in the future, adversely affect our ability to source raw materials and to supply products to our customers. In addition, transportation may be adversely affected by inadequate infrastructure, adverse weather conditions, mechanical failures, infrastructure damage, accidents, strikes, insurgency threats, or other factors beyond our control, which could impair our ability to source raw materials and components or our ability to supply products to our customers.

Inadequacies or interruptions in transportation may also result in increased inventories, or result in decreased, non-optimal production from our mines due to lack of adequate space to maintain inventories. Increased inventories could also result in loss of stock through pilferage or otherwise. There can be no assurance that we will have access to adequate transportation infrastructure and capacities for our existing operations as well as our planned expansion projects. Any non-availability of adequate transportation infrastructure may adversely affect our business and results of operations as well as our ability to successfully implement our growth strategies.

23. We are required to comply with environmental laws, and the failure to comply with new environmental laws could adversely affect our business, operations and financial condition.

Our operations are subject to environmental laws and regulations in India, which govern the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from our operations. We are required to obtain environmental permits to conduct our operations. In addition, our renewals of mining leases are also subject to environmental clearance. As an industrial business in India, we are required to undertake programmes to minimize our impact on the environment and to protect natural resources. 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. The governmental authorities from time to time conduct independent tests 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.

One of the main environmental issues in the mining industry is wastewater and tailings management. Wastewater and tailings can contain substances that are potentially harmful to human beings and the environment, especially in large quantities, like heavy metals that may cause cancer, nervous system failure or death in humans and, in the past, wastewater and tailings seepage has occurred as a result of mining operations like the ongoing problems experienced by people from villages near the copper and gold smelters in Fujian, China. There can be no assurance that we will not be subject to claims for damages to persons or property resulting from the release into the environment of wastewater or tailings residue by our operations or be held responsible for the costs of cleanup associated with any such release into the environment of wastewater or tailings residue by our operations which may be substantial. Such costs and liabilities could materially and adversely affect our business and results of operations.

Environmental law and regulation of industrial activities in India and across the world may become more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental, or pollution regulations, we may be required to expend significant amounts on, amongst other things, environmental monitoring, pollution control equipment and emissions management. We may also be required to bear additional expenditure for the establishment of additional infrastructure, such as laboratory facilities for monitoring pollution impact and effluent discharge and effluent treatment or recycling plants. We could also be subject to substantial civil and criminal liability and other regulatory consequences in the event that an environmental hazard was to be found at the site of any of our plants, or if the operation of any of our plants results in material contamination of the environment. We may also be the subject to public interest litigation in India relating to allegations of environmental pollution by our plants, as well as cases having potential criminal and civil liability filed by state pollution control authorities. 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 an adverse effect on our results of operations or financial condition.

24. Our operations are subject to governmental regulation which have in the past and could in the future cause us to incur significant costs or liabilities or interrupt or close our operations.

Our operations are subject to substantial governmental regulations, some of which have been described in more detail above. National, state and local authorities in India regulate the industries in which we operate with respect to matters such as labour conditions, royalties, permits and licensing requirements, planning and development, tax registrations, mining leases, supply of water, reclamation and restoration of properties after operations are complete, surface subsidence from underground mining and the effects that mining, smelting and refining operations have on groundwater quality and availability.

Although we face little regulatory risk of losing our mining lease rights, numerous governmental permits, approvals and licences are required for our operations. Operationalizing mines and maintaining operationalized mines requires obtaining and maintaining the leasehold rights and obtaining annual review of a five year mining plan, which contains annual extraction limits, as well as forest clearance in respect of the mine and environmental approvals in respect of the specific plans described in the mining plan. We are also required to prepare and present to national, state or local authorities data pertaining to the effect or impact that any proposed exploration, mining or production activities may have upon the environment. A significant number of approvals are required from government authorities in India for metals and mining projects, and any such approvals may be subject to challenge. In addition, we require certain registration and permits for our expansions and greenfield projects, which we have applied for.

The costs, liabilities and requirements associated with complying with these laws and regulations or to comply with changes and requirements or the manner in which they are applied may be substantial and time-consuming and may delay the commencement or continuation of exploration, mining or production activities. Failure to comply with these laws and regulations or to obtain or renew the necessary permits, approvals or leases may result in the loss of the right to mine or operate a smelter, refinery or other plant, the assessment of administrative, civil or criminal penalties, the imposition of cleanup or site restoration costs and liens, the imposition of costly compliance procedures, the issuance of injunctions to limit or cease operations, or the suspension or revocation of permits or other enforcement measures that could have the effect of closing or limiting production from our operations. There can be no assurance that compliance with these laws and regulations or changes thereto or the failure to obtain necessary permits, approvals or leases or successful challenges to the grant of such permits, approvals and leases will not adversely affect our results of operations or financial condition.

We incur and expect to continue to incur capital and operating costs to comply with environmental regulations. Our business, financial condition, results of operations and prospects may be adversely affected by any of a number of significant legal and regulatory matters to which we are subject.

25. We have applied for a number of approvals, licenses, registrations and permits for our business that are pending and have yet to apply for other approvals, licenses, registrations and permits. The failure to obtain or renew any of these approvals, licenses, registrations and permits in a timely manner may adversely affect our operations and financial results.

We have applied for a number of approvals that are currently pending with various regulatory authorities, such as applications filed for environmental clearances and forest clearances and requisite approvals from the various state pollution control boards for our operations in certain areas. Further, we have applied for renewal of a number of our mining leases which have expired or will expire in the near future. There can be no assurance that we will be able to satisfy all of the terms and conditions of the renewal of these mining leases and in the event that we are unable to renew the mining leases, our results of operations will be adversely affected. Further, we are in the process of applying for certain environmental clearances in order to expand some of our existing mines, reopen some of our mines which are currently closed and establish new mines. In addition, a number of licenses that we held, such as licenses obtained pursuant to environmental legislations, have expired and we have made renewal applications for the same with the relevant authorities. We have also made fresh applications for certain licenses that we now require, such as licenses relating to our mining activities. If we fail to obtain or retain any of these approvals, licenses, registrations or permits in a timely manner, or at all, our ability to continue our operations may be adversely affected. If we fail to obtain such regulatory approvals or comply with these conditions, or a regulatory authority claims that we have not complied with these conditions, it could have a material adverse effect on our business, prospects, financial condition and results of operations.

Applications for which Approval is Pending

The following material applications made by us in relation to our business are pending:

<u>ICC</u>

- Application dated March 3, 2010 to the Jharkhand State PCB for consent to operate under the Air Act for the Surda mine.
- Application dated May 28, 1992 to the Jharkhand State Government for renewal of the ML for 1.14 km^2 in villages Uparbanda, Sohada, Benasol, Terenga, Kendadih, Samoydih, Chakulia, Netra, Chapri, Patkita, Kumirmuri and Kulamara in district East Singbhum, Jharkhand.
- Application dated July 26, 2010 to the Jharkhand State Government for renewal of the Rakha ML for 7.85 km^2 in Jharkhand.
- Application dated June 22, 2009 to the Regional Controller of Mines, Indian Bureau of Mines, Kolkata for approval of Mining Scheme and Progressive Mine Closure Plan (Mining Plan) for the Kendadih underground mine, Pathargora.
- Application dated June 22, 2009 to the Regional Controller of Mines, Indian Bureau of Mines, Kolkata for approval of Mining Scheme and Progressive Mine Closure Plan (Mining Plan) for the Rakha underground mine.
- Application dated June 1, 2006 to the Divisional Forest Officer, Singhbhum (East) region for grant of approval under the Forest Conservation Act for diversion of forest land for the Chapri-Sideshwar mine project, which includes the area comprised in the Rakha mining lease.
- Application dated December 21, 2009 to the Jharkhand State PCB for renewal of consent to operate under the Water Act.
- Application dated August 7, 2009 to Jharkhand State PCB for authorization/renewal of authorization under the Bio-Medical Waste (Management & Handling) Rules, 1998/2000.
- Application dated March 5, 2010 to the Jharkhand State PCB for consent for continuation of discharge under the Water Act in respect of the Mosaboni Concentrator Plant.

- Application dated June 21, 2010 to the Jharkhand State PCB, for renewal of consent to operate under the Air Act and the Water Act for the Moubandhar unit.
- Application dated April 27, 2006 to the Jharkhand State PCB for renewal of authorisation for the handling of hazardous wastes for the Moubandhar unit.
- Application dated December 7, 2009 to the Inspector of Factories, Jharkhand for renewal of factory license of the Moubandhar copper reduction works for the year 2010.

KCC

- Application dated May 26, 2010 to the Rajasthan State PCB for consent under the Air Act and the Water Act to establish the Khetri mine.
- Application dated May 20, 2010 to the Regional Director, Central Ground Water Board, Western Region, Jaipur for permission for extraction of ground water for industrial use at Kolihan mine.
- Application dated May 26, 2010 to the Rajasthan State PCB for consent under the Air Act and the Water Act to establish the Kolihan mine.
- Application dated May 20, 2010 to the Regional Director, Central Ground Water Board, Western Region, Jaipur for permission for extraction of ground water for industrial use at KCC.
- Application dated April 6, 2010 to the Rajasthan State PCB for authorisation for collection/reception/treatment/disposal of hazardous wastes for KCC.
- Application dated March 22, 2010 to the Rajasthan State PCB for consent to operate under the Water Act for KCC.
- Applications dated September 17, 2009 to the Rajasthan State PCB for renewal of consents to operate under the Air Act and the Water Act for the process plant at KCC.

MCP

- Application dated May 25, 2009 to the Madhya Pradesh State PCB for consent to operate under the Water Act.
- Application dated May 25, 2009 for consent under the Air Act to the Madhya Pradesh State PCB for stack emission at MCP.
- Application dated September 15, 2009 to the Madhya Pradesh State PCB for renewal of authorization for collection/reception/treatment/transport/storage/disposal of hazardous wastes at MCP.
- Application dated February 15, 2010 to the Regional Controller of Mines, Nagpur for approval of Scheme of Mining with progressive Mine Closure Plan for the period 2009-2010 to 2013-2014 for the Malanjkhand mine.

TCP

- Application dated October 12, 2009 to the Deputy Director, Industrial Safety & Health, Office of the Joint Director of Industrial & Safety, Navi Mumbai for renewal of factory license for TCP.
- Application dated August 12, 2010 to the Assistant Labour Commissioner (Central) for extension of certificate of registration under the Contract Labour (Regulation & Abolition) Act, 1970 and the Central Rules, 1971, in respect of TCP.

For more information, see "***Government and Other Approvals***" on page 214.

If we fail to obtain these approvals or renewals in a timely manner, or at all, our ability to continue our operations may be adversely affected. If we fail to obtain such regulatory approvals or comply with these conditions, or a regulatory authority claims that we have not complied with these conditions, it could have a material adverse effect on our business, prospects, financial condition and results of operations.

Moreover, some of these approvals are subject to certain conditions, the non-fulfillment of which may result in revocation of such approvals. Even after such required licenses, permits and approvals have been obtained, our operations will be subject to continued review and the governing regulations may change. We cannot assure you that the approvals, licenses, registrations and permits issued to us would 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. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change, we may incur increased costs, be subject to penalties and suffer a disruption in our operations, any of which could materially and adversely affect our business and results of operations.

Further, certain of our contractors and other counterparties are required to obtain approvals, licenses, registrations and permits with respect to the services they provide to us. We cannot assure you that such contractors or counterparties have obtained and will maintain the validity of such approvals, licenses, registrations and permits. We cannot assure you that we or any other party will be able to obtain or comply with all necessary licenses, permits and approvals required for our operations in a timely manner to allow for the uninterrupted construction or operation of our business, or at all.

26. We depend on the experience and skills of our management and certain key employees. Any loss of such persons or failure to timely replace such persons could adversely affect our business.

We are dependent on our management team and certain key employees and our ability to meet future business challenges depends on their continuation and our ability to attract and recruit talented and skilled personnel. We are in particular dependent to a large degree on the continued service and performance of our senior management team and other key team members in our business units. The average age of our senior management team is currently over 55 and the mandatory retirement age in India is 60. As such, we are required to impose and successfully implement appropriate succession plans. These key team members possess technical and business capabilities that are difficult to replace. The loss or diminution in the services of our key team members, specifically the loss of the senior management team members with important technical know-how and experience of our operations will adversely affect our business operations, financial condition and prospects.
In addition, we face strong competition in recruiting and retaining skilled and professionally qualified staff. The current strong commodity cycle and the large number of projects being developed in the copper industry worldwide have increased the demand for skilled personnel. As a public sector undertaking in India, 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 companies for qualified personnel due to their ability to offer more competitive salaries and benefits packages. The loss of key personnel or any inability to manage the attrition levels in different employee categories may adversely affect our business, our ability to grow and our control over various business functions.

27. We have a number of contingent liabilities under the Indian GAAP, and our profitability could be adversely affected if any of these contingent liabilities materializes.

Our contingent liabilities as on June 30, 2010 are as follows:

(₹ in million)

Details	As on June 30, 2010
Estimated amount of capital commitments	61.10
Sales Tax [(1)]	60.20
Excise Duty [(2)]	814.10
Others [(3)]	2946.70

(1) We are involved in certain sales tax proceedings pending at various forum including the sales tax tribunal and before the Deputy Commissioner of Commercial Taxes, for various assessment years, involving a total contingent liability of approximately ₹ 60.20 million (as on June 30, 2010) including penalty demand, not including amounts deposited under protest.

*(2) We are involved in certain excise tax proceedings pending at various forum including the Custom Excise and Service Tax Appellate Tribunal ("**CESTAT**"), for various assessment years, involving a total contingent liability of approximately ₹ 814.10 million (as on June 30, 2010) including penalty demand, not including amounts deposited under protest.*

(3) These contingent liabilities include (i) claims against us under the Rajasthan Finance Act, 2006, involving total claim of approximately ₹ 168.17 million, excluding amounts deposited by us under protest; (ii) other tax related/statutory proceedings against us in relation to various assessment years, involving a total demand of approximately ₹ 2,414.24 million, along with interest, excluding sums deposited by us under protest; (iii) approximately 67 civil suits filed against us, involving a total claim of approximately ₹ 56.71 million, along with interest and costs, including in relation to contractual disputes, money suits, recovery suits for dues and claims against insurance companies; and (iv) approximately 11 arbitration proceedings against us, involving a total claim of approximately ₹ 182.06 million and US$0.11 million, primarily in relation to work orders awarded by us to third party contractors.

If any of these contingent liabilities not provided for materialize, our profitability could be adversely affected. For a more detailed description of our contingent liabilities, see "***Financial Statements***" on page 137.

28. **We have experienced negative cash flow from operating activities in six of the last 14 financial periods. In the last five years, we experienced negative cash flow from operating activities in fiscal 2009, of ₹ 591.360 million. If we do not maintain positive cash flow, we cannot assure you that we will be able to sustain our growth or achieve profitability in future periods.**

We have experienced negative cash flow from operating activities in six of the last 14 financial periods. In the last five years, we experienced negative cash flow from operating activities in fiscal 2009, of ₹ 591.360 million. We expect our operating expenses to continue to increase as we continue to grow. If our revenues do not grow as expected or if our expenses and working capital requests increase at a greater rate than we expect, we may not be able to achieve positive operating cash flow. If we do not maintain positive cash flow, we cannot assure you that we will be able to sustain our growth or achieve profitability in future periods.

29. **Our insurance does not cover all of the risks we face, and the occurrence of events that are not covered by our insurance could cause losses, which if significant, could adversely affect our financial condition.**

We maintain insurance coverage which we believe is consistent with the industry practices and in amounts which we believe to be commercially appropriate. We maintain insurance which protects us at a project level and corporate level against certain losses relating to our assets, including plant equipment, arising from fire, earthquakes and tsunami. Nevertheless, we may become subject to liabilities, including liabilities for business interruption, product liability, pollution or other hazards, against which we do not have adequate insurance, or at all, or cannot insure. Our insurance policies contain exclusions and limitations on coverage, and we do not have business interruption insurance. We do not have insurance for business interruptions, product liability or certain types of environmental hazards, such as pollution or other hazards arising from the disposal of waste products and, for a substantial part of our business, terrorist insurance. 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 operations. Moreover, no assurance can be given that we will be able to maintain our existing level of insurance, or obtain additional insurance, in the future at acceptable rates.

As a result, our insurance coverage may not cover the extent of any claims against us, including for environmental or industrial accidents or pollution. For further details, see "***Business – Insurance***" on page 104.

30. **We may be obligated to consider non-economical concerns in the operating of our refining plants.**

As a public sector undertaking, we may make operating decisions based on factors that do not typically affect private companies. For example, our refining operations require a significant number of employees and actions to close, suspend or reduce our operating capacity that result in the loss of jobs could potentially result in social unrest or political ramifications. Consequently, we may decide to continue operating our refining plants even if, economically, there are better uses of our capital and copper concentrate. If we decide to continue operating our refining plants due to these other non-economical reasons, it could have an adverse effect on our results of operations or financial condition.

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

In the past, the Department of Public Enterprises ("**DPE**") has required government enterprises to implement salary increases for employees below executive level as determined by the respective boards and management of the relevant government enterprises within a certain guideline set by the DPE. The salary of our employees were increased in this manner in 2007 by an average of 21%. These governmental measures increase our labour costs and there is no assurance that additional measures or further increases will not be introduced by the GoI. Any announcements by the GoI relating to increased wages for government and public sector employees will increase our expenses and may adversely affect our operating results and financial condition.

32. **We have not obtained registration for our logo appearing on the cover page of this Draft Red Herring Prospectus and we cannot register "Hindustan" as a trademark.**

We have not obtained registration of our logo appearing on the cover page of this Draft Red Herring Prospectus and we cannot register "Hindustan" as a trademark. We cannot assure you that we will continue to have the uninterrupted use and enjoyment of our logo. If we do not obtain such registration and our logo is registered by a third party, we will not be able to make use of our logo in connection with our business. Therefore, we may be unable to capitalize on the brand recognition associated with Hindustan Copper Limited and our logo. Loss of the right to use our logo may adversely affect our ability to conduct our business as well as effect our reputation, and consequently, our results of operations.

33. If we do not continue to invest in new technologies and equipment, our technologies and equipment may become obsolete and our cost of production may increase relative to our competitors, which would have a material adverse effect on our ability to compete, results of operations, financial condition and prospects.

Our profitability and competitiveness are in large part dependent upon our ability to maintain a low cost of production as we sell commodity products with prices we are unable to influence. Unless we continue to invest in newer technologies and equipment and are successful at integrating such newer technologies and equipment to make our operations more efficient, our cost of production relative to our competitors may increase and we may cease to be profitable or competitive. For example in January 2009, trial use of hi-chrome grinding media was initiated at our MCP plant which resulted in cost saving of approximately ₹ 20 in the grinding media per ton of milling. However, newer technologies and equipment are expensive and the necessary investments may be substantial. Moreover, such investments entail additional risks as to whether the newer technologies and equipment will reduce our cost of production sufficiently to justify the capital expenditures to obtain them. Any failure to make sufficient or the right investments in newer technologies and equipment or in integrating such newer technologies and equipment into our operations could have a material adverse effect on our ability to compete and our financial condition, results of operations and prospects.

34. Intrusions and breaches into the security of our IT infrastructure could damage our operations, reputation or result in a liability to us.

We maintain a number of information databases on our internal network and customers access our website to tender bids for our products making our ability to sell our products reliant on the uninterrupted operation of our IT infrastructure. Any shortcomings or failures in our IT infrastructure would limit our ability to process sales transactions and would adversely affect our results of operations. Our financial, accounting or other data processing systems may fail to operate adequately or become disabled as a result of events that are wholly or partially beyond our control, including a disruption of electrical or communications services. If any of these systems do not operate properly or are disabled or if there are other shortcomings or failures in our internal processes or systems, it could affect our operations or result in financial loss, disruption of our businesses, regulatory intervention or damage to our reputation. In addition, our ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports our businesses and the localities in which we are located. Our operations also rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. Our computer systems, software and networks may be vulnerable to unauthorized access, computer viruses or other malicious code and other events that could compromise data integrity and security. If our security measures are circumvented, the security of confidential and propriety information stored on our systems could be jeopardized, or our operations could be interrupted. A material security breach could damage our reputation or result in liability to us, and we do not carry insurance that protects us from this kind of loss.

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

We possess immovable properties at various locations for the purposes of our business, held either on freehold or leasehold basis. We acquire our mining land under various mining leases executed with the respective state governments. Certain of our properties have also been acquired through the process instituted under the Land Acquisition Act. We have also purchased some of our land from private owners.

Registration of land title in India is not centralized and has not been fully computerized. Land records are often hand-written in local languages and may not be legible or correctly spelt and at time, may be in poor condition or untraceable, making it difficult to ascertain title. Title risks can be particularly acute where fragmented land rights are acquired from agriculturalists and small landholders. Further, title records in India presently provide only for presumptive title rather than a guaranteed title to the land. Indian law, for example, recognizes the ability of persons to effect a valid mortgage on an unregistered basis by the physical delivery of original title documents to a lender. Adverse possession under Indian law also gives rise, on 12 years' occupation, to valid ownership rights as against all parties, including government entities that are landowners, without the requirement of registration of ownership rights by the adverse possessor. Title to land may be defective as a result of a failure on our part, or on the part of a prior transferee, to obtain the consent of all such persons or duly complete stamping and registration requirements. The uncertainty of title to land may impede the processes of acquisition, independent verification and transfer of title, and any disputes in respect of land title that we may become party to may take several years and considerable expense to resolve if they become the subject of court proceedings.

For instance, our Company is currently involved in a dispute over payment of stamp duty in relation to our ML for the Chandmari mine in the State of Rajasthan. We received an attachment warrant dated December 29, 2001 along with the decision of the Deputy Inspector General (Stamps), Bikaner, for the recovery of ₹ 5.6 million from our Company, on the ground that our Company paid inadequate stamp duty in respect of the Chandmari ML. A revision petition filed by us in 2005 before the Revenue/Tax Board, Ajmer, is currently pending. Additionally, the boundaries of MCP also contain 0.73 km^2 of revenue land belonging to the State Government of Madhya Pradesh that has not yet been formally transferred to our Company.

Our business may be affected if we are unable to continue to utilize our owned and leased properties as a result of any irregularity of title or otherwise.

36. The entire proceeds of the Issue will not be available to us.

As this Issue includes an offer for sale of Equity Shares by the President of India, acting through the Ministry of Mines as the Selling Shareholder, the proceeds from the Offer for Sale will be remitted to the Selling Shareholder and our Company will not benefit from such proceeds. Our Company will only benefit from the Net Proceeds of the Issue, excluding the proceeds of the Offer for Sale and the Issue expenses. For more information, see “***Objects of the Issue***” on page 42.

37. Our management will have flexibility in applying the Net Proceeds for the Object of the Issue.

We intend to use the Net Proceeds for the purposes described in “***Object of the Issue***” on page 42. Our management, in accordance with the policies set up by our Board, will have flexibility in deploying the Net Proceeds, as well as the discretion to revise its business plan from time to time and consequently the funding requirement and deployment of funds may also change. This may include rescheduling the proposed utilization of Net Proceeds and increasing or decreasing expenditure for a particular object vis-à-vis the utilization of Net Proceeds. In the event of significant variations in the proposed utilization, approval of our shareholders shall be duly sought. In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for the Malanjkhand mine expansion project may be financed by the funds available for general corporate purposes, out of the Net Proceeds. If such surplus funds are unavailable, the required financing will be met through cash in hand and debt, or a combination thereof. Further, pending utilization of the Net Proceeds, we intend to invest such Net Proceeds in approved interest-bearing liquid instruments including money market mutual funds and bank deposits, as approved by our Board of Directors. In addition, any balance amount from the Net Proceeds which may be allocated to general corporate purposes will be used at the discretion of our management in accordance with policies approved by our Board of Directors from time to time.

38. We may be limited in our ability to access financing for future capital requirements.

In the future we may need to incur additional debt or issue equity in order to fund our capital requirements or expansion plans as well as to make acquisitions and other investments. The terms of such debt securities may impose restrictions on our operations that have an adverse impact on our financial condition. If we raise funds through the issuance of equity, the proportional ownership interests of our shareholders could be diluted.

39. We have been unable to locate certain of our corporate records, including with respect to an issuance of 15,000 Equity Shares to our Promoter in 1971.

We have been unable to locate certain of our corporate records with respect to an issuance of 15,000 Equity Shares to our Promoter in 1971. Accordingly, the information in respect of this issuance provided in this Draft Red Herring Prospectus is based on details provided in our annual reports for the fiscal 1971 and 1972, which are available with us.

For more information, see "***Capital Structure***" on page 30.

Part II. External Risks

Risks relating to our industry

40. Our business and results of operations are susceptible to the cyclical nature of copper markets.

We expect to derive substantially all of our revenue and cash flow from the sale of copper products. Accordingly, our financial condition and results of operations will be directly affected by the global demand for copper and copper-related products. Demand for copper and copper-related products is determined by numerous factors beyond our control, including the demand for construction and electronics related inputs, the availability of competitive copper supplies, international exchange rates, political and economic conditions in India and elsewhere in the world, milder or more severe than normal weather conditions, and production costs in major copper producing regions. The international copper markets are cyclical and have in the past exhibited significant fluctuations in supply and demand from year to year. **Global and regional demand for copper and copper-related products is heavily influenced by demand from China.** An oversupply of copper or an economic downturn in China could materially and adversely affect the global demand for copper and copper products and thus our business and results of operations.

41. Any increase in competition in the refined copper markets could result in lower prices or sales volumes of refined copper produced by us, which may cause our profitability to suffer.

We sell most of our refined copper in the domestic market. We face intense competition from domestic manufacturers and imports. Our domestic competitors are Sterlite Industries Limited and Hindalco Industries Limited, both of which are larger than us in terms of production capacities and volumes. These companies are also expanding their production capacities. If domestic demand is not sufficient to absorb these increases in capacity, our competitors could reduce their prices, which may require us to do the same or cause us to lose market share to our competitors or sell our products in overseas markets at relatively lower prices. Should the price of our products decline, our profit margins would decline, and without a sufficient increase in our sales volume, our revenues would also decline.

In addition, the end-user markets for certain value-added copper products are highly competitive. Copper competes with other materials particularly plastic, steel, iron, glass, and paper, amongst others, for various applications. In the past, customers have demonstrated a willingness to substitute other materials for copper. The willingness of customers to accept substitutes could have an adverse effect on our business, results of operations and prospects.

42. India has a limited amount of indigenous copper ore reserves and we may not be able to secure additional reserves in India that can be mined at competitive costs in the future.

As of April 2005, India's total copper ore reserves were estimated at 370 million tonnes (as classified under the UNFC system). This represents a small portion of copper ore reserves as compared to worldwide and other regional and national copper ore reserves. In the future, the economically feasible reserves within India may become exhausted, potentially as a direct result of depletion from our mining operations, requiring us to evaluate the acquisition of copper resources outside of India. We could face competition from other mining enterprises, both domestic and foreign, in discovering, acquiring and producing these resources. There can be no assurance that we can effectively compete with existing or future competition to acquire mineral resources, and any failure to compete effectively could materially and adversely affect our business and results of operations.

43. An increase in the prices of mining or refining equipment may adversely affect our business.

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

44. Adverse or unfavorable weather conditions may affect our operations.

Our operations may be adversely affected by difficult working conditions due to high temperatures and drought conditions during summer months that restrict our ability to carry on mining activities and fully utilize our resources. Water at our KCC facilities is sourced from tube wells. Water at our ICC facilities and our MCP facilities is sourced from the Subarnarekha river and the Banjar river, respectively. During fiscal 2008, production at our KCC beneficiation plant was severely bottlenecked due to lack of water. During fiscal 2010, we experienced loss of copper concentrate production at MCP for one and a half months due to water shortage. During periods of curtailed activity due to adverse weather conditions, we may continue to incur operating expenses, but our revenues from operations may be delayed or reduced. Although such adverse weather conditions do not typically have a material impact on our revenue from operations, abnormally hot and dry summer months or heavy monsoons could have a material impact.

Risks Related to the Issue and our Equity Shares

45. We will continue to be controlled by the GoI following this Issue. The interests of the GoI as our controlling shareholder may conflict with your interests as a shareholder.

After the completion of the Issue, the GoI will own approximately 828,897,700 Equity Shares, or approximately 81.44% of our post Issue paid-up capital. Consequently, the GoI will retain control over the decisions requiring adoption by the shareholders acting by a simple majority or 75% majority of votes, and will also retain the power to elect and remove our Directors and therefore determine the outcome of most proposals for corporate action requiring approval of our Board.

The interests of the GoI with respect to such matters and the factors that it will take into account when exercising its voting rights, including with respect to five year plans, revenue budgets, capital expenditure, the payment of dividends and transactions with other public sector companies, may not be consistent with those of our other shareholders, including investors that purchase our Equity Shares in the Issue. The GoI could, by exercising its powers of control, initiate, delay or defer a merger, consolidation, takeover or other business combinations involving us or our competitors and peers, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us. Further, given the importance of the mining industry to the economy and the mass consumption of certain mining products by Indian industries, the GoI could require us to take actions designed to serve the public interests of India and not necessarily to maximize profits. In addition, as a result of our ownership by the GoI, we are required to respect certain restrictions with respect to the types of investments we may make using our cash balances, which effectively restricts us from entering into certain investments providing a higher rate of return.

Under our Memorandum of Understanding with the Ministry of Mines and our Articles of Association, the GoI may issue directives with respect to the conduct of our business or affairs or impose other restrictions. For example, under article 70 of our Articles, the President of India has the power to appoint all members of the Board of Directors, except the Government Directors, in consultation with the Chairman. Pursuant to article 72 of our Articles, Government approval is required for our undertaking of any capital expenditure exceeding a specified amount. Under article 83 of our Articles, approval from the President of India is required for certain matters, such as entry into any partnership or acquisition of shares in other companies. For further details on our Articles of Association, see "***Main Provisions of the Articles of Association***" on page 275.

46. We have typically not paid dividends on our Equity Shares and may choose not to pay any dividends in the future.

We have not paid any dividends on our Equity Shares since 1995 and may choose not to pay any dividends in the future. Additionally, we may not be able to pay future dividends because they depend on future earnings, capital requirements and financial condition. The declaration and payment of future dividends is at the discretion of our Board of Directors and will be dependent on our future operating results and the cash requirements of our business. There are a number of factors that can affect our ability to pay dividends and there is no guarantee that we will pay dividends in any given year. In addition, we will not pay dividends in the event we are not allowed to do so under Indian law, are in default under (or such payment would cause a default under) any credit facilities, or if such payment would cause us to breach any covenants. A failure to pay dividends may negatively affect the market price of our Equity Shares.

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

Prior to the Issue, only 0.41% of our issued capital was held by the public and there has been a limited public trading market for our Equity Shares. We can give no assurance that an active trading market for our Equity Shares will develop after the Issue or, if developed, can be sustained following the closure of the Issue. If an active trading market is not developed or maintained, the liquidity and trading price of our Equity Shares could be materially and adversely affected.

48. The Issue Price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue, and the price of our Equity Shares may fluctuate significantly.

The Issue Price will be determined by the Selling Shareholder and us, in consultation with the BRLMs. The Issue Price is not indicative of prices that will prevail in the open market following the Issue. Consequently, you may not be able to sell your Equity Shares at prices equal to or greater than the price you paid in the Issue.

The market price of our Equity Shares could be subject to significant price and volume fluctuations that may be unrelated to our operating performance. The market price of our 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, fluctuations in commodity prices, 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, changes in financial estimates by securities analysts, speculation in the press or investment community, changes in market valuation of similar companies, future issues or sales of Equity Shares, or stock market price and volume fluctuations. Any of these events could result in a material decline in the price of our Equity Shares.

49. 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

After the completion of the Issue, the GoI will own approximately 828,897,700 Equity Shares, or approximately 81.44% of our post Issue paid-up 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. 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.

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

The Equity Shares offered in the Issue will be listed on the BSE and the NSE. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares offered in the Issue 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 Working Days from the date on which Allotment of Equity Shares in this Issue. Thereafter, on 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.

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

Our Equity Shares are 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 our 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.

52. Conditions in the Indian securities market may affect the price or liquidity of our 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 our Equity Shares could be adversely affected.

Risks relating to investing in India

53. As the domestic Indian market constitutes the major source of our revenue, a downturn in the rate of economic growth in India will be detrimental to our results of operations.

In fiscal 2010, we sold 100% of our copper concentrate and refined copper products to customers in India. The performance and growth of our business are necessarily dependent on the health of the overall Indian economy and key infrastructure sectors such as electrical, telecom and construction. Any downturn in the rate of economic growth in India, whether due to political instability or regional conflicts, economic slowdown elsewhere in the world or otherwise, may have a material adverse effect on demand for the copper products that we produce.

The Indian economy was adversely affected by the unprecedented and challenging global market and economic conditions during 2007 to 2009, which caused and may continue to cause a downturn in the rate of economic growth in India. 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 our financial condition and results of operations.

54. If India's inflation worsens or the prices of energy or other raw materials continue to 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.

In 2006, India's wholesale price inflation suggested an increasing inflation trend compared to recent years. Recently, international prices of crude oil have risen to historical highs, increasing transportation costs. Inflation, increased transportation costs and an increase in energy prices generally could cause our costs for raw material inputs required for production of our products or our labour costs to increase, which would adversely affect our financial condition and results of operations if we cannot pass these added costs along to our customers.

55. Political instability or changes in the GoI could adversely affect economic conditions in India generally and our business in particular.

The GoI has traditionally exercised, and continues to exercise, a significant influence over many aspects of the economy. Our business, and the market price and liquidity of our Equity Shares, may be affected by interest rates, changes in government policy, taxation, social and civil unrest and other political, economic or social developments in or affecting India.

Since 1991, successive Indian governments have pursued policies of economic liberalization and financial sector reforms. The current coalition Government came into power in May 2009. The Government has announced its general intention to continue India's current economic liberalization and deregulation policies. However, the rate of economic liberalization could change and there can be no assurance that such policies will be continued. A change in the Government or in the Government's future policies could affect business and economic conditions in India and could also adversely affect our business, prospects, financial condition and results of operations.

56. Financial instability in Indian financial markets could adversely affect our results of operations and financial condition.

The Indian financial market and the Indian economy are influenced by global economic and market conditions. Financial turmoil in Asia, the United States of America, Europe and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other markets may increase volatility in Indian financial markets and, indirectly, in the Indian economy in general.

57. Natural calamities could have a negative effect on the Indian economy and adversely affect our business and the price of our Equity Shares.

India has experienced natural calamities such as earthquakes, a tsunami, floods and droughts in the past few years. The extent and severity of these natural disasters determines their effect on the Indian economy. For example, as a result of drought conditions in the country during fiscal 2003, the agricultural sector recorded negative growth for that period. The erratic progress of the monsoon in 2004 affected sowing operations for certain crops. Further prolonged spells of below normal rainfall or other natural calamities could have a negative effect on the Indian economy, adversely affecting our business and the price of our Equity Shares.

58. An outbreak of an infectious disease or any other serious public health concerns in Asia or elsewhere could adversely affect our business.

The outbreak of an infectious disease or any other serious public health concern in Asia or elsewhere could have a negative impact on the global economy, financial markets and business activities worldwide, which could adversely affect our business. Recently, the outbreak of Severe Acute Respiratory Syndrome in Asia, bacteria resistant to antibiotics due to the NDM-1 enzyme, swine influenza, avian influenza, or bird flu, across Asia and Europe and H1 N1 around the world have adversely affected a number of countries. Although, we have not been adversely affected by such outbreaks in the past, we can give you no assurance that a future outbreak of an infectious disease or any other serious public health concern will not have a material adverse effect on our business.

59. Terrorist attacks, regional hostilities, social unrest and other acts of violence or war in India, South Asia and other regions could adversely affect the financial markets and investor confidence, adversely affecting our business, results of operations, financial condition and cash flows.

Certain events that are beyond our control, such as terrorist attacks, regional hostilities, social unrest and other acts of violence or war, including those involving India or other countries, may adversely affect domestic, regional or worldwide financial markets and could potentially lead to an economic recession, which could adversely affect our business, results of operations, financial condition and cash flows, and more generally, any of these events could lower confidence in India's economy. South Asia has, from time to time, experienced instances of civil unrest, political tensions and hostilities among neighbouring countries, including India, Pakistan and China. India witnessed a major terrorist attack in Mumbai on November 26, 2008, which led to an escalation of political tensions between India and Pakistan. Since 2003, there has also been military hostilities and/or continuing civil unrest and instability in Pakistan. Also, certain of our projects 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. For example, our MCP complex is located in an area that has been recognized by the GoI as being prone to attacks from Maoist rebels. Moreover, our Company's officers and employees may be held hostage by terrorists against the payment of ransom. Events of this nature in the future, as well as civil unrest within other countries in Asia, could influence the Indian economy by disrupting travel and communications. Such political and social tensions could create a perception that investing in India-based companies involves a great degree of risk, which could have an adverse effect on our business, future financial performance and price of our Equity Shares.

India has, from time to time, also experienced social and civil unrest and hostilities, including riots, regional conflicts and other acts of violence. The occurrence of any of the foregoing could create a greater perception that investment in Indian companies involves a higher degree of risk and could adversely affect our financial performance or the market price of our Equity Shares, even if unrelated to our business.

60. Any downgrading of India's sovereign debt rating by a domestic or international rating agency could adversely affect our business.

Any adverse revisions to India's sovereign debt ratings for domestic and international debt by domestic or international credit rating agencies may adversely affect our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could harm our business and financial performance, ability to obtain financing for capital expenditures and the price of our Equity Shares.

61. The proposed adoption of IFRS, which we expect to have to adopt effective April 1, 2011, could have a material adverse effect on the price of the Equity Shares.

Public companies in India, including our Company, may be required to prepare annual and interim financial statements under IFRS in accordance with the roadmap for the adoption of, and convergence with, IFRS announced by the Ministry of Corporate Affairs, Government of India, through the press note dated January 22, 2010 (the "**MCA Press Release**") and the clarification thereto dated May 4, 2010 (together with the MCA Press Release, the "**IFRS Convergence Note**"). Pursuant to the IFRS Convergence Note, we will be required to prepare our annual and interim financial statements under converged accounting standards in a phased manner beginning with the fiscal period commencing April 1, 2011. We have yet to take any action in anticipation of such requirement. Our financial condition, results of operations, cash flows or changes in shareholders' equity may appear materially different under IFRS than under Indian GAAP. This may have a material adverse effect on the amount of income recognised during that period and in the corresponding (restated) period in the comparative fiscal year/period.

In addition, in our transition to IFRS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. Moreover, our transition may be hampered by increasing competition and increased costs for the relatively small number of IFRS-experienced accounting personnel available as more Indian companies begin to prepare IFRS financial statements.

62. Stringent labor laws in India may adversely affect our profitability.

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 resource policies, discharge employees or downsize, which may adversely affect our business and profitability. For more information see "***Regulations and Policies***" on page 106.

63. Our performance is linked to the stability of policies, including taxation policy, and the political situation in India.

The role of the Indian central and state governments in the Indian economy has remained significant over the years. Since 1991, the GoI has pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector. Any political instability in India may adversely affect the Indian securities markets in general, which could also adversely affect the trading price of our Equity Shares. The rate of economic liberalization could change, and specific laws and policies affecting companies in the mining industry, currency exchange rates, the taxation regime, and other matters affecting investment in securities could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India and thereby affect our business.

64. Our business and activities will be regulated by the Competition Act, 2002 (the "Competition Act") and any application of the Competition Act to use could have a material adverse effect on our business, financial condition and results of operations.

The Competition Act is designed to prevent business practices that have an appreciable adverse effect on competition in India. Under the Competition Act, any arrangement, understanding or action in concert between enterprises, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India is void and attracts substantial monetary penalties. Any agreement which directly or indirectly determines purchase or sale prices, limits or controls production, shares the market by way of geographical area, market or number of customers in the market is presumed to have an appreciable adverse effect on competition. Further, if it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be guilty of the contravention and liable to be punished. For more information, see "***Regulations and Policies***" on page 106.

The effect of the Competition Act on the business environment in India is as yet unclear. If we are affected, directly or indirectly, by any provision of the Competition Act, or its application or interpretation, including any enforcement proceedings initiated by the Competition Commission and any adverse publicity that may be generated due to scrutiny or prosecution by the Competition Commission, it may have a material adverse effect on our business, financial condition and results of operations.

65. Our ability to raise foreign capital may be constrained by Indian law. The limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources for our expansion projects under implementation or planning and hence could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. The limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

Prominent Notes:

- Public Issue of 185,043,600 Equity Shares of ₹ 5 each for cash at a price of ₹ [●] per Equity Share of our Company aggregating ₹ [●] million. The Issue comprises a Fresh Issue of 92,521,800 Equity Shares and an Offer for Sale of 92,521,800 Equity Shares by the Selling Shareholder. The Issue comprises a Net Issue to the Public of 183,970,000 Equity Shares and a reservation of 1,073,600 Equity Shares for subscription by Eligible Employees. The Issue would constitute 18.18% of the post Issue paid-up capital of our Company. The Net Issue would constitute 18.08% of the post Issue paid-up capital of our Company.

- The net worth of our Company as on March 31, 2010 and June 30, 2010 as per our audited restated financial statements included in this Draft Red Herring Prospectus was ₹ 11,037.01 million and ₹ 11,299.00 million, respectively.

- The net asset value per Equity Share as on March 31, 2010 and June 30, 2010 was ₹ 11.93 and ₹ 12.21, respectively, as per our audited restated financial statements included in this Draft Red Herring Prospectus.

- The average cost of acquisition of Equity Shares of our Company by our Promoter is ₹ 9.15 per Equity Share.

- For details of outstanding balances of related party transactions of our Company for fiscal 2010 and the three months ended June 30, 2010, see "***Financial Statements - Annexure XIV - Standalone Statement of Related Party Transactions***" on page 167.

- There has been no financing arrangement whereby our Promoter, the Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of business of the financing entity during the period from six months immediately preceding the date of filing of the Draft Red Herring Prospectus with SEBI until date.

- The Investors may contact any of the BRLMs who have submitted the due diligence certificate to SEBI, for any complaint pertaining to the Issue.

SECTION III - INTRODUCTION
SUMMARY OF INDUSTRY

*The information presented in this section relating to the global copper industry has been extracted from statistics and reports from CRU Strategies Limited ("**CRU**"), ICRA Management Consulting Services Limited ("**IMACS**"), the Ministry of Mines, Government of India, the Indian Bureau of Mines, the International Copper Study Group ("**ICSG**"), the U.S. Geological Survey ("**USGS**") and publicly available information. This data and the projections of future data have not been prepared or independently verified by us or the BRLMs or any of their respective affiliates or advisors. The data may have been re-classified by us for the purpose of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured, and, accordingly, investment decisions should not be based on such information. In this section, all references to a particular year are to the 12-month period ended December 31 of that year and all references to a particular fiscal year are to the 12-month period ended March 31 of that year. For more information, see "**Industry Overview**" on page 54.*

Global Copper Industry

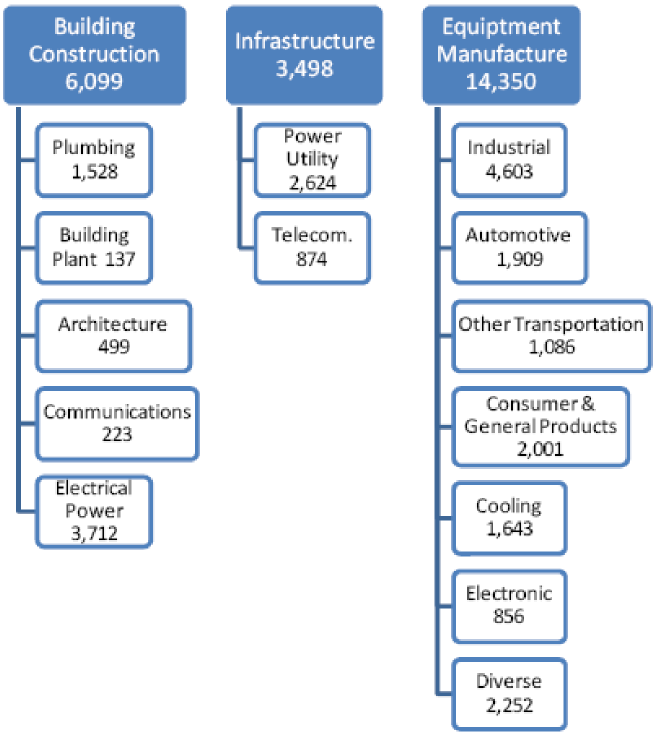
Background

Copper is a non-magnetic metal with high conductivity, tensile strength and resistance to corrosion. On average, the Earth's crust contains only 0.0058% copper, making it a scarce metal as compared with 8% aluminium and 5.8% iron. Most commercial copper ore deposits contain 0.5-0.6% copper (ore in India has an average copper content of 1.2-1.3%).

Copper consumption can be divided into three main product groups: copper wire rods, copper products and copper alloy products. The predominant intermediate use of copper is the production of copper wire rods, which generally accounts for over half of the total usage. Globally in 2008, copper alloy products account for around 19% of total copper demand, followed by copper tubing at approximately 11%. Copper wire rods are used in wire and cable products such as general and industrial cable, utility power cables, telecommunication cable, other insulated wire and winding wire. In addition, copper has several non-electrical applications such as tubes for air conditioners and refrigerators, foils for printed circuit boards and other industrial and consumer applications. Copper is also used in a number of alloys, including brass (copper and zinc), bronze (copper and tin), nickel silver, phosphor bronze and aluminium bronze.

Globally, copper products are generally consumed in five broad sectors: construction, electric and electronic products, industrial machinery and equipment, transportation equipment and consumer and general products. Of these, construction is the largest sector for consuming copper, accounting for 37% of total world copper consumption in 2009. The main copper products consumed in the construction industry include building wire, power cable, copper plumbing and air conditioning tube, copper sheet and alloy products. Other copper and copper alloy products consumed by the construction sector include copper sheet, strip, rods, bars and sections plus brass products. Copper sheet is used for roofing, eaves, gutters, drain pipes for rainwater and lining for facades, while rods, bars and sections, along with brass products, are used for building fixtures and fittings. In hospitals, brass doorknobs and push plates are widely used because it has been proven that they help to reduce cross contamination. Electrical and electronic products are copper's second largest consuming sector, accounting for 26% of total world copper consumption in 2009. Copper containing electrical and electronic products include telecommunication cable, power cable, transformer windings, semiconductors and motors for heavy appliances.

World Copper Usage by End-Use Sector, 2008 (in thousands of tonnes)



Source: ICSG. "The World Copper Factbook," 2009

Primary copper production starts with the extraction of copper ores. There are basically four stages of copper production, which are both independent and complementary of one another. Each of the stages of production can be done by independent companies, as each has a distinct application. Additionally, the different stages of production complement each other as they can be used in combination to produce the highest quality copper. The stages include mining, smelting, refining and leaching.

The companies in the copper industry can be divided into three broad sectors:

- copper miners which mine ore to produce copper concentrate;
- copper custom smelters which smelt and refine copper from the concentrate obtained from copper mines to produce refined copper; and
- integrated copper producers which undertake mining, smelting and refining or leaching to produce refined copper products.

Copper ore can be mined by open-pit or underground methods, or the mineral value may be leached out of the ore (solution mining). In the open-pit method, which accounts for 80% of all copper mining operations in the world, miners open a pit wide enough and deep enough to allow trucks to enter and extract the ore. Underground mining is used when the amount of stripping required (the amount of sterile soil covering the minerals that needs to be removed) is too extensive or not permitted by the geology. In this method, the ore is reached through a tunnel and raised to the surface by truck, rail or special conveyors called skips. Copper can also be mined through in-situ leaching, which involves pumping a solution (typically sulfuric or hydrochloric acid in the case of copper) into the ore body via a borehole. The solution is circulated through the porous rock dissolving the copper ore which is then extracted via a second borehole. The copper is then recovered from the extracted solution by a chemical and electrolyzation process called solvent extraction and electrowinning ("**SX-EW**") or by chemical precipitation.

Once the ore has been mined, it is milled and then beneficiated/concentrated to extract waste material. Most copper ore, typically sulfide ore, is concentrated at or near the mine site through froth flotation — a process involving floating the crushed ore in a chemical solution that is then aerated to produce a froth of concentrated copper that can be skimmed off. The resulting copper concentrate, which is generally the end product of the mining sector, typically contain around 30% copper, but grades can range from 20 to 40%. The copper concentrate is then transferred to smelters to undergo a pyrometallurgical process that employs high-temperature chemical reactions to further refine the copper. On average, nearly one-third of global mine production is sold into the custom smelting market, with the rest being used for integrated production.

Depending on the copper minerals and the types of equipment available, the subsequent pyrometallurgical treatment of the copper concentrate by smelters may take as many as three steps: roasting, smelting and converting. Roasting dries, heats and partially removes sulphur from the concentrate to facilitate smelting. The copper concentrate is then smelted to further remove waste products and produce a liquid copper matte that is 35-75% copper. After smelting, the molten matte is processed in a converter to create blister copper that is 98.5-99.5% copper. The molten blister is fire refined to further remove waste products and then poured into moulds. The cooled copper is called anode copper. In the final stage of purification, the anode copper is refined by an electrolytic process to obtain copper cathodes, which have a metal content of 99.99% copper. Copper cathodes are melted and cast into wirebars or continuous bar stock for wire manufacture, into slabs for mechanical use or into ingots for alloying.

Alternatively, copper ore can be concentrated and refined using a hydrometallurgical process. The crushed ore is percolated in water or an acidic chemical solution to dissolve and separate the minerals. The copper is recovered from the resulting solution either through SX-EW or chemical precipitation. Hydrometallurgical processing is typically used for low grade oxide ores and some sulphide ores. The end product is the same as through the smelting and electrolytic refining process described above — refined copper cathodes. ICSG estimates that in 2009, refined copper production from SX-EW represented 18% of total global refined copper production.

Indian Copper Market

Background

The total resources of India's copper ore as on April 2005 (classified under the United Nations Framework Classification system) were estimated at 1.4 billion tonnes. Of these, 369.5 million tonnes (26.5%) fall under "reserves" (proved and probable categories) while the remaining 1.02 billion tonnes (73.5%) are "remaining resources" (under feasibility, pre-feasibility, measured, indicated and inferred categories). Of the total ore resources, 28 million tonnes (2%) comprise ore containing >1.85% copper with 622 million tonnes (44.61%) of 1–1.85% copper grade.

With regard to reserves, about 7 million tonnes (2%) and 347 million tonnes (93.8%) relate to >1.85% copper grade and 1–1.85% copper grade, respectively. The total copper metal content in these resources is estimated to be 11.4 million tonnes of which 4.4 million tonnes constitute reserves.

The largest resources of copper ore are located in the state of Rajasthan with 668.5 million tonnes (47.9%) followed by Madhya Pradesh with 404.3 million tonnes (29%) and Jharkhand with 226 million tonnes (16.2%). Copper resources in Andhra Pradesh, Gujarat, Haryana, Karnataka, Maharashtra, Meghalaya, Orissa, Sikkim, Tamil Nadu, Uttarakhand and West Bengal accounted for about 7% of the total of all Indian estimated resources.

India has three main copper mining projects, all operated by us: the Indian Copper Complex ("**ICC**") in the Eastern Sector in Jharkhand, the Khetri Copper Complex ("**KCC**") in the Western Sector in Rajasthan and the Malanjkhand Copper Project ("**MCP**") at Malanjkhand in Balaghat district, Madhya Pradesh in the Central Sector. MCP is India's largest mechanized hard rock open-pit copper mine, having an annual capacity to produce 2 million tonnes of ore with a matching concentrator plant. It is the single largest copper deposit in the country. The KCC and ICC mines are typically underground mines. India's mine production in 2009 was 30,000 tonnes of copper concentrate.

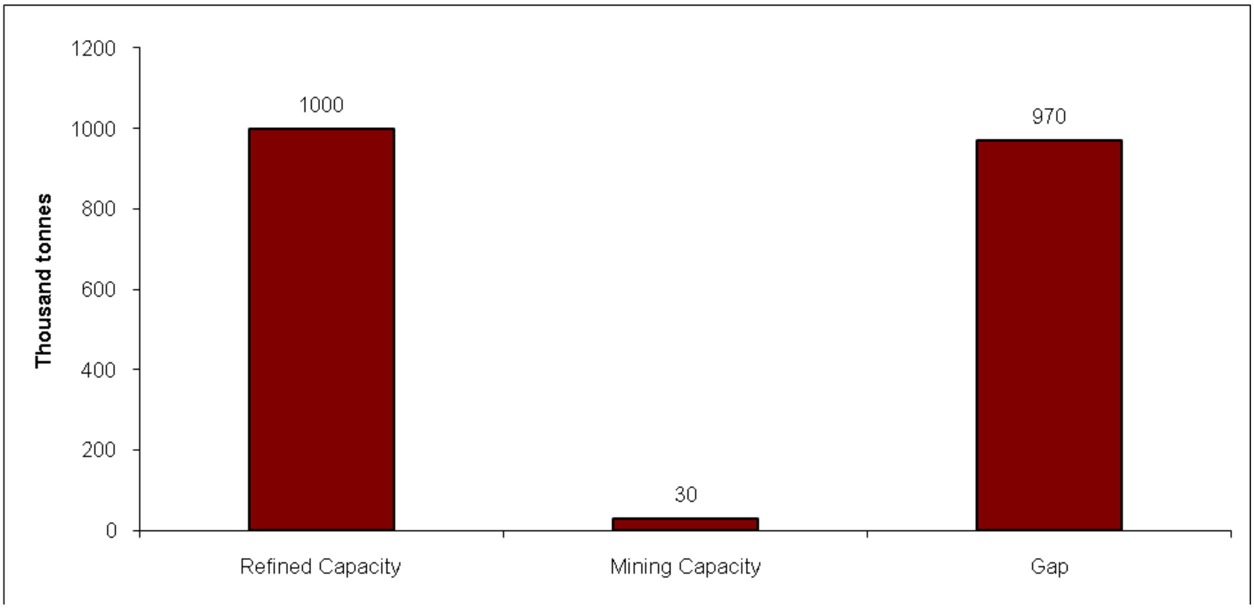
The lack of sufficient resources has resulted in India's copper industry primarily consisting of custom smelters which rely on imported copper concentrate to feed domestic smelters. Since the opening of the copper industry to private sector investment in 1992, the industry has seen the entry of custom smelters Hindalco Industries Limited ("**Hindalco**") and Sterlite Industries (India) Limited ("**Sterlite**") and one secondary producer (copper scrap recycling), Jhagadia Copper Limited ("**Jhagadia**"). We are the only vertically integrated producer of primary refined copper using both copper ore from our own mines in addition to imported copper concentrate.

Including us, refined copper production in India is currently dominated by four major producers. Jhagadia is currently focused on producing refined copper from recycled copper scrap with a total refined capacity of 50,000 tonnes per annum in 2009. At present, Sterlite's copper business is principally one of custom smelting. As on 2009, Sterlite's refined copper capacity was approximately 400,000 tonnes per annum. Hindalco is also primarily a custom smelter with a total refined copper capacity of 500,000 tonnes per annum in 2009. As Hindalco and Sterlite rely on overseas markets for almost their entire requirement of copper concentrate, their profitability is strongly dependent on the international variation in Tc/Rcs.

Refined copper production in India has more than doubled from a modest 260,000 tonnes in 2000 to 715,000 tonnes in 2009. In fiscal 2010, India's copper capacity was more than 1 million tonnes of copper, requiring approximately 100 million tonnes of copper ore (assuming a copper content of 1%). The copper ore production in India for fiscal 2010 was 3.2 million tonnes.

There is currently a large disparity between India's smelting/refining capacity and its limited production capacity in copper mining as shown by the following graph:

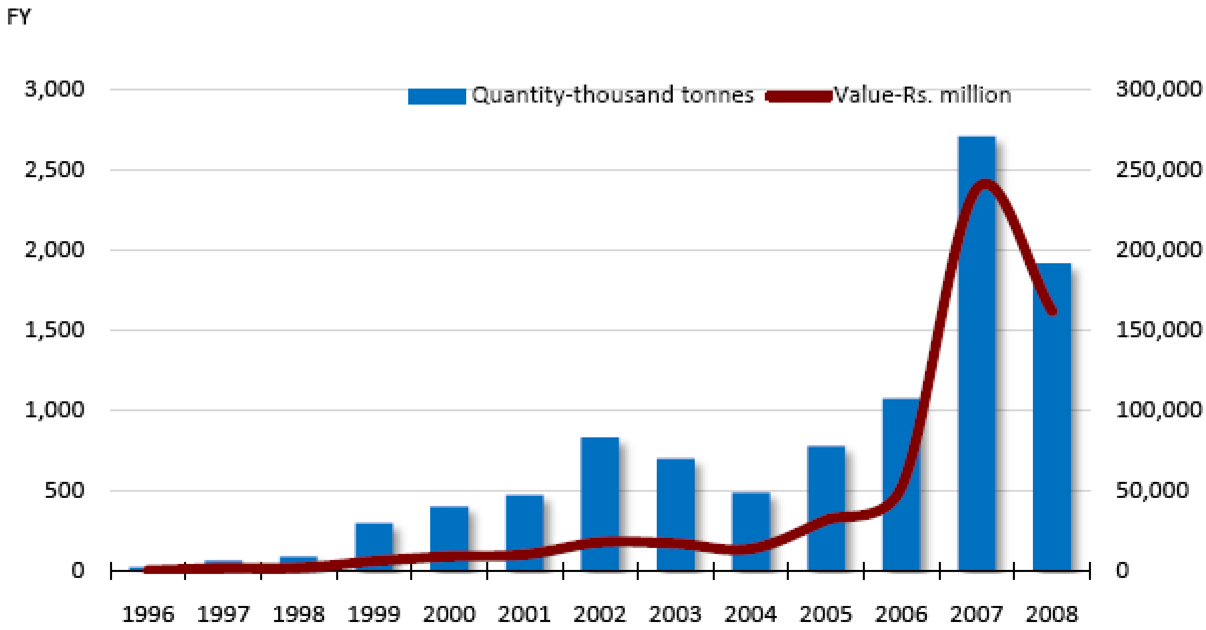
India's Refined Copper Capacity vs. Copper Mining Capacity



Source: CRU statistics; Ministry of Mines, Annual Report 2010

As the copper refining capacity in India has increased, so have the imports of copper concentrate. The following chart shows the growth and value of India's imports of copper concentrate:

India's Imports of Copper Concentrate and Value



Source: IMACS, "The Indian Copper Industry," September 2009

SUMMARY OF BUSINESS

*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 (Private) Limited ("**IMC-SRGC**"), in their report dated September 11, 2010 on our copper ore reserves and resources (the "**IMC-SRGC JORC Report**"), provided as Annexure I.*
*The following information is qualified in its entirety, and should be read together with, the more detailed financial and other information included in this Draft Red Herring Prospectus, including the information contained in "**Business**" and "**Risk Factors**" on pages 68 and xiii, respectively.*

Overview

We are the only operating copper ore producing mining company in India. We are also the only vertically integrated producer of primary refined copper in India (*Source: Annual Report (2009-10), Ministry of Mines* ("**MoM**"), *Government of India* ("**GoI**")). India has a large imbalance between its copper smelting/refining capacity and its copper ore mining capacity. The refined copper production capacity in India for fiscal 2010 was more than 1 million tonnes of copper, requiring approximately 100 million tonnes of copper ore (assuming a copper content of 1%). The copper ore production in India for fiscal 2010 was approximately 3.21 million tonnes. As we are the only operating copper ore producing mining company in India and have access to over two-thirds of India's copper ore reserves, this presents an attractive growth opportunity for us.

Our principal activities include mining of copper ore, concentration of copper ore into copper concentrate through a beneficiation process and also smelting, refining and extruding of the copper concentrate into refined copper in downstream saleable products. Other than selling refined copper products principally in the form of continuous cast wire rods, wire bars and copper cathodes, we also sell surplus copper concentrate. In addition, we sell by-products generated through the copper manufacturing process including anode slime containing gold and silver and sulphuric acid. Our principal operations include three copper ore mining complexes – the Khetri Copper Complex ("**KCC**") at Khetrinagar in Jhunjhunu district, Rajasthan, the Indian Copper Complex ("**ICC**") at Ghatsila in East Singhbhum district, Jharkhand and the Malanjkhand Copper Project ("**MCP**") at Malanjkhand in Balaghat district, Madhya Pradesh – each of which consists of one or more copper ore mines and their own beneficiation plants. Each of our KCC and ICC complexes also has its own smelting and refining facilities, of which the KCC facilities have been shut down for economic reasons. We also have a copper extrusion plant at Taloja in Maharashtra, the Taloja Copper Plant ("**TCP**").

As on April 1, 2010, we have access to over two-thirds of the copper ore reserves in India, with an average of 1.05% copper content. IMC-SRGC has reviewed and classified our mineral reserves and resources in accordance with the Australasian Joint Ore Reserves Committee's Code for Reporting of Mineral Resources and Ore Reserves (the "**JORC Code**"). IMC-SRGC has assessed our copper reserves and resources as follows:

Copper Reserves

Copper Reserves Summary as on April 1, 2010[1]						
Group of Mines	Proved		Probable		Total	
	Tn (Mn tonne)	Gr (%Cu)	Tn (Mn tonne)	Gr (%Cu)	Tn (Mn tonne)	Gr (%Cu)
KCC	25.98	1.01	18.27	1.30	44.25	1.13
ICC	58.07	1.20	63.55	1.27	121.61	1.24
MCP	103.90	0.88	141.76	0.99	245.66	0.95
Grand Total	187.95	1.00	223.58	1.10	411.53	1.05

[1]*See "**Industry Overview**" on page 54] for a discussion on copper reserves and copper resources.*

Copper Resources

Copper Resources Summary as on April 1, 2010[1]								
Group of Mines	Measured		Indicated		Measured + Indicated		Inferred	
	Tn (Mn tonne)	Gr (%Cu)	Tn (Mn tonne)	Gr (%Cu)	Tn (Mn tonne)	Gr (%Cu)	Tn (Mn tonne)	Gr (%Cu)
KCC	25.19	1.22	23.94	1.42	49.13	1.32	45.74	1.27
ICC	74.07	1.08	84.87	1.06	158.93	1.07	37.92	1.05
MCP	160.21	0.95	107.71	1.00	267.92	0.97	63.67	0.95
Grand Total	259.47	1.01	216.51	1.07	475.98	1.04	147.33	1.08

[1]*See "**Industry Overview**" on page 54] for a discussion on copper reserves and copper resources.*

As on April 1, 2010 our total copper resources including measured, indicated and inferred resources stand at 623.31 million tonnes with average grade of 1.05%.

Set forth below is a chart of our Company's key production and sales volumes for each of the last three fiscal years and the three month period ended June 30, 2010.

Copper Production and Sales

	Fiscal						**Three months ended June 30,**	
	2010		**2009**		**2008**		**2010**	
(In thousand tonnes)	**Production**	**Sales**	**Production**	**Sales**	**Production**	**Sales**	**Production**	**Sales**
Copper ore	3,205	Nil	2,983	Nil	3,245	Nil	852.15	Nil
Copper concentrate[1]	28.202	10.134	27.589	3.540	31.378	Nil	8.392	2.468
Refined copper products:								
Continuous cast rods	29.711	29.475	33.410	33.336	42.536	42.378	3.299	3.587
Cathode	17.516	1.241	30.036	2.359	44.734	3.006	3.140	0.064
By-products:								
Anode Slime	0.025	0.025	0.068	0.080	0.081	0.075	0.00316	0.014
Sulphuric Acid	9.934	9.233	27.316	23.819	41.990	42.187	0.970	0.679

[1]*Copper concentrate figures are given as tonnage of metal in copper concentrate as per the industry practice*

We expect that copper concentrate, rather than refined copper products, will be our primary product in the future. We plan to expand our current production level of approximately 3.21 MTPA to an expected mining capacity of at least 12.41 MTPA by the end of fiscal 2017. This expansion plan includes (i) expanding our existing mines, namely the Malanjkhand mine of MCP, the Khetri mine and Kolihan mine of KCC as well as the Surda mine of ICC, (ii) reopening some of our mines that were closed in the past and renewing our mining leases, namely the Kendadih mine and Rakha mine of ICC and (iii) establishing new mines, namely the Banwas mine at KCC and the Chapri-Sideshwar mine at ICC. In addition, for long term growth prospects, we have applied for certain additional mining leases ("**MLs**"), prospecting licenses ("**PLs**") and reconnaissance permits ("**RPs**") in the States of Jharkhand, Madhya Pradesh, Haryana and Rajasthan. We have also received a notification dated November 7, 2000 from the MoM, that the area falling under Patwari Circle Nos. 35, 36, 37 and 38 of Baihar Taluka, District Balaghat, Madhya Pradesh has been reserved for undertaking prospecting or mining operations by our Company.

We have started processing of low grade sulphide ore (average copper content of 0.3% or less) due to buoyancy in copper prices and are working on a research & development project to exploit low grade sulphide ores through bio-leaching technology at MCP.

We also plan to seek alternative revenue sources from waste material such as waste rock and copper tailings generated from our mining operations at MCP and KCC. We believe we can market and sell waste rock generated through our mining operations at MCP and KCC, as well as market and sell copper tailings produced from our mining operations as micro-nutrients, to diversify our income stream. These new products are expected to provide additional sources of income to our Company without significant increases in our operating cost.
Our Company was incorporated in 1967. We are a public company controlled by the GoI, with our registered office located in Kolkata. Our Company was conferred "*Mini Ratna – Category I*" status by the GoI in 2008, which provides, among other things, greater financial autonomy to our Board of Directors.

For fiscal 2010, and the three month period ended June 30, 2010, sales of refined copper products accounted for approximately 75% and 58% of our revenue, respectively, whereas sale of copper concentrate accounted for approximately 22% and 33% of our revenue, respectively. For fiscal 2010, and the three month period ended June 30, 2010, we had consolidated total revenues of ₹ 13,807.0 million and ₹ 2,469.1 million, profit before tax of ₹ 2,158.4 million and ₹ 439.5 million and profit after tax of ₹ 1,546.8 million and ₹ 262.0 million, respectively.

Competitive Strengths

Our Company has the following key competitive strengths:

There is High Demand for Copper Ore in India and We are the Only Operating Producer of Copper Ore in India with Substantial Reserves

We are the only operating copper ore producing mining company in India. India has a large imbalance between its smelting/refining capacity and its copper ore mining capacity, with more than 1 million tonnes of refined copper production capacity in 2010 requiring approximately 100 million tonnes of copper ore (assuming copper content of 1%) and only approximately 3.21 million tonnes of copper ore mine production in fiscal 2010. Therefore, demand for our copper ore is expected to be maintained at a high level. Our average cost of production for copper concentrate at our mining complexes was approximately ₹ 101,000, ₹ 130,000, ₹ 140,560 and ₹ 137,800 per tonne for fiscal 2008, 2009 and 2010 and the three month period ended June 30, 2010, respectively. In particular, the average cost of production for copper concentrate at our Malanjkhand mine was approximately ₹ 83,641, ₹ 120,685, ₹ 116,192 and ₹ 116,672 per tonne and the average cost of production for copper concentrate at our Khetri mine was approximately ₹ 143,054, ₹ 154,273, ₹ 197,188 and ₹ 196,344 per tonne for fiscal 2008, 2009 and 2010 and the three month period ended June 30, 2010, respectively (the average cost of production for fiscal 2010 and the three month period ended June 30, 2010 include the cost of idle time due to breakdown of equipment at Khetri during these periods). Our low cost of production, as compared to current LME copper prices, enables us to enjoy a healthy profit margin in respect of our sales of copper concentrate and presents a distinct competitive advantage for our Company.

Furthermore, our mining leases cover over two-thirds of the copper ore reserves in India. According to the India Bureau of Mines (the "**IBM**"), the total resources of India's copper ore as on April 2005 (as per the United Nations Framework Classification ("**UNFC**") system) were estimated at 1.4 billion tonnes, of which 370 million tonnes (26.5%) fall under the "reserves" category. Currently, we have under our MLs approximately 300 million tonnes of reserves (as per our own internal UNFC estimates). Since domestic copper concentrate substitutes for imported copper concentrate and the smelting and refining capacity in India exceeds India's output of copper ore by a wide margin with the demand for refined copper expected to generally increase, our position as the only operating copper ore producing mining company within India, along with our copper mining experience in India, presents an attractive growth opportunity and a distinct competitive advantage to our Company.

We Possess First Mover's Advantage with Our Significant Mining Complexes

Copper mining has a relatively high barrier to entry, requiring a substantial investment of capital expenditure and time from the initial reconnaissance of an area to actual production of copper ore and return on investment. We have established mining complexes in three major copper ore deposit areas in India. For any greenfield mining projects located close to our existing mining complexes that we undertake, these new mining projects could rely on the existing infrastructure, like our concentrator plants, of our operating mining complexes. Furthermore, due to our existing copper ore mining operation, any new mines that we develop may benefit from economies of scale with reduced per unit cost for producing copper ore. Therefore, we believe that we have a distinct competitive advantage in developing new mines, particularly those close to our existing mining complexes.

Our Indian Copper Ore Gives Us a Pricing Advantage in India

We are the only operating copper ore producing mining company in India. Due to the fact that our copper ore is located in India, we are not constrained by international logistical considerations and can ship copper concentrate to domestic refiners faster as compared to the large shipments coming from overseas, which could take two months to be received after order. Furthermore, our shipments are via truck and rail, which allows for smaller lot size, while international shipments are generally via bulk carrier ships, requiring very large lot size. This difference allows for faster delivery of our copper concentrate after customer order and purchases in smaller lots, which in turn results in a shorter cash flow cycle for our customers with a reduced time where our customer's cash is tied up in inventory and a smaller commitment of operating capital for each lot purchased. In addition, our customers enjoy lower freight and insurance costs, lower rates of handling loss and will not have to pay customs duties when purchasing copper concentrate from us, whereas they will have to pay customs duties of 2% when purchasing copper concentrate from overseas.

Vertically Integrated Operations Gives Us More Business Certainty and Flexibility

Our copper operations span the entire value chain and consist of copper ore mining, copper ore concentration, copper refining, smelting and extruding. Unlike other refined copper producers in India, we produce our own copper concentrate and do not need to rely on copper concentrate imported from abroad. Therefore, our copper refining business is generally not subject to the volatility of the international price of copper concentrate. Furthermore, since all of our mines and smelting and refining facilities are located in India, we have relatively low logistic costs involved in moving the copper concentrate to Indian refining facilities to produce refined copper. Being able to produce our own copper concentrate also provides us with certainty in its quality and available quantity.

More importantly, with the mining of copper ore and production of our own copper concentrate, we have the flexibility to either use our copper concentrate to produce refined copper, or sell our copper concentrate to other refined copper producers in India, depending on the profitability and other business considerations of either track. As a result, we believe that our vertically integrated operations provide us with a great deal of flexibility to change our product mix and take advantage of market opportunities.

Ability to Capitalise on India's Growth and Resource Potential

We believe that our experience in operating and expanding our business in India will allow us to capitalize on attractive growth opportunities arising from additional factors including:

- *India's economic growth*: Despite the recession in the global economy, India continues to remain one of the fastest growing economies in the world with a gross domestic product growth of 6.7% in fiscal 2009 and an expected growth in gross domestic product of 7.4% for fiscal 2010, according to the Reserve Bank of India's Macroeconomic and Monetary Developments First Quarter Review 2010-2011, dated as on July 26, 2010, with significant growth in industrial production and investments in infrastructure. We believe that demand for copper products will continue to increase during the next several years, particularly in India. Rising living standards and strong growth in the electrical industry, power industry, construction industry, railway industry, automobile industry and infrastructure developments have sustained the demand for copper in the domestic Indian market. Having our own copper mining capabilities in India, we believe that we are ideally placed to capitalise on the growth opportunities for copper in India in the foreseeable future.

- *Heavy government investment and growth in major copper consuming industries*: India follows a system of successive five year plans that establish targets for economic development in various sectors. According to the Planning Commission of India, the Eleventh Five-Year Plan (2007-08 to 2011-12) (the "**11th Plan**") aims at a sustainable GDP growth rate of 9% and expects domestic demand for refined copper to grow at about 6% per annum while production of refined copper is expected to increase by 15% per annum. The five major industries that consume 82% of the copper in India are electrical, telecom, engineering, construction and transport *(Source: The Indian Copper Industry (September 2009), IMACS)*. Copper consuming sectors have been recognized by the GoI as key infrastructure sectors to sustain the growth of the Indian economy. For example, under the projections of investment in infrastructure during the 11th Plan, the power, telecom and railway industries are expected to attract 30.4%, 13.2% and 12.7%, respectively, of the total projected investment in infrastructure of US$581.68 billion during the 11th Plan. The power industry has seen a CAGR of 5.1% from fiscal 2003 to fiscal 2007 and has a target growth rate of 9% for fiscal 2008 to fiscal 2012 according to the Indian Ministry of Power. This is in conjunction with the program of electrifying 80,000 Indian villages by 2012, with India's power capacity targeted to double to 200,000 megawatts by 2012. According to the Ministry of Railways, the railway industry has seen average annual growth of over 7% in both freight and passenger traffic for fiscal 2002 to fiscal 2007. The Ministry of Heavy Industries & Public Enterprises calculated that production in the automotive industry has grown 16% with exports having grown at a CAGR of 30% per year for fiscal 2002 to fiscal 2006 and identified investment of ₹ 110-120 billion per annum as required for the automotive industry to reach its growth potential during the 11th Plan period. We believe that heavy investment by the GoI in the major copper consuming industries will boost the demand for copper and provide us with attractive growth opportunities.

Experienced Management Team with a Track Record of Project Execution

We have an experienced and qualified management and technical team to operate and implement our copper mines and expansion projects. Our management team includes professionals with an average of over 30 years of experience in copper mining and refining. Shri Shakeel Ahmed, Chairman-cum-Managing Director, has over 34 years of experience in the railway industry holding various leadership positions including Advisor (Projects) to the Railway Board (under the aegis of the Ministry of Railways, GoI) and Divisional Railway Manager of Kharagpur Division on South Eastern Railways as well as working as CEO of railway workshops from time to time. Mr. Avijit Ghosh, Director of Mining, has over 25 years of mining experience. Mr. G. L. Bhatoa, Executive Director of MCP, has over 35 years experience in copper mining and refining. Mr. A. K. Sen, Executive Director of KCC, has over 25 years experience in copper mining. Mr. S. Purthy, Executive Director of ICC, has over 30 years experience in copper smelting and refining. Mr. P. K. Sharma, General Manager of Mining Projects, has over 35 years of copper mining experience. For further details in relation to our key managerial personnel see "***Our Management – Key Management Personnel***" on page 132.

Strategy

The key elements of our strategy include:

Increase Focus on Copper Mining and Expansion of Our Mining Capacity

Due to the competitive advantage we have in producing copper concentrate in India and the expected sustained demand for copper ore, we plan to expand our current production level of approximately 3.21 MTPA to an expected mining capacity of at least 12.41 MTPA by the end of fiscal 2017 pursuant to an expansion plan. We expect to achieve this objective by (i) expanding our existing mines, namely the Malanjkhand mine of MCP, the Khetri mine and Kolihan mine of KCC as well as the Surda mine of ICC, (ii) reopening some of our mines that were closed in the past and renewing our mining leases, namely the Kendadih mine and the Rakha mine of ICC and (iii) establishing new mines, namely the Banwas mine at KCC and the Chapri-Sideshwar mine at ICC. Our expansion plan largely involves expanding our operations further underground rather than increasing their surface area, meaning that we will not always be faced with many of the issues that are typically involved with mine expansion projects, such as acquiring additional land, relocating current inhabitants, establishing additional infrastructure and obtaining additional forest clearance. This expansion plan is expected to allow us to significantly increase our copper concentrate production and to sell copper concentrate as our primary product to other refined copper producers in India. See "***Business – Mining Development and Expansion***" on page 88] for details of the expansion plan.

Continue to Develop Long-Term Growth Prospects through Brownfield and Greenfield Exploration

We intend to develop long-term growth prospects through brownfield and greenfield exploration projects. We intend to undertake further detailed exploration of our existing mines, including the areas immediately below the Khetri mine and Kolihan mine at KCC as well as the Surda mine at ICC. We have applied for, and are also in the process of applying for, additional MLs, PLs and RPs in the States of Jharkhand, Madhya Pradesh, Haryana and Rajasthan. We have also applied for and received a notification dated November 7, 2000 from the MoM, that the area falling under Patwari Circle Nos. 35, 36, 37 and 38 of Baihar Taluka, District Balaghat, Madhya Pradesh has been reserved for undertaking prospecting or mining operations by our Company. We also intend to make such applications in potential areas in the future. By securing further MLs, PLs and RPs and pursuing brownfield exploration, we believe we will be able to expand our current mining production level for long-term growth prospects and continue to capitalize upon the growing demand for copper in India.

Increase the Amount of Outsourcing Utilized for Our Mining Operations

We plan to explore different outsourcing models for the development and operation of our mining assets and intend to increase the amount of outsourcing we utilize. By utilizing third-party contractors, we believe that we are better able to ensure our access to the latest in mining technology and know-how. In concert with our mine expansion, mine reopening and new mine projects, efficient use of outsourcing will allow us to develop our mines based on the most cost-effective mine designs and implement the most cost effective operations through the use of the latest in mining technology. Increasing the amount of outsourcing we utilize also enables us to ensure the most cost effective mining operations as we believe third-party contractors are better able to control their costs of operation. In addition to providing us cost-effective mining operations, the use of third-party contractors also provides us with a more stable and predictable cost structure on a per tonne basis, thereby streamlining our overall operations. We intend to execute the construction of all our mine expansion projects by way of awarding engineering procurement and construction contracts through a two stage open tender process. The first stage of issuing the tender for request for qualification has already been initiated for each project of our expansion plan.

Continue to be a Low Cost, Efficient and Environmentally Friendly Mining Company

We seek to lower our costs and improve efficiency across our operations. We also give high priority to environmental management and energy conservation. By expanding our mining capacity, we will be able to take advantage of economies of scale with regard to our fixed costs, making our operations more efficient. In addition, our expansion projects will allow us to implement modern mining plans that utilize the latest in modern mining equipment to produce more ore at a lower cost using less energy. We will continue to give high priority to environmental management, addressing environmental issues that may be raised by our mining operations, including restoration and conservation of forests as well as issues related to air, water and soil pollution. Further we are in the process of developing technologies for exploitation of low grade sulphide ores through a research and development project with the Institute of Minerals & Materials Technology, Bhubaneswar ("**IMMT**") to develop a bio-leaching technique at our MCP mining complex.

Seek Additional Sources of Income

We plan to commercialize waste materials generated by our production processes. We believe we can market and sell waste rock generated from our mining operations at KCC and MCP, as well as market and sell copper tailings produced from our mining operations as micro-nutrients for crops. To date, we have sold 5 million tonnes of our waste rock at KCC at a price of ₹ 45 per tonne and taken an advance from the buyer (but are still waiting for the buyer to remove the waste rock). We have also invited expressions of interest for joint venture, marketing or provision of technology related to monetizing our copper tailings. As we possess a significant amount of waste rock and copper tailings from our past operations, it is expected that sales of such materials will provide new income streams without significant increase in our cost structure. We are also exploring other niche copper product markets like oxygen free copper and magnesium and silver alloy required particularly for the railroad industry, which we believe we are particularly suited for as a smaller producer of refined copper products with the flexibility to exploit these smaller niche markets.

Explore Acquisition of Mining Companies and Mines Within and Outside of India

We have a long history in copper ore mining and we plan to capitalize on such experience by exploring potential acquisitions of other copper, gold or any other base metal mining companies or mines within or outside of India. Within India, we are in negotiations with a third-party to form a joint venture for the purpose of reopening one of their closed mines. We have, in September 2010, also entered into a memorandum of understanding with National Aluminum Company Limited ("**NALCO**"), a sister public sector company under the MoM, to explore the possibility of forming a joint venture to explore various business opportunities together including acquiring, developing and operating copper mines in India and abroad. It is expected that NALCO will lead the project and hold the majority stake in any joint venture to be formed except for copper mineral projects, in which case we will lead the project and hold the majority stake. However, this plan is still at an initial stage and no target acquisition has been identified by us or NALCO at the moment.

THE ISSUE

Issue (1)	185,043,600 Equity Shares
Of which	
Fresh Issue	92,521,800 Equity Shares
Offer for Sale	92,521,800 Equity Shares
Of which	
Employee Reservation Portion(3)(4)	1,073,600 Equity Shares
Therefore,	
Net Issue to the Public	183,970,000 Equity Shares
Of which	
A) QIB Portion(2)	Up to 91,985,000 Equity Shares(4)
Of which	
Available for allocation to Mutual Funds only	4,599,250 Equity Shares
Balance for all QIBs including Mutual Funds	87,385,750 Equity Shares
B) Non-Institutional Portion	Not less than 27,595,500 Equity Shares(4)
C) Retail Portion	Not less than 64,389,500 Equity Shares(4)
Equity Shares outstanding prior to the Issue	925,218,000 Equity Shares
Equity Shares outstanding after the Issue(4)	1,017,739,800 Equity Shares
Use of Issue Proceeds	See "***Objects of the Issue***" on page 42]

(1) The MoM by its letter (no. 5/46/2003-Met.III(Pt.)) dated June 25, 2010 conveyed the approval granted by the GoI to the Issue. The Issue has been authorized by the Board of Directors pursuant to a board resolution dated March 19, 2010 and by the shareholders of our Company pursuant to a special resolution dated June 30, 2010 passed at the AGM of shareholders under section 81(1A) of the Companies Act.

*(2) Our Company and the Selling Shareholder, in consultation with the BRLMs may allocate up to 30% of the QIB Portion, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One third of the Anchor Investor Portion will 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 Anchor Investors. For further details see "**Issue Procedure**" on page 243. Except with respect to the Anchor Investor Portion, allocation will be made on a proportionate basis.*

(3) Pursuant to discount to the Issue Price offered to the Eligible Employees, the Employee Reservation Portion will be reduced in such proportion that the number of Equity Shares issued to Eligible Employees does not exceed 5% of the post-Issue capital of our Company.

(4) Any unsubscribed portion in any reserved category will be added to the Net Issue to the public. In case of under-subscription in the Net Issue to the public category, spill-over to the extent of under-subscription will be permitted from the reserved category to the Net Issue to the public. Under subscription in any other category, if any, would be allowed to be met with spill-over from other categories or combination of categories at the discretion of our Company and the Selling Shareholder, in consultation with the BRLMs and the Designated Stock Exchange.

Our Company and the Selling Shareholder in consultation with the Book Running Lead Managers may offer a discount of up to 5% of the Issue Price determined pursuant to completion of the Book Building Process to the Retail Individual Investors and the Eligible Employees bidding under the Employee Reservation category.

For details of the terms of the Issue, see "***Terms of the Issue***" on page 235.

SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from our restated financial statements for the three month period ending June 30, 2010 and fiscal years ending March 31, 2010, March 31, 2009, March 31, 2008, March 31, 2007 and March 31, 2006. These financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI ICDR Regulations and are presented in "***Financial Statements***" on page 137. The summary financial information presented below should be read in conjunction with our restated financial statements, the notes thereto and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on page 172.

HINDUSTAN COPPER LIMITED							
SUMMARY OF STANDALONE STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED							
(₹ In Million)							**ANNEXURE- I**
	Particulars	**As at**	**As at**				
		30-06-2010	**31-03-2010**	**31-03-2009**	**31-03-2008**	**31-03-2007**	**31-03-2006**
	SOURCES OF FUNDS						
	Shareholders' Funds						
	Share Capital	4,626.09	4,626.09	4,626.09	3,841.09	9,489.50	9,089.50
	Share Money Awaiting allotment				785.00	285.00	400.00
	Reserves & Surplus	6,672.91	6,410.92	4,658.10	5,001.07	1,141.68	1,366.42
A	**Total (A)**	**11,299.00**	**11,037.01**	**9,284.19**	**9,627.16**	**10,916.18**	**10,855.92**
	Loan Funds						
	Secured Loans	7.54	0.53	23.03	1,134.83	125.00	1,923.13
	Unsecured Loans	0.00	0.00	337.34	0.00	2,036.30	1,000.05
B.	**Total (B)**	**7.54**	**0.53**	**360.37**	**1,134.83**	**2,161.30**	**2,923.18**
	TOTAL (A+B)	**11,306.54**	**11,037.54**	**9,644.56**	**10,761.99**	**13,077.48**	**13,779.10**
	APPLICATION OF FUNDS						
	Fixed Assets						
	Gross Block	7,537.05	7,603.51	7,313.62	6,657.04	6,672.99	6,586.94
	Less : Depreciation	5,353.65	5,407.21	5,216.60	5,002.90	4,914.66	4,761.32
C.	Net Block ©	**2,183.40**	**2,196.30**	**2,097.02**	**1,654.14**	**1,758.33**	**1,825.62**
	Discarded Fixed Assets (net of provision)	-	-	-	-	-	-
	Capital Work-in-Progress including Advance for Capital Expenditure	28.45	48.80	127.90	282.29	103.16	24.35
	Mine Development Expenditure	4,094.43	4,040.05	3,666.96	3,431.28	3,163.74	2,991.81
D.	**Total (D)**	**4,122.88**	**4,088.85**	**3,794.86**	**3,713.57**	**3,266.90**	**3,016.16**
E.	Investments	1,019.60	719.16	0.02	0.02	0.02	0.02
F.	Deferred Tax Assets (net)	515.18	571.98	535.88	628.53	705.48	900.20
	Current Assets, Loans and Advances						
	Inventories	2,581.25	2,532.62	2,602.56	3,861.20	4,081.21	3,719.85
	Sundry Debtors	623.63	1,547.52	1,599.48	500.17	420.68	444.90
	Cash and Bank Balances	2,512.37	1,733.59	2,994.80	5,288.40	4,348.60	1,303.33
	Other Current Assets	110.20	254.25	111.44	68.34	19.34	10.69
	Loans and Advances	2,254.01	1,997.33	2,205.41	1,165.24	266.63	229.50
G.	**Total (G)**	**8,081.46**	**8,065.31**	**9,513.69**	**10,883.35**	**9,136.46**	**5,708.27**
	Less: Current Liabilities and Provisions	4,615.98	4,604.06	6,296.91	6,117.62	6,469.96	6,049.50
H.	**Net Current Assets**	**3,465.48**	**3,461.25**	**3,216.78**	**4,765.73**	**2,666.50**	**(341.23)**
I.	Profit/(Loss) Account					4,680.25	8,378.33
	TOTAL (C+D+E+F+H+I)	**11,306.54**	**11,037.54**	**9,644.56**	**10,761.99**	**13,077.48**	**13,779.10**
	Net Worth						
	Share Capital	4,626.09	4,626.09	4,626.09	4,626.09	9,774.50	9,489.50
	Profit/(Loss) Account	3,982.44	3,720.45	1,967.34	2,310.03	(4,680.25)	(8,378.33)
	Other Reserves	2,690.47	2,690.47	2,690.76	2,691.04	1,141.68	1,366.42
	Total	**11,299.00**	**11,037.01**	**9,284.19**	**9,627.16**	**6,235.93**	**2,477.59**

Note:1) The above statement should be read with the notes on Adjustment made for Restated Financial Statements (Annexure IVA), Significant Accounting Policies (annexure VA) and Other Notes on Restated Financial Statements Annexure VB).

2) Reserve and Surplus comprises of General Reserve and Profit & Loss Account.

See "***Financial Statements***" on page 137.

HINDUSTAN COPPER LIMITED						
SUMMARY OF STANDALONE STATEMENT OF PROFIT AND LOSS, AS RESTATED						
(₹ In Million)						**ANNEXURE- II**
	Three months Ended	**For the Year ended**				
	30-06-2010	**31-03-2010**	**31-03-2009**	**31-03-2008**	**31-03-2007**	**31-03-2006**
INCOME						
Gross Sales	2,487.75	14,298.48	13,491.00	18,397.91	17,996.37	10,537.59
Less: Discount	3.13	143.50	194.72	267.36	418.99	430.86
Less: Excise Duty	226.70	1,109.80	1,394.79	2,458.15	2,417.78	1,392.71
Net Sales	**2,257.92**	**13,045.18**	**11,901.49**	**15,672.40**	**15,159.60**	**8,714.02**
Internal Issue				22.36	10.28	6.52
Other Income	135.24	507.39	1,085.55	1,084.81	359.26	98.38
Grant-in-Aid				17.69	39.01	53.92
Increase/(Decrease) in Stock of Finished Goods, Semi-Finished and In process	75.95	254.46	(1,133.85)	429.72	725.88	(109.06)
Total (A)	**2,469.11**	**13,807.03**	**11,853.19**	**17,226.98**	**16,294.03**	**8,763.78**
EXPENDITURE						
Materials Spares & Components	285.07	5,049.94	4,995.98	6,944.82	6,335.23	3,161.72
Employees' Remuneration & benefits	702.02	2,874.46	2,146.19	2,134.85	1,576.32	1,274.56
Other Expenses of Manufacturing, Administration, Selling & Distribution	747.71	2,844.57	3,923.53	3,459.49	3,054.00	2,366.39
Excise Duty	0.00	0.00	0.00	4.62	45.13	(25.40)
VRS Expenses- grant-in-Aid				17.69	39.01	53.92
Amortisation of Mine Development Expenditure	171.33	631.49	549.00	660.49	624.66	424.95
Sub- total	**1,906.13**	**11,400.46**	**11,614.70**	**13,221.96**	**11,674.35**	**7,256.14**
Profit/(Loss) before Depren, Interest & Taxes	**562.98**	**2,406.57**	**238.49**	**4,005.02**	**4,619.68**	**1,507.64**
Depreciation	44.28	178.90	188.22	158.42	269.88	158.71
Interest	2.34	34.93	68.14	280.11	348.53	385.38
Provision Losses & Write Off	76.87	55.00	41.49	465.50	496.44	72.44
Prior Years' Net Debit/(Credit)	0.00	(20.71)	(114.22)	76.03	6.33	3.34
Profit/(Loss) before Tax & Extraordinary Items(B)	**439.49**	**2,158.45**	**54.86**	**3,024.96**	**3,498.50**	**887.77**
Provision for Tax:						
Income Tax- Current Year	120.70	647.70	59.80	480.00	210.70	0.00
-Deferred Tax	56.80	(36.10)	92.65	76.95	(34.76)	(59.20)
-Fringe Benefit	-	-	5.50	3.40	2.90	2.52
Total Tax (C)	**177.50**	**611.60**	**157.95**	**560.35**	**178.84**	**(56.68)**
Profit/(Loss) after Tax & before Extraordinary Items	**261.99**	**1,546.85**	**(103.09)**	**2,464.61**	**3,319.66**	**944.45**
Extraordinary Income						542.64
Extraordinary Expense					**(180.21)**	(428.24)
Net Profit/(Loss) After Extraordinary Items	**261.99**	**1,546.85**	**(103.09)**	**2,464.61**	**3,139.45**	**1,058.85**
Adjustments on Account of restatement:						
a) Changes in Accounting Policies						

HINDUSTAN COPPER LIMITED						
SUMMARY OF STANDALONE STATEMENT OF PROFIT AND LOSS, AS RESTATED						
(₹ In Million)						**ANNEXURE- II**
	Three months	**For the Year ended**				
	Ended					
	30-06-2010	**31-03-2010**	**31-03-2009**	**31-03-2008**	**31-03-2007**	**31-03-2006**
b) Adjustments on account of prior period items	0.00	3.00	111.22	(73.89)	46.74	(7.72)
c) Arrear Salary & Wages	0.00	(330.63)	188.47	(66.81)	38.97	0.00
d) Extraordinary Expenses	0.00	0.00	0.00	0.00	(180.21)	(428.24)
e) Audit Qualifications	0.00	17.71	0.00	(324.80)	(556.94)	295.04
f) Current Year Tax impact	0.00	103.95	(59.80)	38.88	88.07	0.00
Total adjustments after Tax impact	**0.00**	**(205.97)**	**239.89**	**(426.62)**	**(563.37)**	**(140.92)**
Profit/ (Loss) after Tax but before Extraordinary items as Restated	**261.99**	**1,752.82**	**(342.98)**	**2,891.23**	**3,702.82**	**657.13**
Extraordinary Income as restated						542.64
Extraordinary expense as restated					0.00	0.00
Net Profit/(Loss) After Tax and Extraordinary Items as Restated	**261.99**	**1,752.82**	**(342.98)**	**2,891.23**	**3,702.82**	**1,199.77**
Opening Balance of P & L Account	3,720.45	1,967.34	2,310.03	(4,680.25)	(8,378.33)	(9,102.24)
Transfer from Special Reserve	0.00	0.29	0.29	0.31	0.32	0.34
Transfer to Capital Reserve					(5.06)	(476.20)
Capital Reduction				4,098.74		
Closing Balance of Profit/(Loss) Account	**3,982.44**	**3,720.45**	**1,967.34**	**2,310.03**	**(4,680.25)**	**(8,378.33)**

Note:1) The above statement should be read with the notes on Adjustment made for Restated Financial Statements (Annexure IVA), Significant Accounting Policies (annexure VA) and Other Notes on Restated Financial Statements Annexure VB).

2) The reconciliation between the Audited and Restated Profit and Loss Account is given in Notes on Adjustments made for Restated Financial Statements (Annexure IVA)

See "***Financial Statements***" on page 137.

HINDUSTAN COPPER LIMITED							
SUMMARY OF STANDALONE STATEMENT OF CASH FLOW, AS RESTATED							
(₹ In Million)							**ANNEXURE- III**
		Three months Ended	**For the Year ended**				
		30-06-2010	**31-03-2010**	**31-03-2009**	**31-03-2008**	**31-03-2007**	**31-03-2006**
A.	**Cash flow from Operating Activities:**						
	Profit before Tax & Extraordinary items	**439.49**	**2,158.45**	**54.86**	**3,024.96**	**3,498.50**	**887.77**
	Adjustments (See Annexure IV)	0.00	(309.92)	299.69	(465.50)	(651.44)	(140.92)
	Restated Profit before Tax	**439.49**	**2,468.37**	**(244.83)**	**3,490.46**	**4,149.94**	**1,028.69**
	Adjustment for:						
	Depreciation	44.28	178.90	188.19	156.82	271.48	158.74
	Interest on Deposit with Banks	(44.92)	(268.49)	(393.72)	(425.99)	(120.59)	(23.28)
	Interest - Others	2.34	34.93	68.15	280.11	348.53	385.39
	Increase in Provision for Bad & doubtful advances	61.46	46.68	(114.27)	343.38	451.81	43.62
	Profit on Fixed Assets	(0.26)	(7.65)	(16.84)	(98.52)	(20.10)	(2.58)
	Amortisation	171.33	631.49	549.00	660.49	624.66	424.95
	Total Adjustments	234.23	615.86	280.51	916.29	1,555.79	986.84
	Operating Profit before Working Capital	**673.72**	**3,084.23**	**35.68**	**4,406.75**	**5,705.73**	**2,015.53**
	Adjustments for changes in working Capital:						
	- Inventories	(32.73)	72.72	1,244.32	244.75	(362.63)	(1,491.97)
	- Receivables	920.21	52.19	(1,103.06)	(79.63)	33.48	(333.24)
	- Loan & Advances	(0.45)	882.91	(586.58)	(805.41)	(78.98)	(320.31)
	- Payables	(209.78)	(2,479.56)	261.52	(1,099.74)	(458.17)	2,547.45
	-Taxes Paid	(92.97)	(668.80)	(443.24)	(185.71)	(11.60)	(8.25)
	Net Cash flow from Operating Activities (A)	**1,258.00**	**943.69**	**(591.36)**	**2,481.01**	**4,827.83**	**2,409.21**
B.	**Cash flow from Investing Activities:**						
	Purchase of Fixed Assets	(31.37)	(269.07)	(512.55)	(313.16)	(255.07)	(145.43)
	Purchase of Investments	(300.44)	(719.14)				
	Interest on deposit with Banks	60.89	125.67	350.63	376.99	111.95	22.03
	Sale/Deduction of Fixed Assets	0.42	9.48	18.86	130.92	29.73	648.51
	Voluntary Retirement Expenditure				(17.69)	(39.01)	(53.92)
	Mine Development Expenditure	(213.42)	(956.36)	(712.05)	(897.88)	(770.76)	(629.07)
	Net Cash flow from Investing Activities(B)	**(483.92)**	**(1,809.42)**	**(855.11)**	**(720.82)**	**(923.16)**	**(157.88)**
C.	**Cash flow from Financing Activities:**						
	Share Money from Govt of India					285.00	
	Loan from Govt of India					250.00	250.00
	Loan from Bank	0.00	0.00	337.35	0.00	750.00	750.00
	Interest paid	(2.32)	(35.62)	(72.68)	(330.17)	(346.27)	(434.76)
	Maturity of Fixed Deposits				(0.05)		
	Redemption of Debentures / Bonds	0.00	0.00	0.00	(125.00)	(1,750.00)	(454.58)
	Repayment of loan from bank	0.00	(337.35)	(1,125.00)	(375.00)	0.00	0.00
	Net Cash flow from Financing Activities [C]	**(2.32)**	**(372.97)**	**(860.33)**	**(830.22)**	**(811.27)**	**110.66**
	Net Increase in Cash and Cash Equivalents (A+B+C)	**771.76**	**(1,238.70)**	**(2,306.80)**	**929.97**	**3,093.40**	**2,361.99**

HINDUSTAN COPPER LIMITED							
SUMMARY OF STANDALONE STATEMENT OF CASH FLOW, AS RESTATED							
(₹ In Million)							**ANNEXURE- III**
		Three months	**For the Year ended**				
		Ended					
		30-06-2010	**31-03-2010**	**31-03-2009**	**31-03-2008**	**31-03-2007**	**31-03-2006**
	Cash and Cash Equivalents at the beginning of the Year	1,733.07	2,971.77	5,278.57	4,348.60	1,255.20	(1,106.79)
	Cash and Cash Equivalents at the End of the Year	2,504.83	1,733.07	2,971.77	5,278.57	4,348.60	1,255.20
	Difference	**771.76**	**(1,238.70)**	**(2,306.80)**	**929.97**	**3,093.40**	**2,361.99**
	Components of Cash and Cash equivalents :						
	- Cash and Cheques in Hand	1.81	12.51	1.53	20.77	46.30	117.45
	Balance with Schedule Banks						
	- Balance in Current Account	80.61	216.87	182.21	490.62	327.95	1,078.80
	- Balance in Term Deposits	2,421.25	1,501.20	2,788.03	4,765.00	3,974.35	58.15
	- Balance in Margin Money	1.17	2.50	0.00	2.18	0.00	0.80
	Total	**2,504.84**	**1,733.08**	**2,971.77**	**5,278.57**	**4,348.60**	**1,255.20**

Note: The Cash Flow Statement has been prepared under indirect method as set out in Accounting standard 3 (AS 3) Cash Flow Statement issued by the Institute of Chartered Accountants of India.

See “***Financial Statements***” on page 137.

GENERAL INFORMATION

Our Company was incorporated as 'Hindustan Copper (Private) Limited' on November 9, 1967 under the Companies Act. Subsequently, our Company became a public limited company pursuant to a shareholders' resolution dated February 27, 1968 and the name of our Company was changed to 'Hindustan Copper Limited' and a fresh certificate of incorporation dated March 26, 1968 was received from the RoC.

Registered and Corporate Office of our Company

Hindustan Copper Limited
Tamra Bhavan
1, Ashutosh Chowdhury Avenue
Kolkata 700 019
West Bengal, India
Tel.: + (91 33) 2283 2224/2226
Fax: + (91 33) 2283 2478/2640
Website: www.hindustancopper.com

For details of changes in the registered office of our Company, see "***History and Certain Corporate Matters***" on page 114.

Registration Number: 028825
Corporate Identity Number: L27201WB1967GOI028825

Our Company is registered with the RoC described below:

Registrar of Companies, West Bengal

Nizam Palace
2nd MSO Building
2nd Floor, 234/4, A.J.C.B. Road
Kolkata 700 020
West Bengal, India

Board of Directors

The following table sets out the details regarding our Board as on the date of filing this Draft Red Herring Prospectus.

Name, Designation, Occupation, Nationality and Term	Age (years)	Address	DIN
Mr. Shakeel Ahmed **Designation**: Chairman cum Managing Director **Occupation**: Service **Nationality**: Indian **Term**: For a period of five years w.e.f. October 28, 2009 or until the date of his superannuation, or until further orders, whichever event occurs earlier	58	Uttarayan, Flat 7 A, 7th Floor, 24/1A, Ballygunge Circular Road, Kolkata 700 019, West Bengal, India	02845144
Mrs. Ajita Bajpai Pande **Designation:** Government Nominee Director **Occupation:** IAS officer **Nationality:** Indian	55	D-1/100, Vinay Marg, Chanakyapuri, New Delhi 110 021, India	00537692

Name, Designation, Occupation, Nationality and Term	Age (years)	Address	DIN
Term: w.e.f. October 21, 2005 and until further orders			
Mr. Sanjiv Kumar Mittal **Designation:** Government Nominee Director **Occupation:** Government Service **Nationality:** Indian **Term:** w.e.f. April 18, 2007 and until further orders	47	A-76, Sector-61, Noida 201 301, Uttar Pradesh, India	00449867
Mr. Anupam Anand **Designation**: Whole Time Director (Personnel) **Occupation**: Service **Nationality**: Indian **Term**: For a period of five years w.e.f. August 5, 2009 or until the date of his superannuation or until further orders, whichever event occurs earlier	50	"Jay Jayanti", Flat No. 8A, 8th Floor, 2A, Mandeville Garden, Kolkata 700 019, West Bengal, India	02752767
Mr. Kailash Dhar Diwan **Designation**: Whole Time Director (Operations) **Occupation**: Service **Nationality**: Indian **Term**: For a period of five years w.e.f. September 14, 2007 or until the date of his superannuation or until further orders, whichever event occurs earlier	53	Flat No. 6A, Ashoka Apartment, 111, Meghnad Saha Sarani (Southern Avenue), Kolkata 700 029, West Bengal, India	01829545
Mr. Avijit Ghosh **Designation**: Whole- time Director (Mining) **Occupation**: Service **Nationality**: Indian **Term**: For a period of five years w.e.f. June 1, 2010 or until the date of his superannuation or until further orders, whichever event occurs earlier	51	18/7, Block C-6, Sunny Park, 7th Floor, Kolkata 700 019, West Bengal, India	03101511
Mr. Arun Kumar Mago **Designation:** Independent Director **Occupation:** Retired IAS officer **Nationality:** Indian	66	E-7, Nizamuddin West, New Delhi 110 013, India	01624833

Name, Designation, Occupation, Nationality and Term	Age (years)	Address	DIN
Term: For a period of three years w.e.f. January 7, 2008 and until further orders, whichever is earlier			
Mr. Sakti Kumar Banerjee **Designation:** Independent Director **Occupation:** Professional **Nationality:** Indian **Term:** For a period of three years w.e.f. January 7, 2008 and until further orders, whichever is earlier	65	A-4/6, KMDA – Baitalik Cooperative Housing Society, EM - Bypass, Highland Park, Kolkata 700 094, West Bengal, India	00631772
Mr. Michael Bastian **Designation:** Independent Director **Occupation:** Professional **Nationality:** Indian **Term:** For a period of three years w.e.f. January 7, 2008 and until further orders, whichever is earlier	66	'Cecilia', 1186, 22nd Cross, 14th Main, H.S.R Layout, Sector 3, Bangalore 560 034, Karnataka, India	00458062
Dr. Mukesh Khare **Designation:** Independent Director **Occupation:** Professor **Nationality:** Indian **Term:** For a period of three years w.e.f. January 7, 2008 and until further orders, whichever is earlier	54	41, New Campus, IIT Campus, IIT, Hauz Khas, New Delhi 110 016, India	02029807
Mr. Shantikam Hazarika **Designation:** Independent Director **Occupation:** Service **Nationality:** Indian **Term:** For a period of three years w.e.f. January 7, 2008 and until further orders, whichever is earlier	62	'Hazarikas', 11-12 Nizorapar, Chandmari, Guwahati 781 003, Assam, India	00523656

In accordance with clause 49 of the Equity Listing Agreement, the MoM has by a letter dated September 23, 2010, notified us of the President of India's approval for the appointment of two part-time non-official Directors on our Board, Mr. A.K. Sarmah (former managing director, Bongaigaon Refinery) and Major General (Retired) R. Gossain (former chairman and managing director, Bharat Dynamics Limited), for a period of three years from the date of appointment and until further orders, whichever is earlier. Our Board has, by resolution dated September 23, 2010, approved the appointment of these two Directors (as additional Directors pending regularization at our Company's next Annual General Meeting). For further details of our Directors, see "***Our Management***" on page 119.

Deputy General Manager, Company Secretary and Compliance Officer

Mr. C. S. Singhi
Tamra Bhavan
1, Ashutosh Chowdhury Avenue
Kolkata 700 019
West Bengal, India
Tel.: + (91 33) 2283 2296/2226/2676
Fax: + (91 33) 2283 2676
E-mail: investors_cs@hindustancopper.com

Investors can contact our Deputy General Manager, Company Secretary and Compliance Officer or the Registrar to the Issue or BRLMs in case of any pre or post-Issue related problems, such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary account and refund orders. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the Bidder, number of Equity Shares applied for Bid Amount blocked, ASBA Account number and the Designated Branch of the SCSB where the ASBA Bid cum Application Form was submitted by the ASBA Bidders.

Book Running Lead Managers

ICICI Securities Limited
ICICI Centre, H.T. Parekh Marg, Churchgate
Mumbai 400 020
Maharashtra, India
Tel: + (91 22) 2288 2460
Fax: + (91 22) 2282 6580
E-mail: hcl.fpo@icicisecurities.com
Investor Grievance E-mail: customercare@icicisecurities.com
Website: www.icicisecurities.com
Contact Person: Mr. Mrigesh Kejriwal / Mr. Sumit Agarwal
SEBI Registration No.: INM000011179

Enam Securities Private Limited
801/802, Dalamal Towers, Nariman Point
Mumbai 400 021, India
Tel: + (91 22) 6638 1800
Fax: + (91 22) 2284 6824
E-mail: hindustancopper.fpo@enam.com
Investor Grievance E-mail: complaints@enam.com
Website: www.enam.com
Contact Person: Mr. Anurag Byas
SEBI Registration No.: INM000006856

Kotak Mahindra Capital Company Limited
1st Floor, Bakhtawar, 229, Nariman Point
Mumbai 400 021
Maharashtra, India
Tel: + (91 22) 6634 1100
Fax: + (91 22) 2284 0492
E-mail: hcl.fpo@kotak.com
Investor Grievance E-mail: kmccredressal@kotak.com
Website: www.kmcc.co.in
Contact Person: Mr. Chandrakant Bhole
SEBI Registration No.: INM000008704

SBI Capital Markets Limited
202, Maker Tower E, Cuffe Parade
Mumbai 400 005
Maharashtra, India
Tel: + (91 22) 2217 8300
Fax: + (91 22) 2218 8332
E-mail: hcl.fpo@sbicaps.com
Investor Grievance E-mail: investor.relations@sbicaps.com
Website: www.sbicaps.com
Contact Person: Mr. Nithin Kanuganti
SEBI Registration No.: INM000003531

UBS Securities India Private Limited
2/F, 2 North Avenue Maker Maxity
Bandra Kurla Complex, Bandra (E)
Mumbai 400 051
Maharashtra, India
Tel: + (91 22) 6155 6100
Fax: + (91 22) 6155 6292
Email: customercare@ubs.com
Investor Grievance Email: customercare@ubs.com
Website: www.ubs.com/indianoffers.com
Contact Person: Mr. Ashish Mukkirwar
SEBI Registration No.: INM000010809

Syndicate Member(s)

[●]

Domestic Legal Counsel to our Company and the Selling Shareholder

Amarchand & Mangaldas & Suresh A. Shroff & Co.
216, Amarchand Towers
Okhla Industrial Estate Phase - III
New Delhi 110 020, India
Tel.: + (91 11) 2692 0500
Fax: + (91 11) 2692 4900

Domestic Legal Counsel to the BRLMs

Khaitan & Co
One Indiabulls Centre, 13th Floor
841 Senapati Bapat Marg
Elphinstone Road
Mumbai 400 013
Maharashtra, India
Tel: + (91 22) 6636 5000
Fax: + (91 22) 6636 5050

International Legal Counsel

Dorsey & Whitney LLP
Level 31 RBS Tower
88 Phillip Street
Sydney NSW 2000
Australia
Tel: + (612) 8211 0435
Fax: + (612) 8211 0555

Registrar to the Issue

Karvy Computershare Private Limited
Plot No. 17 – 24, Vithalrao Nagar
Madhapur
Hyderabad 500 086
Andhra Pradesh, India
Tel : + (91 40) 2342 0815-20
Fax : + (91 40) 2342 0814
E-mail: einward.ris@karvy.com
Investor Grievance E-mail: einward.ris@karvy.com
Website: www.karvy.com
Contact Person: Mr. Murali Krishna
SEBI Registration No.: INR000000221

Bankers to the Issue and Escrow Collection Banks

[●]

Refund Banks

[●]

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs for the Applications Supported by Blocked Amount ("**ASBA**") process are available at http://www.sebi.gov.in/pmd/scsb.pdf. Details relating to the Designated Branches of SCSBs collecting the ASBA Bid cum Application Forms are available at the above-mentioned link.

Bankers to our Company

State Bank of India
2nd Floor, Reliance House
34, J L Nehru Road
Kolkata 700 071
West Bengal, India
Tel.: + (91 33) 2288 1548
Fax: + (91 33) 2288 7037
E-mail: mitali.raha@sbi.co.in
Website: www.sbi.co.in

State Bank of Bikaner and Jaipur
14, N.S. Road
Kolkata 700 001
West Bengal, India
Tel.: + (91 33) 2230 0529
Fax: + (91 33) 2230 9058
E-mail: sbbj10004@sbbj.co.in
Website: www.sbbjmybank.com

United Bank of India
Old Court House Street Branch
11, Hemanta Basu Sarani
Kolkata 700 001
West Bengal, India
Tel.: + (91 33) 2248 7536
Fax: + (91 33) 2231 9171
E-mail: bmoch@unitedbank.co.in
Website: www.unitedbankofindia.com

Indian Overseas Bank
International Business Branch
2, Wood Street
Kolkata 700 016
West Bengal, India
Tel.: + (91 33) 2283 4231/0749
Fax: + (91 33) 2287 2772
E-mail: ibebebr@calmsco.iobnet.co.in
Website: www.iob.in

Punjab National Bank
135, B.R.B.B. Road
Kolkata 700 001
West Bengal, India
Tel.: + (91 33) 2242 7291
Fax: + (91 33) 2242 5619
E-mail: bo90@pnb.co.in
Website: www.pnbindia.com

State Bank of Hyderabad
Commercial Branch
83, Topsia Road, Kolkata 700 046
West Bengal, India
Tel.: + (91 33) 2285 2061/2062
Fax: + (91 33) 2285 2059
E-mail: brabourneroad@sbhyd.co.in
Website: www.sbhyd.com

Statutory Auditors to our Company

Ray & Co.
21 A, Shakespeare Sarani
Kolkata 700 017
West Bengal, India
Tel.: + (91 33) 2280 2266
E-mail: rcpl@cal.vsnl.net.in
Firm Registration No.: 313124E

Agarwal Anil & Co.
L-2 , South Extension-II
New Delhi 110 049, India
Tel.: + (91 11) 2625 9607/08
E-mail: anilca@bol.net.in
Firm Registration No.: 003222N

Credit Rating

As this is an Issue of Equity Shares, credit rating for this Issue is not required.

IPO Grading Agency

As this is a further public offering of Equity Shares, IPO Grading for this Issue is not required.

Trustees

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

Monitoring Agency

[●]

The monitoring agency has been appointed pursuant to Regulation 16 of the SEBI ICDR Regulations.

Appraising Agency

ICRA Management Consulting Services Limited
#1105, 11th Floor, Kailash Building
Kasturba Gandhi Marg
New Delhi 110 001, India
Tel.: +(91 11) 23357940-50
Fax: +(91 11) 23357014
Contact Person: Mr. V. Sriram

Experts

Except the Examination Report of the Auditors of our Company on the restated financial information included in "***Financial Statements***" on page 137], and the JORC Report prepared by IMC-SRGC in "***Annexure I***", we have not obtained any expert opinions.

Statement of *inter-se* Allocation of Responsibilities among the BRLMs

The responsibilities and co-ordination for the various activities for this Issue are as follows:

S. No.	Activity	Responsibility	Coordination
1.	Capital structuring with relative components and formalities such as type of instruments, etc.	I-Sec, Enam, Kotak, SBICaps and UBS	I-Sec
2.	Due-diligence of our Company including its operations/management/business plans/legal, etc. Drafting and design of this Draft Red Herring Prospectus, the Red Herring Prospectus including memorandum containing salient features of the Prospectus. The Book Running Lead Managers shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, the RoC and SEBI, including finalisation of Prospectus and the RoC filing	I-Sec, Enam, Kotak, SBICaps and UBS	I-Sec
3.	a) Drafting and approving all statutory advertisements b) Drafting and approval of all publicity material other than statutory advertisement as mentioned above including non-statutory and corporate advertisements, brochures etc.	I-Sec, Enam, Kotak, SBICaps and UBS	3 a) I - Sec 3 b) SBI Caps
4.	Preparation and finalization of the road-show presentation and frequently asked questions for the road-show team	I-Sec, Enam, Kotak, SBICaps and UBS	UBS
5.	Appointment of intermediaries, *viz.*, i. Printer(s), ii. Registrar, iii. Advertising agency and iv. Bankers to the Issue	I-Sec, Enam, Kotak, SBICaps and UBS	Printer- SBI Caps Registrar- Kotak Advertising agency- ENAM iv Bankers- Kotak

6.	Non-institutional and retail marketing of the Issue, which will cover, *inter alia*, ▪ Formulating marketing strategies, preparation of publicity budget ▪ Finalization of the syndicate agreement ▪ Finalizing media and public relations strategy ▪ Finalizing centers for holding conferences for brokers, etc. ▪ Follow-up on distribution of publicity and Issuer material including application form, prospectus and deciding on the quantum of the Issue material ▪ Finalizing collection centres	I-Sec, Enam, Kotak, SBICaps and UBS	SBI Caps
7.	International Institutional marketing International Institutional marketing of the Issue, which will cover, *inter alia*, Institutional marketing strategy Finalizing the list and division of investors for one to one meetings, and Finalizing road show schedule and investor meeting schedules	I-Sec, Enam, Kotak, SBICaps and UBS	UBS
8.	Domestic Institutional marketing Domestic Institutional marketing of the Issue Finalizing the list and division of investors for one to one meetings	I-Sec, Enam, Kotak, SBICaps and UBS	ENAM
9.	Co-ordination with Stock Exchanges for Book Building Process software, bidding terminals and mock trading	I-Sec, Enam, Kotak, SBICaps and UBS	SBI Caps
10.	Managing the book	I-Sec, Enam, Kotak, SBICaps and UBS	SBI Caps
11.	Finalisation of pricing in consultation with the Company	I-Sec, Enam, Kotak, SBICaps and UBS	UBS
12.	Post bidding activities including coordination of the escrow agreement, management of escrow accounts, co-ordination of allocation, finalization of basis of allotment / weeding out of multiple applications, intimation of allocation and dispatch of refunds to bidders, dealing with the various agencies connected with the work such as registrars to the issue, bankers to the issue, Self Certified Syndicate Banks and the bank handling refund business etc. The designated coordinating Book Running Lead Manager shall be responsible for ensuring that the intermediaries fulfil their functions and enable him to discharge this responsibility through suitable agreements with our Company.	I-Sec, Enam, Kotak, SBICaps and UBS	Kotak

Book Building Process

The Book Building Process, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Price Band and the minimum Bid lot for the Issue will be decided by our Company and the Selling Shareholder, in consultation with the BRLMs and advertised in [●] edition of [●], [●] edition of [●] and [●] edition of [●] (one in English, one in Hindi and one in Bengali) at least one Working Day prior to the Bid Opening Date. The Issue Price is finalised after the Bid Closing Date. The principal parties involved in the Book Building Process are:

- The Company;
- The Selling Shareholder;
- BRLMs;
- Syndicate Member which is an intermediary registered with SEBI or registered as brokers with BSE/NSE and eligible to act as Underwriters. The Syndicate Member is appointed by the BRLMs;
- Registrar to the Issue;
- Escrow Collection Banks; and
- SCSBs.

The Issue is being made through the Book Building Process wherein up to 50% of the Net Issue will be allocated to QIBs on a proportionate basis. Provided that, our Company may, allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price on a discretionary basis. Further, not less than 15% and 35% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and Retail Individual Bidders, respectively, subject to valid Bids being received at or above the Issue Price. Further, 1,073,600 Equity Shares will be made available for allocation on a proportionate basis to Eligible Employees, subject to valid Bids being received at or above the Issue Price. Any bidder may participate in the Issue through the ASBA process by providing details of the ASBA Accounts in which the corresponding Bid Amounts will be blocked by the SCSBs. For details in this regard, specific attention is invited to "***Issue Procedure***" on page 243. Any unsubscribed portion in any reserved category will be added to the Net Issue to the public. Under-subscription, if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company and the Selling Shareholder, in consultation with the BRLMs and the Designated Stock Exchange. For details of Bids by Anchor Investors and Mutual Funds, see "***Issue Procedure***" on page 243.

In accordance with the SEBI ICDR Regulations, QIBs are not allowed to withdraw their Bid(s) after the Bid Closing Date. Further, Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. Allocation to the Anchor Investors will be on a discretionary basis. For further details, see "***Issue Structure***" on page 238.

We will comply with the SEBI ICDR Regulations and any other ancillary directions issued by SEBI for this Issue. In this regard, we have appointed the BRLMs to manage the Issue and procure subscriptions to the Issue.

The Book Building Process under the SEBI ICDR Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid in the Issue.

Illustration of Book Building and Price Discovery Process *(Investors should note that this example is solely for illustrative purposes and is not specific to the Issue)*

Bidders can bid at any price within the Price Band. For instance, assume a price band of ₹ 20 to ₹ 24 per equity share, 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 below shows the demand for the equity shares of the issuer company at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, *i.e.*, ₹ 22 in the above example. The issuer, in consultation with the book running lead managers will finalize the issue price at or below such cut-off price, *i.e.*, at or below ₹ 22. All bids at or above this issue price are valid bids and are considered for allocation in the respective categories.

Steps to be taken by the Bidders for Bidding

1. Check eligibility for making a Bid (For further details, see "***Issue Procedure - Who Can Bid***" on page 244]).

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

3. Except for Bids on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts, for Bids of all values ensure that you have mentioned your PAN allotted under the I.T. Act in the Bid cum Application Form and the ASBA Bid cum Application Form (see "***Issue Procedure – 'PAN' or 'GIR' Number***" on page 258]). With effect from August 16, 2010 the demat accounts of Bidders for whom PAN details have not been verified will be 'suspended for credit' and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Bidders.

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

5. Ensure the correctness of your Demographic Details given in the Bid cum Application Form with the details recorded with your Depository Participant.

6. Bids by ASBA Bidders will have to be submitted to the designated branches of the SCSBs. ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission to the SCSB to ensure that the ASBA Bid cum Application Form is not rejected.

Withdrawal of the Issue

Our Company and the Selling Shareholder, in consultation with the BRLMs, reserve the right not to proceed with the Issue at any time after the Bid Opening Date but before the Allotment. If our Company and the Selling Shareholder withdraw the Issue, our Company will issue a public notice, within two days, providing reasons for not proceeding with the Issue. The BRLMs through the Registrar to the Issue, will notify the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such notification. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchanges will also be informed promptly.

If our Company and the Selling Shareholder withdraw the Issue after the Bid Closing Date and thereafter determines that they will proceed with a further public offering of Equity Shares, they will file a fresh draft red herring prospectus with SEBI.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company will apply for after Allotment and within 12 Working Days from the Bid Closing Date; and (ii) the final RoC approval of the Prospectus after it is filed with the Stock Exchanges.

Bidding Program*

BID OPENS ON	**[•]**
BID CLOSES ON	**[•]**

** Anchor Investors, if any, will submit their Bids on the Anchor Investor Bidding Date, which is one Working Day prior to the Bid Opening Date.*
Our Company and the Selling Shareholder, in consultation with the BRLMs, may decide to close the Bidding for QIBs one day prior to the Bid Closing Date.

Except in relation to Bids received from Anchor Investors, Bids and any revision in Bids will be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time) during the Bidding Period as mentioned above at the Bidding centers mentioned in the Bid cum Application Form or, in case of Bids submitted through ASBA, the Designated Branches of the SCSBs **except that on the Bid Closing Date, Bids excluding ASBA Bids will be accepted only between 10.00 a.m. and 3.00 p.m.** (Indian Standard Time) and uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders, Non-Institutional Bidders and Eligible Employees; and (ii) 5.00 p.m. which may be extended up to such time as permitted by the Stock Exchanges in case of Bids by Retail Individual Bidders where the Bid Amount is up to ₹ 1,00,000. Due to limitation of time available for uploading the Bids on the Bid

Closing Date, the Bidders except Anchor Investors are advised to submit their Bids one day prior to the Bid Closing Date and, in any case, no later than 3.00 p.m. (Indian Standard Time) on the Bid Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid Closing Date, as is typically experienced in public offers, 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 in the Issue. If such Bids are not uploaded, our Company, the Selling Shareholder, and the Syndicate will not be responsible. Bids will be accepted only on Working Days, *i.e.*, Monday to Friday (excluding any public holiday).

On the Bid 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 Bid cum Application Forms as stated herein and reported by the BRLMs to the Stock Exchanges within half an hour of such closure.

Our Company and the Selling Shareholder in consultation with the BRLMs, reserve the right to revise the Price Band during the Bidding Period in accordance with the SEBI ICDR Regulations. The Cap Price will be less than or equal to 120% of the Floor Price and the Floor Price will not be less than the face value of the Equity Shares. 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 at least one Working Day prior to the Bid Opening Date and the Cap Price will be revised accordingly.

In case of revision in the Price Band, the Bidding Period will be extended for at least three additional Working Days after revision of Price Band subject to the Bidding Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bidding Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, by indicating the change on the websites of the BRLMs and at the terminals of the Syndicate and by intimation to the SCSBs.

Underwriting Agreement

After the determination of the Issue Price but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholder will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLMs will be responsible for bringing in the amount devolved in the event that the Syndicate Member does not fulfill their underwriting obligations. 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

(Amount in ₹ million)

Name, address, telephone, fax and e-mail of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten
[●]	[●]	[●]
[●]	[●]	[●]

The abovementioned is indicative underwriting and this would be finalised after the pricing and actual allocation and subject to the provisions of Regulation 13(2) of the SEBI ICDR Regulations.

In the opinion of our Board of Directors (based on a certificate given by the Underwriters), the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The abovementioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Pursuant to a meeting of our Board of Directors held on [●], we have accepted and entered into the Underwriting Agreement dated [●] with the Underwriters.

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

CAPITAL STRUCTURE

Our share capital as on the date of this Draft Red Herring Prospectus is set forth below:

(*Amount in ₹*)

		Aggregate Value at Face Value	Aggregate Value at Issue Price
A)	**Authorized share capital***	**11,000,000,000**	
	1,800,000,000 Equity Shares of ₹ 5 each	9,000,000,000	
	2,000,000 Preference Shares of ₹ 1,000 each	2,000,000,000	
B)	**Issued, subscribed and paid-up share capital before the Issue**		
	925,218,000 Equity Shares of ₹ 5 each	4,626,090,000	
C)	**Present offer in terms of this Draft Red Herring Prospectus****		
	Offer of 185,043,600 Equity Shares of ₹ 5 each	925,218,000	[●]
	Comprising:		
	Fresh Issue of 92,521,800 Equity Shares of ₹ 5 each	462,609,000	[●]
	Offer for Sale of 92,521,800 Equity Shares of ₹ 5 each	462,609,000	[●]
D)	Employee Reservation Portion of not less than 1,073,600 Equity Shares	5,368,000	[●]
E)	**Net Issue of 183,970,000 Equity Shares**	**919,850,000**	[●]
	Of Which:		
	QIB Portion of up to 91,985,000 Equity Shares	459,925,000	[●]
	Non-Institutional Portion of not less than 27,595,500 Equity Shares	137,977,500	[●]
	Retail Portion of not less than 64,389,500 Equity Shares	321,947,500	[●]
F)	**Equity Capital after the Issue**		
	1,017,739,800 Equity Shares of ₹ 5 each	5,088,699,000	[●]
G)	**Share premium account**		
	Before the Issue	Nil	
	After the Issue		[●]

***** *For details in the changes of the authorized share capital of our Company, see "**History and Certain Corporate Matters**" on page 114.*

*** The MoM by its letter (no. 5/46/2003-Met.III(Pt.)) dated June 25, 2010 conveyed the approval granted by the GoI to the Issue. The Issue has been authorized by the Board of Directors pursuant to a board resolution dated March 19, 2010, and by the shareholders of our Company pursuant to a special resolution dated June 30, 2010, passed at the AGM of shareholders under Section 81(1A) of the Companies Act.*

Notes to Capital Structure

1. ***Share Capital History of our Company***

a. The following is the history of the equity share capital of our Company since incorporation:

Date of issue/allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Consideration (Cash, other than cash etc.)	Nature of allotment	Cumulative paid-up Equity Share capital (₹)
November 9, 1967	3	1,000	1,000	Cash	Subscription to the MoA of our Company	3,000
April 10, 1968	98	1,000	1,000	Cash	Further issue*	101,000
May 30, 1968	13,500	1,000	1,000	Cash	Further issue*	13,601,000
August 10, 1968	13,170	1,000	1,000	Cash	Further issue*	26,771,000
November 15, 1968	9,000	1,000	1,000	Cash	Further issue*	35,771,000
December 30, 1968	9,800	1,000	1,000	Cash	Further issue*	45,571,000

Date of issue/allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Consideration (Cash, other than cash etc.)	Nature of allotment	Cumulative paid-up Equity Share capital (₹)
March 1, 1969	10,200	1,000	1,000	Cash	Further issue*	55,771,000
April 28, 1969	5,230	1,000	1,000	Cash	Further issue*	61,001,000
August 2, 1969	24,800	1,000	1,000	Cash	Further issue*	85,801,000
November 7, 1969	21,500	1,000	1,000	Cash	Further issue*	107,301,000
February 12, 1970	26,900	1,000	1,000	Cash	Further issue*	134,201,000
April 28, 1970	11,800	1,000	1,000	Cash	Further issue*	146,001,000
July 14, 1970	19,600	1,000	1,000	Cash	Further issue*	165,601,000
September 25, 1970	25,600	1,000	1,000	Cash	Further issue*	191,201,000
January 2, 1971	12,100	1,000	1,000	Cash	Further issue*	203,301,000
March 1, 1971	13,700	1,000	1,000	Cash	Further issue*	217,001,000
March 22, 1971	40,000	1,000	1,000	Cash	Further issue*	257,001,000
1971**	15,000	1,000	1,000	Cash	Further issue*	272,001,000
May 27, 1971	15,000	1,000	1,000	Cash	Further issue*	287,001,000
July 29, 1971	24,600	1,000	1,000	Cash	Further issue*	311,601,000
August 28, 1971	20,000	1,000	1,000	Cash	Further issue*	331,601,000
November 19, 1971	58,777	1,000	1,000	Cash	Further issue*	390,378,000
January 21, 1972	20,000	1,000	1,000	Cash	Further issue*	410,378,000
March 29, 1972	50,823	1,000	1,000	Cash	Further issue*	461,201,000
January 3, 1973	1,02,443	1,000	N.A.	Other than cash#	Further issue*	563,644,000
July 7, 1973	56,100	1,000	1,000	Cash	Further issue*	619,744,000
September 8, 1973	18,700	1,000	1,000	Cash	Further issue*	638,444,000
March 25, 1974	75,000	1,000	N.A.	Other than cash##	Further issue*	713,444,000
October 26, 1974	900	1,000	1,000	Cash	Further issue*	714,344,000
August 23, 1975	800	1,000	1,000	Cash	Further issue*	715,144,000
March 29, 1976	707	1,000	1,000	Cash	Further issue*	715,851,000
May 12, 1976	23,500	1,000	1,000	Cash	Further issue*	739,351,000
August 31, 1976	37,179	1,000	1,000	Cash	Further issue*	776,530,000
January 3, 1977	20,000	1,000	1,000	Cash	Further issue*	796,530,000
February 14, 1977	276	1,000	1,000	Cash	Further issue*	796,806,000
March 15, 1977	224	1,000	1,000	Cash	Further issue*	797,030,000
August 8, 1977	30,000	1,000	1,000	Cash	Further issue*	827,030,000
November 29, 1977	30,000	1,000	1,000	Cash	Further issue*	857,030,000
March 17, 1978	1,050	1,000	1,000	Cash	Further issue*	858,080,000
May 26, 1978	14,300	1,000	1,000	Cash	Further issue*	872,380,000
August 7, 1978	28,700	1,000	1,000	Cash	Further issue*	901,080,000
December 4, 1978	52,900	1,000	1,000	Cash	Further issue*	953,980,000
February 14, 1979	20,000	1,000	1,000	Cash	Further issue*	973,980,000
April 21, 1979	25,750	1,000	1,000	Cash	Further issue*	999,730,000
June 21, 1979	48,800	1,000	1,000	Cash	Further issue*	1,048,530,000
August 29, 1979	30,000	1,000	1,000	Cash	Further issue*	1,078,530,000
December 1, 1979	40,000	1,000	1,000	Cash	Further issue*	1,118,530,000
January 25, 1980	25,600	1,000	1,000	Cash	Further issue*	1,144,130,000
March 31, 1980	1,04,400	1,000	1,000	Cash	Further issue*	1,248,530,000
June 23, 1980	69,850	1,000	1,000	Cash	Further issue*	1,318,380,000
November 1, 1980	1,20,000	1,000	1,000	Cash	Further issue*	1,438,380,000
June 9, 1981	61,600	1,000	1,000	Cash	Further issue*	1,499,980,000
July 8, 1982	1,99,800	1,000	1,000	Cash	Further issue*	1,699,780,000

Date of issue/allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Consideration (Cash, other than cash etc.)	Nature of allotment	Cumulative paid-up Equity Share capital (₹)
March 19, 1983	40,000	1,000	1,000	Cash	Further issue*	1,739,780,000
March 29, 1983	1,13,000	1,000	1,000	Cash	Further issue*	1,852,780,000
December 6, 1983	75,000	1,000	1,000	Cash	Further issue*	1,927,780,000
August 10, 1984	72,220	1,000	1,000	Cash	Further issue*	2,000,000,000
February 2, 1985	1,96,880	1,000	1,000	Cash	Further issue*	2,196,880,000
March 21, 1986	8,350	1,000	1,000	Cash	Further issue*	2,205,230,000
June 12, 1986	8,350	1,000	1,000	Cash	Further issue*	2,213,580,000
December 18, 1986	50,000	1,000	1,000	Cash	Further issue*	2,263,580,000
June 26, 1987	5,400	1,000	1,000	Cash	Further issue*	2,268,980,000
September 14, 1987	80,000	1,000	1,000	Cash	Further issue*	2,348,980,000
November 9, 1987	50,000	1,000	1,000	Cash	Further issue*	2,398,980,000
March 29, 1988	50,000	1,000	1,000	Cash	Further issue*	2,448,980,000
April 7, 1989	2,07,900	1,000	1,000	Cash	Further issue*	2,656,880,000
June 1, 1989	40,000	1,000	1,000	Cash	Further issue*	2,696,880,000
April 9, 1990	2,50,500	1,000	1,000	Cash	Further issue*	2,947,380,000
January 30, 1991	94,600	1,000	1,000	Cash	Further issue*	3,041,980,000
The face value of the Equity Shares of our Company was reduced from ₹1,000 per equity share to ₹10 per Equity Share pursuant to a resolution passed by the Shareholders of our Company at an EGM held on December 4, 1992 and each equity share of face value ₹1,000 each was split into 100 equity shares of face value ₹10 each.						
December 28, 1993	10,00,000	10	10	Cash	Further issue*	3,051,980,000
January 10, 2000	4,56,80,000	10	10	Cash	Preferential allotment[1]	3,508,780,000
January 24, 2001	1,20,00,000	10	10	Cash	Preferential allotment[2]	3,628,780,000
January 7, 2005	36,53,40,000	10	10	Cash	Preferential allotment[3]	7,282,180,000
November 29, 2006	4,00,00,000	10	10	Cash	Preferential allotment[4]	7,682,180,000
*The face value of the Equity Shares of our Company was reduced from ₹10 per equity share to ₹5 per Equity Share pursuant to a resolution under Section 100 of the Companies Act passed by the Shareholders of our Company at an EGM held on August 16, 2007. This was pursuant to a scheme under Section 101 of the Companies Act. For details, see "**History and Certain Corporate Matters**" on page 114.*						
September 10, 2008	15,70,00,000	5	5	Cash	Preferential allotment[5]	4,626,090,000
Total	**92,52,18,000**					

** Allotment of Equity Shares to the Promoter against funds released by the GoI.*

***For details, see Risk Factor "**We have been unable to locate certain of our corporate records, with respect to an issuance of 15,000 Equity Shares to our Promoter in 1971.**" on page xxxii.*

[#]Allotment pursuant to a tripartite agreement between the National Mineral Development Corporation Limited, GoI and our Company in relation to the acquisition of assets and liabilities of KCC from National Mineral Development Corporation Limited.

*[##] Allotment pursuant to the acquisition of the Indian Copper Corporation Limited pursuant to the Indian Copper Corporation (Acquisition of Undertaking) Act, 1972 and Indian Copper Corporation (Taking Over of Management) Act, 1972 at Jharkhand. For details, see "**Regulations and Policies in India**" on page 106.*

[1] SEBI by its letter (No. PMD/AK/18362/99) dated September 23, 1999 exempted our Company from the applicability of the erstwhile SEBI (Disclosure and Investor Protection) Guidelines, 2000.

[2] SEBI by its letter (No. PMD/AS/11539/2000) dated July 20, 2000 exempted our Company from the applicability of the erstwhile SEBI (Disclosure and Investor Protection) Guidelines, 2000.

[3] SEBI by its letter (No. CFD/DIL/EB/27331/2004) dated December 6, 2004 exempted our Company from the applicability of the erstwhile SEBI (Disclosure and Investor Protection) Guidelines, 2000.

[4] SEBI by its letter (No. CFD/DIL/EB/63595/2006) dated March 28, 2006 exempted our Company from the applicability of the erstwhile SEBI (Disclosure and Investor Protection) Guidelines, 2000.

[5] SEBI by its letters (No. CFD/DIL/EB/92101/2007 and No. CFD/DIL/EB/04727/2007) dated April 26, 2007 and September 26, 2007, respectively, exempted our Company from the applicability of the erstwhile SEBI (Disclosure and Investor Protection) Guidelines, 2000.

b. The following is the history of the preference share capital of our Company since incorporation:

Date of issue/allotment	No. of Preference Shares	Face Value (₹)	Issue Price (₹)	Consideration (Cash, other than cash etc.)	Nature of allotment	Cumulative preference share capital (₹)
January 10, 2000	18,07,324	1,000	1,000	Cash	Preferential allotment	1,80,73,24,000

Our Company filed a petition for restructuring before the MCA on August 30, 2007 under section 101 of the Companies Act. The MCA based on the recommendation of the Board of reconstitution of Public Sector Enterprises approved the scheme through an order dated April 16, 2008. Pursuant to this restructuring, the entire amount of preference share capital of our Company, amounting to ₹ 1,807,324,000, comprising 1,807,324 7.50% non-cumulative, redeemable preference shares of face value ₹ 1000 each was waived. For details, see "***History and Certain Corporate Matters***" on page 114. Our Company does not have any preference shares outstanding as on the date of this Draft Red Herring Prospectus.

2. ***Issue of Equity Shares in the last one year***

Our Company has not issued any Equity Shares in the last one year.

3. ***Issue of Equity Shares for consideration other than cash***

Date of issue/allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Reasons for allotment	Equity Share Capital (₹)
January 3, 1973	102,443	1,000*	N.A.	Allotment to the Promoter pursuant to a tripartite agreement between the National Mineral Development Corporation Limited, GoI and our Company in relation to the acquisition of assets and liabilities of KCC from National Mineral Development Corporation Limited.	10,244,300
March 25, 1974	75,000	1,000*	N.A.	Allotment to the Promoter pursuant to the acquisition of the Indian Copper Corporation pursuant to the Indian Copper Corporation (Acquisition of Undertaking) Act, 1972 and Indian Copper Corporation (Taking Over of Management) Act, 1972 at Jharkhand. For details, see "***Regulations and Policies in India***" on page 106.	7,500,000

* *The face value of the Equity Shares of our Company was reduced from ₹1,000 per equity share to ₹10 per Equity Share pursuant to a resolution passed by the Shareholders of our Company at an EGM held on December 4, 1992 and each equity share of face value ₹1,000 each was split into 100 equity shares of face value ₹10 each.*
*Further, the face value of the Equity Shares of our Company was reduced from ₹10 per equity share to ₹5 per Equity Share pursuant to a resolution under Section 100 of the Companies Act passed by the Shareholders of our Company at an EGM held on August 16, 2007. This was pursuant to a scheme under Section 101 of the Companies Act. For details, see "**History and Certain Corporate Matters**" on page 114.*

4. We have not allotted any Equity Shares in terms of any scheme approved under Sections 391-394 of the Companies Act.

5. We have not issued any Equity Shares out of revaluation reserves.

6. ***Promoters contribution and lock-in***

Pursuant to the SEBI ICDR Regulations, an aggregate of 20% of the post-Issue Equity Share Capital of our Company will be locked in by the Promoters for a period of three years from the date of Allotment.

(a) ***Details of the build up of Promoters' shareholding in our Company***:

Date of transfer/ allotment	No. of Equity Shares	Face Value (₹)	Consideration per Equity Share (₹)	Consideration (Cash, other than cash etc.)	Nature of Allotment / acquisition/ transfer
November 9, 1967	3	1,000	1,000	Cash	Subscription to the MoA of our Company
April 10, 1968	98	1,000	1,000	Cash	Further issue*
May 30, 1968	13,500	1,000	1,000	Cash	Further issue*
August 10, 1968	13,170	1,000	1,000	Cash	Further issue*
November 15, 1968	9,000	1,000	1,000	Cash	Further issue*
December 30, 1968	9,800	1,000	1,000	Cash	Further issue*
March 1, 1969	10,200	1,000	1,000	Cash	Further issue*
April 28, 1969	5,230	1,000	1,000	Cash	Further issue*
August 2, 1969	24,800	1,000	1,000	Cash	Further issue*
November 7, 1969	21,500	1,000	1,000	Cash	Further issue*
February 12, 1970	26,900	1,000	1,000	Cash	Further issue*
April 28, 1970	11,800	1,000	1,000	Cash	Further issue*
July 14, 1970	19,600	1,000	1,000	Cash	Further issue*
September 25, 1970	25,600	1,000	1,000	Cash	Further issue*
January 2, 1971	12,100	1,000	1,000	Cash	Further issue*
March 1, 1971	13,700	1,000	1,000	Cash	Further issue*
March 22, 1971	40,000	1,000	1,000	Cash	Further issue*
1971**	15,000	1,000	1,000	Cash	Further issue*
May 27, 1971	15,000	1,000	1,000	Cash	Further issue*
July 29, 1971	24,600	1,000	1,000	Cash	Further issue*
August 28, 1971	20,000	1,000	1,000	Cash	Further issue*
November 19, 1971	58,777	1,000	1,000	Cash	Further issue*
January 21, 1972	20,000	1,000	1,000	Cash	Further issue*
March 29, 1972	50,823	1,000	1,000	Cash	Further issue*
January 3, 1972	102,443	1,000	N.A.	Other than cash#	Further issue*
July 7, 1973	56,100	1,000	1,000	Cash	Further issue*
September 8, 1973	18,700	1,000	1,000	Cash	Further issue*
March 25, 1974	75,000	1,000	N.A.	Other than cash##	Further issue*
October 26, 1974	900	1,000	1,000	Cash	Further issue*
August 23, 1975	800	1,000	1,000	Cash	Further issue*
March 29, 1976	707	1,000	1,000	Cash	Further issue*
May 12, 1976	23,500	1,000	1,000	Cash	Further issue*
August 31, 1976	37,179	1,000	1,000	Cash	Further issue*
January 3, 1977	20,000	1,000	1,000	Cash	Further issue*
February 14, 1977	276	1,000	1,000	Cash	Further issue*
March 15, 1977	224	1,000	1,000	Cash	Further issue*
August 8, 1977	30,000	1,000	1,000	Cash	Further issue*
November 29, 1977	30,000	1,000	1,000	Cash	Further issue*
March 17, 1978	1,050	1,000	1,000	Cash	Further issue*
May 26, 1978	14,300	1,000	1,000	Cash	Further issue*
August 7, 1978	28,700	1,000	1,000	Cash	Further issue*
December 4, 1978	52,900	1,000	1,000	Cash	Further issue*
February 14, 1979	20,000	1,000	1,000	Cash	Further issue*
April 21, 1979	25,750	1,000	1,000	Cash	Further issue*
June 21, 1979	48,800	1,000	1,000	Cash	Further issue*

Date of transfer/ allotment	No. of Equity Shares	Face Value (₹)	Consideration per Equity Share (₹)	Consideration (Cash, other than cash etc.)	Nature of Allotment / acquisition/ transfer
August 29, 1979	30,000	1,000	1,000	Cash	Further issue*
December 1, 1979	40,000	1,000	1,000	Cash	Further issue*
January 25, 1980	25,600	1,000	1,000	Cash	Further issue*
March 31, 1980	104,400	1,000	1,000	Cash	Further issue*
June 23, 1980	69,850	1,000	1,000	Cash	Further issue*
November 1, 1980	120,000	1,000	1,000	Cash	Further issue*
June 9, 1981	61,600	1,000	1,000	Cash	Further issue*
July 8, 1982	199,800	1,000	1,000	Cash	Further issue*
March 19, 1983	40,000	1,000	1,000	Cash	Further issue*
March 29, 1983	113,000	1,000	1,000	Cash	Further issue*
December 6, 1983	75,000	1,000	1,000	Cash	Further issue*
August 10, 1984	72,220	1,000	1,000	Cash	Further issue*
February 2, 1985	196,880	1,000	1,000	Cash	Further issue*
March 21, 1986	8,350	1,000	1,000	Cash	Further issue*
June 12, 1986	8,350	1,000	1,000	Cash	Further issue*
December 18, 1986	50,000	1,000	1,000	Cash	Further issue*
June 26, 1987	5,400	1,000	1,000	Cash	Further issue*
September 14, 1987	80,000	1,000	1,000	Cash	Further issue*
November 9, 1987	50,000	1,000	1,000	Cash	Further issue*
March 29, 1988	50,000	1,000	1,000	Cash	Further issue*
April 7, 1989	207,900	1,000	1,000	Cash	Further issue*
June 1, 1989	40,000	1,000	1,000	Cash	Further issue*
April 9, 1990	250,500	1,000	1,000	Cash	Further issue*
January 30, 1991	94,600	1,000	1,000	Cash	Further issue*
The face value of the Equity Shares of our Company was reduced from ₹1,000 per equity share to ₹10 per Equity Share pursuant to a resolution passed by the Shareholders of our Company at an EGM held on December 4, 1992 and each equity share of face value ₹1,000 each was split into 100 equity shares of face value ₹10 each.					
March 1993	250,000	10	30	Cash	Transfer to Life Insurance Corporation of India ("**LIC**")
	250,000	10	29	Cash	Transfer to LIC
	250,000	10	28	Cash	Transfer to LIC
	250,000	10	27	Cash	Transfer to LIC
	250,000	10	26	Cash	Transfer to LIC
	250,000	10	25	Cash	Transfer to LIC
	100,000	10	25	Cash	Transfer to General Insurance Corporation of India ("**GIC**")
	595,000	10	21	Cash	Transfer to GIC
	85,000	10	22	Cash	Transfer to Manali Investment & Finance (Private) Limited
	131,000	10	20	Cash	Transfer to Manali Investment & Finance (Private) Limited
	1,000,000	10	20	Cash	Transfer to GIC Mutual Fund
December 28, 1993	1,000,000	10	10	Cash	Further issue*
October 31, 1996	387,500	10	20	Cash	Transfer to the employees of our Company
January 10, 2000	45,680,000	10	10	Cash	Preferential allotment
January 24, 2001	12,000,000	10	10	Cash	Preferential allotment

Date of transfer/ allotment	No. of Equity Shares	Face Value (₹)	Consideration per Equity Share (₹)	Consideration (Cash, other than cash etc.)	Nature of Allotment / acquisition/ transfer
January 7, 2005	365,340,000	10	10	Cash	Preferential allotment
November 29, 2006	40,000,000	10	10	Cash	Preferential allotment
*The face value of the Equity Shares of our Company was reduced from ₹ 10 per equity share to ₹ 5 per Equity Share pursuant to a resolution under Section 100 of the Companies Act passed by the Shareholders of our Company at an EGM held on August 16, 2007. This was pursuant to a scheme under Section 101 of the Companies Act. For details, see "**History and Certain Corporate Matters**" on page 114.*					
September 10, 2008	157,000,000	5	5	Cash	Preferential allotment
Total	**921,419,500**				

[#]*Allotment pursuant to a tripartite agreement between the National Mineral Development Corporation Limited, GoI and our Company in relation to the acquisition of assets and liabilities of KCC from National Mineral Development Corporation Limited.*

[##]*Allotment pursuant to the acquisition of the Indian Copper Corporation Limited pursuant to the Indian Copper Corporation (Acquisition of Undertaking) Act, 1972 and Indian Copper Corporation (Taking Over of Management) Act, 1972. For details, see "**Regulations and Policies in India**" on page 106.*

[*]*Allotment of Equity Shares to the Promoter against funds released by the GoI.*

*** For details, see Risk Factor "**We have been unable to locate certain of our corporate records, with respect to an issuance of 15,000 Equity Shares to our Promoter in 1971.**" on page xxxii.*

Pursuant to MoM letter (No. 5/29/2010-MEP.III) dated September 3, 2010, 700 Equity Shares which had been held by the seven nominees of the Promoter have been transferred to the Promoter as given below.

Name of the nominee	No. of Equity Shares
Mr. A.H. Jung	100
Mr. S.K. Kar	100
Mr. Arun Arora	100
Mr. B.K. Menon	100
Mr. Kishen	100
Mr. S.P. Gupta	100
Dr. R.K. Khatri	100
Total	**700**

(b) ***Details of pre-Issue and post-Issue shareholding of our Promoter***

	Pre-Issue		Post-Issue	
	No. of Equity Shares	**Percentage**	**No. of Equity Shares**	**Percentage**
Promoter	921,419,500	99.59	828,897,700	81.44

(c) ***Details of Promoters' Contribution locked-in for three years***

203,547,960 Equity Shares, aggregating up to 20% of the post-Issue Equity Share capital of our Company, held by our Promoter will be locked in for a period of three years from the date of Allotment in the Issue. The details are as follows:

Name of the Promoter	Number of Equity Shares locked in	Face Value (₹)	Percentage of post-Issue paid-up capital
President of India, acting through the Ministry of Mines, Government of India	203,547,960	5	20.00

The Promoter's contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as Promoters under the SEBI ICDR Regulations.

The Equity Shares that are being locked-in are not ineligible for computation of Promoter's contribution under Regulation 33 of the SEBI ICDR Regulations. In this connection, we confirm the following:

(i) The Equity Shares offered for minimum 20% Promoter's contribution have not been acquired in the last three years for consideration other than cash and revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves, or unrealised profits of our Company or from a bonus issue against Equity Shares which are otherwise ineligible for computation of Promoter's contribution;

(ii) The Equity Shares offered for minimum 20% Promoter's contribution does not include any Equity Shares acquired during the preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;

(iii) The Equity shares offered for minimum 20% Promoters' contribution were not issued to the Promoters' on conversion of a partnership firm;

(iv) The Equity Shares offered for minimum 20% Promoter's contribution are not subject to any pledge; and

(v) The Equity Shares offered for minimum 20% Promoter's contribution does not consist of Equity Shares for which specific written consent has not been obtained from our Promoters for inclusion of their subscription in the minimum Promoter's contribution subject to lock-in.

(b) ***Details of Equity Shares locked-in for one year***

Other than the above Equity Shares that would be locked in for three years, the balance pre-Issue Equity Shares held by the Promoter, comprising 625,349,740 Equity Shares would be locked-in for a period of one year from the date of Allotment in the Issue.

(c) ***Lock-in of Equity Shares allotted to Anchor Investors***

Further, Equity Shares Allotted to Anchor Investors, in the Anchor Investor Portion will be locked-in for a period of 30 days from the date of Allotment of Equity Shares in the Issue.

(d) ***Other requirements in respect of lock-in***

The locked in Equity Shares held by the Promoters, as specified above, may be pledged only with scheduled commercial banks or public 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. Provided that if any Equity Shares are locked in as minimum Promoters' contribution, under Regulation 39(a) of the SEBI ICDR Regulations, the same may be pledged, only if, in addition to fulfilling the above requirement, the loan has been granted by such banks or financial institutions for the purpose of financing the Objects of the Issue.

The Equity Shares held by the Promoter, may be transferred to new promoters or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

7. ***Shareholding Pattern***

The table below presents the Equity Shareholding pattern as on June 30, 2010 as filed with the BSE.

Category of shareholder (I)	Number of shareholders (II)	Total number of shares (III)	Number of shares held in dematerialised form (IV)	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
				As a percentage of (A+B) (V)	As a percentage of (A+B+C) (VI)	Number of shares (VII)	As a percentage (IX)=(VII)/(III) *100
Shareholding of Promoter and Promoter Group							
Indian							
Individuals/ Hindu Undivided Family	7	700	Nil	0.00	0.00	Nil	Nil

Category of shareholder (I)	Number of shareholders (II)	Total number of shares (III)	Number of shares held in dematerialised form (IV)	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
				As a percentage of (A+B) (V)	As a percentage of (A+B+C) (VI)	Number of shares (VII)	As a percentage (IX)=(VII)/ (III) *100
Central Government/ State Government(s)	1	92,14,18,800	Nil	99.59	99.59	Nil	Nil
Bodies Corporate	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Financial Institutions/banks	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Any Other (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-Total (A)(1)	**8**	**92,14,19,500**	**Nil**	**99.59**	**99.59**	**Nil**	**Nil**
Foreign							
Individuals (Non-Resident Individuals/ Foreign Individuals)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Bodies Corporate	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Institutions	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Any other (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-Total (A)(2)	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**8**	**92,14,19,500**	**Nil**	**99.59**	**99.59**	**0**	**0**
Public shareholding						N.A.	N.A.
Institutions						N.A.	N.A.
Mutual Funds/ UTI	2	7150	7050	0.00	0.00		
Financial Institutions/ Banks	2	1050	1050	0.00	0.00		
Central Government/ State Government(s)	Nil	Nil	Nil	Nil	Nil		
Venture Capital Funds	Nil	Nil	Nil	Nil	Nil		
Insurance Companies	2	4,63,856	4,63,856	0.05	0.05		
Foreign Institutional Investors	Nil	Nil	Nil	Nil	Nil		
Foreign Venture Capital Investors	Nil	Nil	Nil	Nil	Nil		
Any other (specify)	Nil	Nil	Nil	Nil	Nil		
Sub-Total (B)(1)	**6**	**4,72,056**	**4,71,956**	**0.05**	**0.05**		
Non-institutions						N.A.	N.A.
Bodies Corporate	1010	9,60,079	9,54,479	0.10	0.10		
Individuals- i. Individual shareholders holding nominal share capital up to ₹ 1 lakh.	21,773	22,86,602	21,64,264	0.25	0.25		
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	1	25,000	25,000	0.00	0.00		
Any Other (specify)							
i.) Trust & Foundations	2	220	220	0.00	0.00		

Category of shareholder (I)	Number of shareholders (II)	Total number of shares (III)	Number of shares held in dematerialised form (IV)	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
				As a percentage of (A+B) (V)	As a percentage of (A+B+C) (VI)	Number of shares (VII)	As a percentage (IX)=(VII)/(III) *100
ii) Cooperative Societies	Nil	Nil	Nil	Nil	Nil		
iii) Educational Institutions	Nil	Nil	Nil	Nil	Nil		
iv) NRIs	226	54,543	54,543	0.01	0.01		
v) Foreign Companies	Nil	Nil	Nil	Nil	Nil		
vi) OCB	Nil	Nil	Nil	Nil	Nil		
Sub-Total (B)(2)	**23,012**	**33,26,444**	**31,98,506**	**0.36**	**0.36**		
Total public shareholding (B)= (B)(1)+(B)(2)	**23,018**	**37,98,500**	**36,70,462**	**0.41**	**0.41**	**N.A.**	**N.A.**
TOTAL (A)+(B)	**23,026**	**92,52,18,000**	**36,70,462**	**100.00**	**100.00**		
Shares held by Custodians and against which Depository Receipts have been issued	Nil	Nil	Nil	Nil	Nil	N.A.	N.A.
GRAND TOTAL (A)+(B)+(C)	**23,026**	**92,52,18,000**	**36,70,462**	**100.00**	**100.00**		

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

(a) Our top 10 shareholders as on the date of this Draft Red Herring Prospectus are as follows:

S. No.	Shareholder	No. of Equity Shares	Percentage of shareholding
1.	President of India	921,418,800	99.59
2.	General Insurance Corporation of India	279,636	.0302
3.	The Oriental Insurance Company Limited	164,220	.0177
4.	Angel Broking Limited	79,895	.0086
5.	Angel Capital and Debt Market Limited	45,105	.0049
6.	Religare Securities Limited	34,343	.0037
7.	Sarojdevi S Damani	25,000	.0027
8.	Karvy Stock Broking Limited	24,366	.0026
9.	MSPL Limited	20,500	.0022
10.	IFCI Financial Services Limited	20,000	.0022
	Total	922,111,865	**99.66**

(c) Our top 10 shareholders as on 10 days prior to the date of this Draft Red Herring Prospectus were as follows:

S. No.	Shareholder	No. of Equity Shares	Percentage of shareholding
1.	President of India	921,418,800	99.59
2.	General Insurance Corporation of India	279,636	.0302
3.	The Oriental Insurance Company Limited	164,220	.0177
4.	Angel Broking Limited	77,883	.0084

S. No.	Shareholder	No. of Equity Shares	Percentage of shareholding
5.	Angel Capital and Debt Market Limited	46,380	.0050
6.	Religare Securities Limited	36,993	.0040
7.	Karvy Stock Broking Limited	25,946	.0028
8.	Sarojdevi S Damani	25,000	.0027
9.	MSPL Limited	20,385	.0022
10.	IFCI Financial Services Limited	19,999	.0022
	Total	922,115,242	**99.66**

(c) Our top 10 shareholders as on two years prior to the date of this Draft Red Herring Prospectus were as follows:

S. No.	Shareholder	No. of Equity Shares	Percentage of shareholding
1.	President of India	921,418,800	99.59
2.	General Insurance Corporation of India	310,020	.0335
3.	United India Insurance Company Limited	285,285	.0308
4.	The Oriental Insurance Company Limited	234,220	.0253
5.	Rajann Gautam Mehta	66,000	.0071
6.	Maheswari Plaza Resorts Limited	31,996	.0035
7.	Angel Broking Limited	30,908	.0033
8.	Sarojdevi S Damani	25,000	.0027
9.	MSPL Limited	23,914	.0026
10.	Integrated Financial Services Limited	21,500	.0023
	Total	922,447,643	**99.70**

9. Our Company, our Promoter, our Directors, and the BRLMs have not entered into any buy-back and/or standby arrangements for the purchase of Equity Shares from any person.

10. None of our Promoter, our Directors or their immediate relatives have purchased or sold or financed the purchase or sale of Equity Shares by any other person, of any Equity Shares during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus with the SEBI.

11. An over-subscription to the extent of 10% of the Issue to the public can be retained for the purpose of rounding off to the nearest multiple of minimum bid lot while finalizing the basis of Allotment.

12. Any unsubscribed portion in any reserved category will be added to the Net Issue to the public. In case of under-subscription in the Net Issue to the public category, spill-over to the extent of under-subscription will be permitted from the reserved category to the Net Issue to the public. In the event that the aggregate demand in the QIB Portion has been met, under subscription, if any, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange.

13. We presently do not intend or propose any further issue of Equity Shares whether by way of issue of bonus issue, preferential allotment, rights issue or in any other manner during the period commencing from submission of this Draft Red Herring Prospectus to SEBI until the Equity Shares issued pursuant to the Issue have been listed.

14. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into our Equity Shares as on the date of this Draft Red Herring Prospectus.

15. Our Company presently does not intend to alter its capital structure for a period of six months from the Bid Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly into Equity Shares) on a preferential basis or issue of bonus or rights or further public issue of Equity Shares or qualified institutions placement or otherwise, except if we enter into acquisitions, joint ventures or other arrangements, we may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisition or participation in such joint ventures.

16. There will be only one denomination of Equity Shares, unless otherwise permitted by law. We will comply with such disclosure and accounting norms as may be specified by the SEBI from time to time.

17. As on the date of filing of this Draft Red Herring Prospectus, our Company has 23,026 shareholders.

18. There are no partly paid-up Equity Shares in our Company. All the Equity Shares offered through this Issue will be fully paid-up at the time of Allotment.

19. There has been no financing arrangement whereby the Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of business of the financing entity during the period of six months immediately preceding the date of filing of the Draft Red Herring Prospectus with SEBI.

20. Except as disclosed below, as on the date of this Draft Red Herring Prospectus, the BRLMs and their associates do not hold any Equity Shares.

S. No.	Name of the entity	Number of Equity Shares
1.	ICICI Bank Limited	8,345
2.	ICICI Securities Limited	878*

**ICICI Securities Limited does not hold any beneficial interest in these 878 Equity Shares and these are lying in the pool accounts of ICICI Securities Limited towards pay-in/pay-out obligations.*

Further, none of our Directors, our Promoter and key management personnel, except for the key managerial personnel provided in the table below, hold any Equity Shares.

S. No.	Name of the Key Management Personnel	Number of Equity Shares
1.	Mr. G.L. Bhatoa	100
2.	Mr. R.P. Singh	5

21. Our Company, Directors and our Promoter will not make any payments either directly or indirectly, discounts, commissions, allowances or otherwise under this Issue except as disclosed in this Draft Red Herring Prospectus.

22. Our Promoter will not participate in this Issue.

23. We will ensure that transactions in Equity Shares by our Promoter between the date of registering the Prospectus with the RoC and the Bid Closing Date will be reported to the Stock Exchanges within 24 hours of such transaction.

OBJECTS OF THE ISSUE

The Issue consists of a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholder.

The Fresh Issue

The proceeds of the Issue, after deducting the proceeds of the Offer for Sale and Issue expenses (the **"Net Proceeds"**), are estimated to be approximately ₹ [●] million.

An approximate amount of ₹ 14,182 million is intended to be utilized for Phase I of the Planned MCP Expansion Project, out of the Net Proceeds and our existing identifiable internal accruals, which aggregated ₹ 3,860.19 million as on September 21, 2010 (as certified by Ray & Co, Chartered Accountants, and Agrawal Anil & Co, Chartered Accountants, as on September 23, 2010).

In the event surplus funds remain from the Net Proceeds after meeting the fund requirements to finance Phase I of the Planned MCP Expansion Project, such surplus portion of the Net Proceeds will be used for general corporate purposes, including but not restricted to, meeting expenditures towards existing or new projects including working capital requirements, strategic initiatives, partnerships, joint ventures and acquisitions, meeting exigencies, other growth opportunities, or any other purposes as may be approved by our Board.

The main objects clause of our Memorandum of Association and objects incidental or ancillary to the main objects enable us to undertake our existing activities and the activities for which funds are being raised by us through the Fresh Issue. Further, we confirm that the activities we have been carrying out until now are in accordance with the objects clause of our Memorandum of Association.

The details of the proceeds of the Issue are summarized in the table below:

(₹ in million)

Particulars	Amount
Gross proceeds of the Issue*	[●]
Issue expenses**	[●]
Proceeds of the Offer for Sale*	[●]
Net Proceeds*	[●]

***** *Will be incorporated after finalization of Issue Price.*
****** *Other than listing fees, which will be paid by our Company, all expenses with respect to the Issue will be shared between our Company and the Selling Shareholder, in proportion to the Equity Shares contributed to the Issue.*

The Offer for Sale

We will not receive any proceeds from the Offer for Sale by the Selling Shareholder.

Utilization of the Net Proceeds

The intended utilization of the Net Proceeds is summarised in the table below:

(₹ in million)

Particulars	Amount
Finance Phase I of the Planned MCP Expansion Project	10,500
General corporate purposes*	[●]
Total Net Proceeds*	**[●]**

******Will be incorporated after finalization of Issue Price.*

Deployment of the Net Proceeds

We estimate that Phase I of the Planned MCP Expansion Project will be completed in fiscal 2014. An approximate amount of ₹ 14,182 million is intended to be utilized for Phase I of the Planned MCP Expansion Project, towards the capital cost planned to be deployed in Phase I, up to fiscal 2014. The planned capital costs of Phase I of the Planned MCP Expansion Project, aggregating ₹ 14,182 million, are intended to be deployed in accordance with the schedule set forth below:

(₹in million)

Capital Cost Item	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014	Total
Mine expansion	Nil	1,479	4,516	4,851	**10,846**
Concentrator expansion	Nil	Nil	400	2,400	**2,800**
Township	Nil	Nil	Nil	10	**10**
Other pre-operative expenses	Nil	47	140	203	**390**
Detailed engineering and geo-technical investigation (1%)	Nil	15	49	73	**137**
Total*	**Nil**	**1,541**	**5,105**	**7,536**	**14,182**

** An approximate amount of ₹ 14,182 million towards the capital cost, intended to be deployed in accordance with the schedule above, is intended to be utilized for Phase I of the Planned MCP Expansion Project, out of the Net Proceeds and existing identifiable internal accruals, which aggregated ₹3,860.19 million as on September 21, 2010, as certified by Ray & Co, Chartered Accountants, and Agrawal Anil & Co, Chartered Accountants as on September 23, 2010. Accordingly, we confirm that as on the date of this DRHP there is no further requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the proposed Issue. As on the date of this Draft Red Herring Prospectus, our Company has not incurred any expenditures towards the estimated capital cost of ₹14,182 million, intended to be deployed as stated above.*

The key assumptions on which the above estimates are based include the following:

- Variable cost of mining (Stoping cost): ₹ 739.34 per tonne of ore mined
- Variable cost of concentrator operation: ₹ 15,236 per tonne of MIC produced (estimated payment to contractor operator)
- Other costs:

  Water (supplied by our Company): ₹ 1,948 per tonne of MIC produced
  Power (supplied by our Company): Estimated as per the capital equipment planned, approximately at ₹ 82 per tonne of ore produced

- Long term LME copper price: US$ 5,500 per tonne
- Tc/Rc charges for copper refining: US$ 60 per tonne (including outbound freight charges)
- Exchange rate ₹ 46 per US$.
- Working capital norms:

Working Capital Norm	Number of Days
Days receivable	39
Days payable	73
Days inventories	142

- Depreciation (Companies Act): 5.28%
- Depreciation (I.T. Act): 15%
- Corporate tax rate: 33.99%

The estimated capital cost of financing Phase I of the Planned MCP Expansion Project is based on a detailed project report and feasibility report ("**DPR**") dated June 2010, appraised by ICRA Management Consulting Services Limited ("**IMaCS**") by their report dated August 2010. In preparing their report, IMaCS also referred to the detailed cost sheets provided by us, and our annual reports and audited financial statements for the preceding three years. For capital expenditure assumptions, IMaCS has relied on estimates provided by us.

Our management, in accordance with the policies set up by our Board, will have flexibility in deploying the Net Proceeds, as well as the discretion to revise its business plan from time to time and consequently the funding requirement and deployment of funds may also change. This may include rescheduling the proposed utilization of Net Proceeds. In the event of significant variations in the proposed utilization, approval of our shareholders will be duly sought. In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for Phase I of the Planned MCP Expansion Project may be financed through additional cash in hand and debt, or a combination thereof. We believe that such alternative arrangements would be available to fund any such shortfall. For more information on the sanctioned financing arrangements available to our Company as on the date of this Draft Red Herring Prospectus, of which our Company has not drawn down any amount as on the date of this Draft Red Herring Prospectus, see "***Financial Indebtedness***" on page 169.

In the event surplus funds remain from the Net Proceeds after meeting the fund requirements to finance Phase I of the Planned MCP Expansion Project, such surplus portion of the Net Proceeds will be used for general corporate purposes, including but not restricted to, meeting, expenditures towards existing or new projects including expansion of existing mines, reopening of closed mines, construction of new mines, working capital requirements, strategic initiatives, partnerships, joint ventures and acquisitions, meeting exigencies, other growth opportunities, or any other purposes as may be approved by our Board.

Details of Phase I of the Planned MCP Expansion Project

MCP is presently an open cast copper mine with current ore production capacity of 2.0 MTPA with an estimated life of seven years, and matching concentrator plant and auxiliary facilities with current operating capacity of 2.0 MTPA. Based on estimated ore reserves below the existing open cast pit limit, as calculated by the Geological Survey of India pursuant to systematic geological exploration studies, Phase I of our proposed brownfield expansion project envisages commencement of underground mining below the existing open cast mine for the expansion of our copper ore production capacity to at least 5.5 MTPA, and the expansion of our concentrator capacity to 5.0 MTPA. The increased production of copper concentrate is intended to be supplied to our own smelter at ICC, with any excess being sold to smelters operated by other companies in India, which are currently importing copper concentrate.

We have submitted a DPR dated June 2010 for the Planned MCP Expansion Project to the Public Investment Board ("**PIB**"), which will forward its recommendations to the Cabinet Committee on Economic Affairs ("**CCEA**") for its approval. The Planning Commission (Minerals Division) has by office memorandum dated September 9, 2010 granted its in-principle approval for the expansion of MCP from 2.0 MTPA to 5.0 MTPA.

Mine construction and operation at MCP are proposed to be outsourced to an international agency appointed through a competitive bidding process, with permanent installation including winders and ore handling facilities being provided by our Company. Subject to various factors including cost and technical considerations, the mining operations are proposed to continue to be trackless with diesel-operated machinery. The construction of the underground mine is expected to commence by July 2011. The estimated construction period for Phase I of the underground mine expansion plan is five years after the award of work and mobilization of resources. The life of the Malanjkhand mine is estimated to be approximately 32 years as per the expansion plan. We also propose to refurbish our existing 2.0 MTPA concentrator plant commissioned in 1982, and to install a new concentrator plant with installed capacity of 3 MTPA in a phased manner close to the existing plant, to bring the total installed capacity of our concentrator plant at MCP to 5.0 MTPA.

The estimated total expenditure includes capital costs for mine expansion (pertaining to contracted drilling, excavation, waste rock removal and supervisory work, lateral and stope development, procurement of permanent installations and equipment, and preventive maintenance, safety and rescue and recovery measures, and contingency and administrative expenses) as well as other capital costs for concentrator expansion, township, other pre-operative expenses and detailed engineering and geo-technical investigation. No additional land is expected to be acquired for the Planned MCP Expansion Project, from the Net Proceeds. We intend to continue to utilize water supply from the Banjar river, as well as to increase waste-water recovery from the tailings dam, and to continue to source power from the Balaghat substation of the Madhya Pradesh State Electricity Board ("**MPSEB**"). The Planned MCP Expansion Project activities will be overseen at our corporate office by our Director (Mines) and at the project site by a General Manager directly overseeing site-level project activity. We also propose to appoint a project management consultant, selected through a competitive bidding process, to monitor the expansion project against defined milestones and advise us on corrective measures in case of slippages.

In view of the inherent uncertainties, including the long gestation period for the Planned MCP Expansion Project, as well as sensitivity to fluctuation or variation in LME copper prices, operational expenses, capital costs and production levels or capacity utilisation or diversion of management and other resources towards other projects such as the planned expansion of our Khetri and Kolihan mines, we may have to revise our estimates of fund requirements, planned expenditure, and completion dates for the Planned MCP Expansion Project. Any such changes may result in rescheduling and revising the fund requirements and planned expenditure, at the discretion of our management. In the event of significant variations in the proposed utilization, approval of our shareholders will be duly sought.

In the event of a shortfall in raising the requisite capital from the Net Proceeds towards financing Phase I of the

Planned MCP Expansion Project, the shortfall will be satisfied by way of such means available to our Company and at the discretion of our management, including by way of additional cash in hand or debt, or a combination thereof. For more information on the sanctioned financing arrangements available to our Company as on the date of this Draft Red Herring Prospectus, of which our Company has not drawn down any amount as on the date of this Draft Red Herring Prospectus, see "***Financial Indebtedness***" on page 169.

For more information on MCP, including our planned MCP expansion project, see "***Business***", "***Risk Factors***" (in particular, the risk factors titled "**Our Malanjkhand mine expansion project has not yet obtained the necessary environmental and other regulatory approvals and we have not yet awarded contracts in connection with the proposed expansion**" and "**Our management will have flexibility in applying the Net Proceeds for the Object of the Issue**"), and "***Government and Other Approvals***" on pages 68 , xiii and 214, respectively, and the JORC report dated September 11, 2010, prepared by IMC-SRGC, provided as "***Annexure I***".

Issue Related Expenses

Other than listing fees, which will be paid by our Company, all expenses with respect to the Issue will be shared between our Company and the Selling Shareholder, in proportion to the Equity Shares contributed to the Issue.

The estimated issue related expenses are as follows:

S. No.	Activity Expense	Amount (₹ million)	Percentage of Total Issue Expenses	Percentage of Total Issue size
1.	Lead management fees*	[●]	[●]	[●]
2.	Selling commission*	[●]	[●]	[●]
3.	Registrar's fees*	[●]	[●]	[●]
4.	Advertisement and marketing expenses*	[●]	[●]	[●]
6.	Legal counsels fees*	[●]	[●]	[●]
7.	Bankers to the Issue*	[●]	[●]	[●]
8.	Others (Monitoring agency fees, listing fees, etc.) *	[●]	[●]	[●]
	Total	**[●]**	**[●]**	**[●]**

Will be incorporated after finalization of Issue Price.

Bridge Loans

We have not entered into any bridge loan facility that will be repaid from the Net Proceeds.

Interim Use of Net Proceeds

Pending utilization of the Net Proceeds for financing Phase I of the Planned MCP Expansion Project, we intend to invest the funds in approved high quality interest bearing liquid instruments including deposits with banks and investments in mutual funds for the necessary duration or for reducing overdrafts. Our management, in accordance with policies established by our Board from time to time, will have flexibility in deploying the Net Proceeds.

Monitoring of Utilization of Funds

We have appointed [●] as the Monitoring Agency in relation to the Issue. Our Board and [●] will monitor the utilization of the Net Proceeds. We will disclose the utilization of the Net Proceeds under a separate head providing details of any portion of the Net Proceeds that have not been utilized. We will indicate investments, if any, of the unutilized portion of the Net Proceeds in our balance sheet for the relevant financial years subsequent to the Issue. Pursuant to clause 49 of the Equity Listing Agreement, we will on a quarterly basis disclose to our Audit Committee the uses and applications of the Net Proceeds. On an annual basis, we will prepare a statement of funds utilized for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosure will be made only until such time that the entire Net Proceeds have been utilized in full. The statement will be certified by our Joint Statutory Auditors. In addition, the report submitted by the Monitoring Agency will be placed before our Audit Committee, so as to enable our Audit Committee to make appropriate recommendations to our Board.

We will be required to inform material deviations in the utilization of the Net Proceeds to the Stock Exchanges and will also be required to simultaneously disclose the material deviations or adverse comments of our Audit Committee or Monitoring Agency, through advertisement in newspapers. No part of the Net Proceeds will be paid by us as consideration to our Promoter, our Directors, or Key Managerial Employees, except in the normal course of our business.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the BRLMs on the basis of the assessment of market demand for the Equity Shares through the book building process. The face value of the Equity Shares of our Company is ₹5 each and the Issue Price is [●] times of the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. The face value of the Equity Shares of our Company was reduced from ₹ 1,000 per equity share to ₹ 10 per equity share pursuant to a resolution passed by the Shareholders of our Company at an EGM held on December 4, 1992 and each equity share of face value ₹ 1,000 each was split into 100 equity shares of face value ₹ 10 each. Further, the face value of the Equity Shares of our Company was reduced from ₹ 10 per equity share to ₹ 5 per Equity Share pursuant to a resolution under Section 100 of the Companies Act passed by the Shareholders of our Company at an EGM held on August 16, 2007. This was pursuant to a scheme under Section 101 of the Companies Act. For details, see "***History and Certain Corporate Matters***" and "***Capital Structure***" on pages 114 and 30, respectively.

Qualitative Factors

We are the only vertically integrated producer of primary refined copper in India (Source: Annual Report (2009-10), MoM, GoI). Our principal activities include mining of copper ore, concentration of copper ore into copper concentrate through a beneficiation process and also smelting, refining and extrusion of the copper concentrate into refined copper in downstream saleable products. Other than selling refined copper products principally in the form of continuous cast rods ("**CC Rods**"), cathodes, wire bars and wire rods, we also sell copper concentrate. In addition, we sell other by products generated through the copper manufacturing process including anode slime, copper sulphate and sulphuric acid. We believe the following are our strengths:

1. Only Primary Copper Producer with Indigenous Mining Capabilities in India
2. Leading Position in Copper Mining in India
3. Vertically Integrated Operations Gives Us More Business Certainty and Flexibility
4. The Location of Our Mines Gives Us a Pricing Advantage
5. Ability to Capitalise on India's Growth and Resource Potential
6. Experienced Management Team with a Track Record of Project Execution

For more details on qualitative factors, see "***Business***" on page 68]

Quantitative Factors

The information presented below is based on the Restated Unconsolidated Summary Statements for the Financial Years 2008, 2009 and 2010 and for the three months ended June 30, 2010 for our Company prepared in accordance with Indian GAAP.

Some of the quantitative factors that may form the basis for computing the Issue Price are as follows:

1. Earnings Per Share (EPS) (as adjusted for change in capital)*

Year Ended	Basic EPS (in ₹)*	Diluted EPS (in ₹)*	Weight
March 31, 2008	3.76	3.24	1
March 31, 2009	(0.40)	(0.37)	2
March 31, 2010	1.89	1.89	3
Weighted Average	**1.44**	**1.36**	

The basic and diluted EPS (in ₹) for the three months period (not annualized) ended June 30, 2010 is ₹0.28.

2. Price/Earning (P/E) ratio in relation to the Price Band (no of times)

(i) P/E ratio for the Company:

Based on Basic & Diluted EPS of ₹1.89 for FY 2010

a. At the higher end of price band - [●]
b. At the lower end of price band - [●]

(ii) P/E ratio for the Industry:

We are the only vertically integrated producer of primary refined copper in India. There are no comparable listed companies in India, hence a P/E ratio for the industry peers is not applicable

3. Return on Net Worth (RONW)

Particulars	RONW %	Weights
Year ended March 31, 2008	30.03	1
Year ended March 31, 2009	(3.69)	2
Year ended March 31, 2010	15.88	3
Weighted Average*	**11.72**	
Three Months period ended June 30, 2010 (not annualized)	2.32	

4. Minimum RONW after the Issue needed to maintain Pre-Issue basic and diluted EPS for the year ended March 31, 2010:

a. At the higher end of price band - [●]%
b. At the lower end of price band - [●]%

5. Net Asset Value per Equity Share

(i) Net Asset Value as on June 30, 2010: ₹12.21

(ii) After the Issue:

a. At the higher end of the price band: ₹[●]
b. At the lower end of the price band: ₹[●]

(iii) Issue Price: ₹[●]

Issue Price per Equity Share will be determined on conclusion of book building process.

NAV per equity share has been calculated as net worth as divided by the number of Equity Shares outstanding as on June 30, 2010.

6. Comparison with Industry Peers

We are the only vertically integrated producer of primary refined copper in India. There are no comparable listed companies in India, hence a comparison with industry peers is not applicable.

The Issue Price of ₹ [●] has been determined by our Company in consultation with the BRLMs on the basis of the demand from investors for the Equity Shares through the Book Building Process. The BRLMs believe that the Issue Price of ₹ [●] is justified in view of the above qualitative and quantitative parameters. Investors should read the above mentioned information along with "***Risk Factors***", "***Business***" and "***Financial Statements***" on pages xiii, 68 and 137 respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in "***Risk Factors***" on page xiii, and you may lose all or part of your investments.

STATEMENT OF TAX BENEFITS

To,

The Board of Directors
Hindustan Copper Limited
1, Ashutosh Chowdhury Avenue,
Kolkata – 700019
West Bengal, India

Dear Sirs,

We hereby certify that the enclosed statement states the possible tax benefits available to Hindustan Copper Limited (the "**Company**") and its Shareholders under the provisions of Income Tax Act, 1961 and other direct tax laws, presently in force in India.

Several of these benefits are dependent on the Company or its Shareholders fulfilling the conditions prescribed under the relevant tax laws and their interpretations. Hence, the ability of the Company or its shareholders to derive the tax benefits will be dependent upon such conditions being fulfilled.

The benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

We do not express any opinion or provide any assurance as to whether:

- The Company is currently availing any of these benefits;
- The Company or its Shareholders will continue to obtain these benefits in future;
- The conditions prescribed for availing the benefit have been / would be met with; or
- The revenue authorities / courts will concur with the views expressed herein.

Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to up-date the views consequent to such changes.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the interpretation of current tax laws.

This report is intended solely for information and for the inclusion in the Offer Document in connection with the proposed Issue of Equity Shares of the Company as per SEBI Regulations and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Thanking you,

Yours faithfully,

For **Ray & Co.**
Chartered Accountants

S P BASU
Partner
Membership No. 50209

Firm registration No. 313124E

For **Agarwal Anil & Co.**
Chartered Accountants

ANIL AGRAWAL
Partner
Membership No. 82103

Firm registration No. 003222N

Date: September 23, 2010

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

(I) Special tax benefits:-

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

(II) General tax benefits:-

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

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

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

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

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

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

6. Section 35E of the Act which deals with deduction for expenditure on prospecting etc. for certain minerals, a company is eligible to avail the deductions on expenditure incurred u/s 35E(2) @ of 1/10th of such expenditure over a period of ten years i.e. expenditure on operation undertaken for the purpose of exploring, locating or proving deposits of any minerals and includes any such operations which proves to be infructuous or abortive subject to availability of taxable income.

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

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

1. To the Company

1.1 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.

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

a. The tax payer is a company

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

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

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

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

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

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

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

2. To the shareholders of the Company

2.1 Resident Shareholders

i) In terms of section 36(1)(xv) of the Act, the Securities Transactions Tax paid by the shareholders in respect of the taxable securities transactions entered into in the course of his business would be eligible for deduction as a 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 the provisions of section 115G of the Act, it shall not be necessary for a Non Resident Indian to furnish his return of income if his only source of income is investment income or long term capital gains or both and tax has been deducted at source under Chapter XVII-B from such income.

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

c. As per the provisions of Section 115D read with Section 115E of the Act and subject to conditions specified therein, long term capital gains(in cases not covered under Section 10(38) of the Act) arising on transfer of the Company's shares, will be subject to tax at the rate of 10% (plus applicable surcharge and education cess if any) 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 , then such gains would not be chargeable to tax on a proportionate basis. Further, if the specified asset or savings certificate in which the investment has been made is transferred within a period of three years from the date of investment, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such specified asset or saving certificates are transferred.

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

2.4 **Mutual Funds**

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

2.5 **Foreign Institutional Investors (FIIs)**

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

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

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 if any)

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 if any). Such capital gains would be computed with out giving effect to the first and second proviso to section 48. In other words, the benefit of indexation, direct or indirect, as mentioned under the two provisos would not be allowed while computing the capital gain.

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

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

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

SECTION IV – ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The information presented in this section relating to the global copper industry has been extracted from statistics and reports from CRU Strategies Limited ("**CRU**")*, ICRA Management Consulting Services Limited* ("**IMACS**")*, the Ministry of Mines, Government of India, the Indian Bureau of Mines, the International Copper Study Group* ("**ICSG**")*, the U.S. Geological Survey* ("**USGS**") *and publicly available information. This data and the projections of future data have not been prepared or independently verified by us or the BRLMs or any of their respective affiliates or advisors. The data may have been re-classified by us for the purpose of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured, and, accordingly, investment decisions should not be based on such information. In this section, all references to a particular year are to the 12-month period ended December 31 of that year and all references to a particular fiscal year are to the 12-month period ended March 31 of that year.*

Overview of the Indian Economy

According to the CIA Factbook, India, with a population of over 1.17 billion people, had a Gross Domestic Product ("**GDP**") on a purchasing power parity ("**PPP**") basis of approximately US$3.56 trillion in 2009. This made it the fourth largest economy in the world, on a PPP basis, after the United States, China and Japan.

According to the Reserve Bank of India's Macroeconomic and Monetary Developments First Quarter Review 2010-11, dated as on July 26, 2010, India is one of the fastest growing large economies in the world with a GDP growth of 6.7% in fiscal 2009 and an expected growth in GDP of 7.4% in fiscal 2010.

According to the Planning Commission of India, the Eleventh Five-Year Plan (fiscal 2007 to fiscal 2012) (the "**11th Plan**") aims at a sustainable GDP growth rate of 9%. There is consensus that infrastructure inadequacies would constitute a significant constraint in realizing this development potential. An ambitious program of infrastructure investment, involving both the public and private sector, has been developed for the 11th Plan period to overcome this constraint.

Global Copper Industry

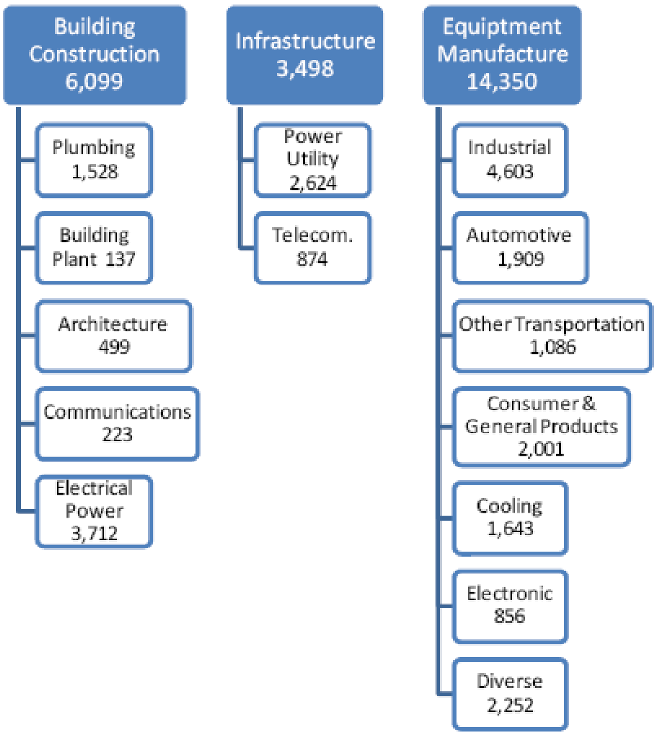
Background

Copper is a non-magnetic metal with high conductivity, tensile strength and resistance to corrosion. On average, the Earth's crust contains only 0.0058% copper, making it a scarce metal as compared with 8% aluminium and 5.8% iron. Most commercial copper ore deposits contain 0.5-0.6% copper (ore in India has an average copper content of 1.2-1.3%).

Copper consumption can be divided into three main product groups: copper wire rods, copper products and copper alloy products. The predominant intermediate use of copper is the production of copper wire rods, which generally accounts for over half of the total usage. Globally in 2008, copper alloy products account for around 19% of total copper demand, followed by copper tubing at approximately 11%. Copper wire rods are used in wire and cable products such as general and industrial cable, utility power cables, telecommunication cable, other insulated wire and winding wire. In addition, copper has several non-electrical applications such as tubes for air conditioners and refrigerators, foils for printed circuit boards and other industrial and consumer applications. Copper is also used in a number of alloys, including brass (copper and zinc), bronze (copper and tin), nickel silver, phosphor bronze and aluminium bronze.

Globally, copper products are generally consumed in five broad sectors: construction, electric and electronic products, industrial machinery and equipment, transportation equipment and consumer and general products. Of these, construction is the largest sector for consuming copper, accounting for 37% of total world copper consumption in 2009. The main copper products consumed in the construction industry include building wire, power cable, copper plumbing and air conditioning tube, copper sheet and alloy products. Other copper and copper alloy products consumed by the construction sector include copper sheet, strip, rods, bars and sections plus brass products. Copper sheet is used for roofing, eaves, gutters, drain pipes for rainwater and lining for facades, while rods, bars and sections, along with brass products, are used for building fixtures and fittings. In hospitals, brass doorknobs and push plates are widely used because it has been proven that they help to reduce cross contamination. Electrical and electronic products are copper's second largest consuming sector, accounting for 26% of total world copper consumption in 2009. Copper containing electrical and electronic products include telecommunication cable, power cable, transformer windings, semiconductors and motors for heavy appliances.

World Copper Usage by End-Use Sector, 2008 (in thousands of tonnes)



Source: ICSG. "The World Copper Factbook," 2009

Primary copper production starts with the extraction of copper ores. There are basically four stages of copper production, which are both independent and complementary of one another. Each of the stages of production can be done by independent companies, as each has a distinct application. Additionally, the different stages of production complement each other as they can be used in combination to produce the highest quality copper. The stages include mining, smelting, refining and leaching.
The companies in the copper industry can be divided into three broad sectors:

- copper miners which mine ore to produce copper concentrate;
- copper custom smelters which smelt and refine copper from the concentrate obtained from copper mines to produce refined copper; and
- integrated copper producers which undertake mining, smelting and refining or leaching to produce refined copper products.

Copper ore can be mined by open-pit or underground methods, or the mineral value may be leached out of the ore (solution mining). In the open-pit method, which accounts for 80% of all copper mining operations in the world, miners open a pit wide enough and deep enough to allow trucks to enter and extract the ore. Underground mining is used when the amount of stripping required (the amount of sterile soil covering the minerals that needs to be removed) is too extensive or not permitted by the geology. In this method, the ore is reached through a tunnel and raised to the surface by truck, rail or special conveyors called skips. Copper can also be mined through in-situ leaching, which involves pumping a solution (typically sulfuric or hydrochloric acid in the case of copper) into the ore body via a borehole. The solution is circulated through the porous rock dissolving the copper ore which is then extracted via a second borehole. The copper is then recovered from the extracted solution by a chemical and electrolyzation process called solvent extraction and electrowinning ("**SX-EW**") or by chemical precipitation.

Once the ore has been mined, it is milled and then beneficiated/concentrated to extract waste material. Most copper ore, typically sulfide ore, is concentrated at or near the mine site through froth flotation — a process involving floating the crushed ore in a chemical solution that is then aerated to produce a froth of concentrated copper that can be skimmed off. The resulting copper concentrate, which is generally the end product of the mining sector, typically contain around 30% copper, but grades can range from 20 to 40%. The copper concentrate is then transferred to smelters to undergo a pyrometallurgical process that employs high-temperature chemical reactions to further refine the copper. On average, nearly one-third of global mine production is sold into the custom smelting market, with the rest being used for integrated production.

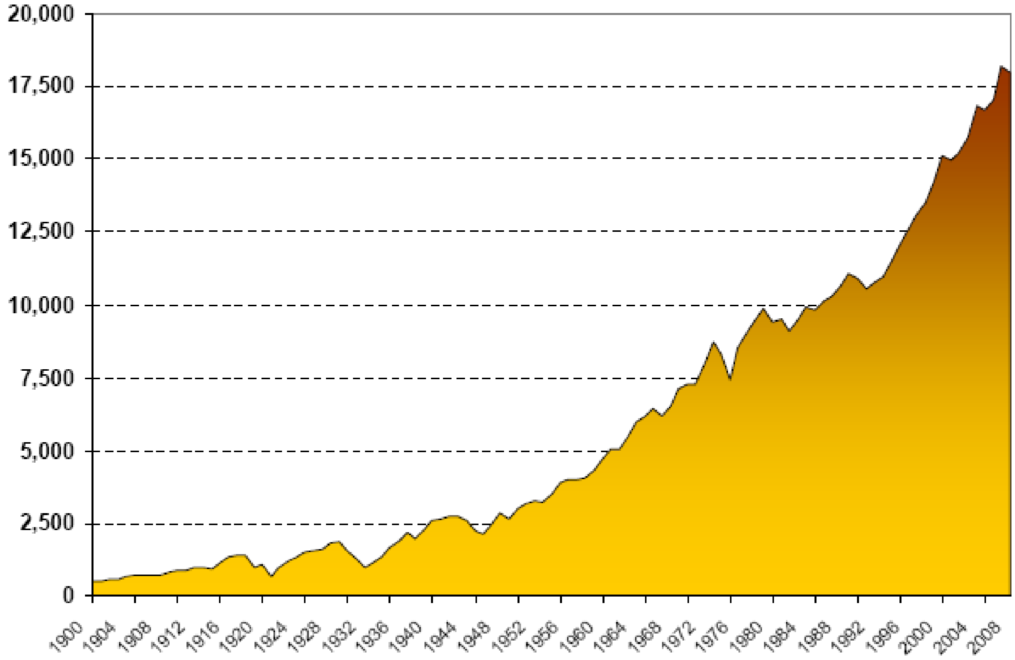
Depending on the copper minerals and the types of equipment available, the subsequent pyrometallurgical treatment of the copper concentrate by smelters may take as many as three steps: roasting, smelting and converting. Roasting dries, heats and partially removes sulphur from the concentrate to facilitate smelting. The copper concentrate is then smelted to further remove waste products and produce a liquid copper matte that is 35-75% copper. After smelting, the molten matte is processed in a converter to create blister copper that is 98.5-99.5% copper. The molten blister is fire refined to further remove waste products and then poured into moulds. The cooled copper is called anode copper. In the final stage of purification, the anode copper is refined by an electrolytic process to obtain copper cathodes, which have a metal content of 99.99% copper. Copper cathodes are melted and cast into wirebars or continuous bar stock for wire manufacture, into slabs for mechanical use or into ingots for alloying.

Alternatively, copper ore can be concentrated and refined using a hydrometallurgical process. The crushed ore is percolated in water or an acidic chemical solution to dissolve and separate the minerals. The copper is recovered from the resulting solution either through SX-EW or chemical precipitation. Hydrometallurgical processing is typically used for low grade oxide ores and some sulphide ores. The end product is the same as through the smelting and electrolytic refining process described above — refined copper cathodes. ICSG estimates that in 2009, refined copper production from SX-EW represented 18% of total global refined copper production.

Global Copper Consumption

From 2000 to 2009, global copper consumption is estimated to have grown at an average rate of 2% per annum. Robust growth in Asia, led by China, has resulted in significant changes to global consumption patterns during the last decade. Europe and North America, which used to consume over 50% of the world’s refined copper during the 1990’s, accounted for only 32% in 2009. Asia, on the other hand, has emerged as the world’s most important copper market, growing at a CAGR of 7% between 2000 and 2009. In 2009, Asia consumed more than half of the world’s refined copper, with China alone accounting for nearly 40% of global consumption. Global consumption growth slowed in 2008 during the global financial crisis, contracting by 1% in 2008 to just above 18 million tonnes, largely due to falling consumption in the world’s mature economies. The contraction was followed by modest growth of 1% in 2009.

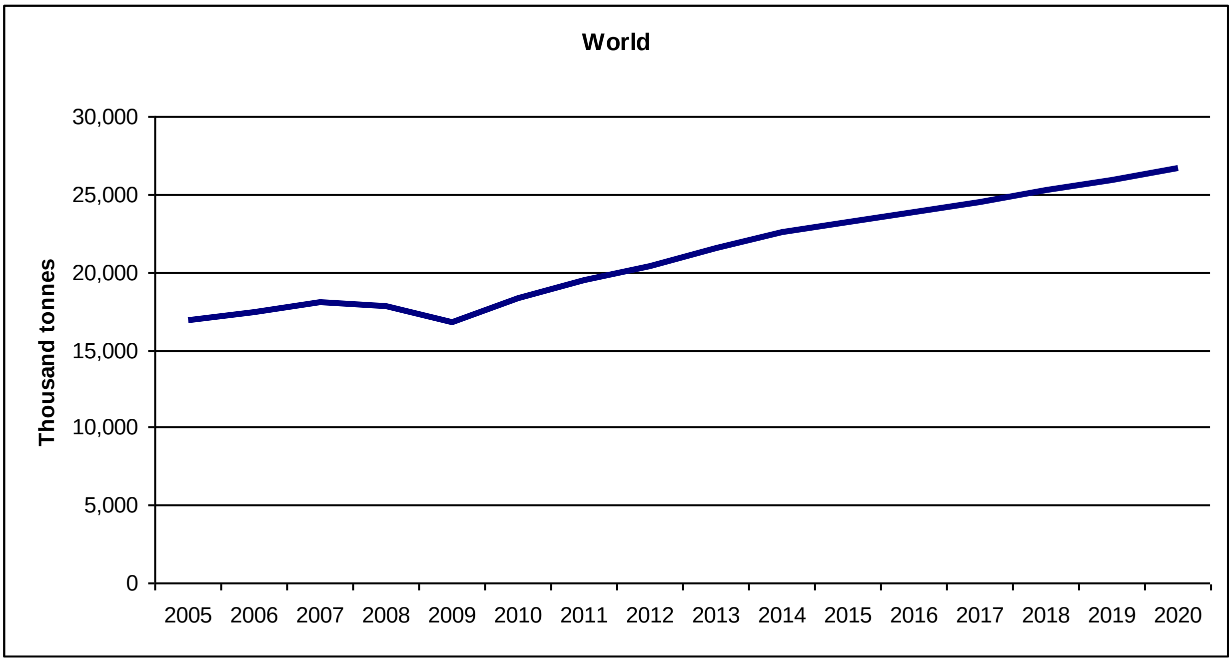
World Copper Usage, 1900-2008 (in thousands of tonnes)



Source: ICSG, "The World Copper Factbook," 2009

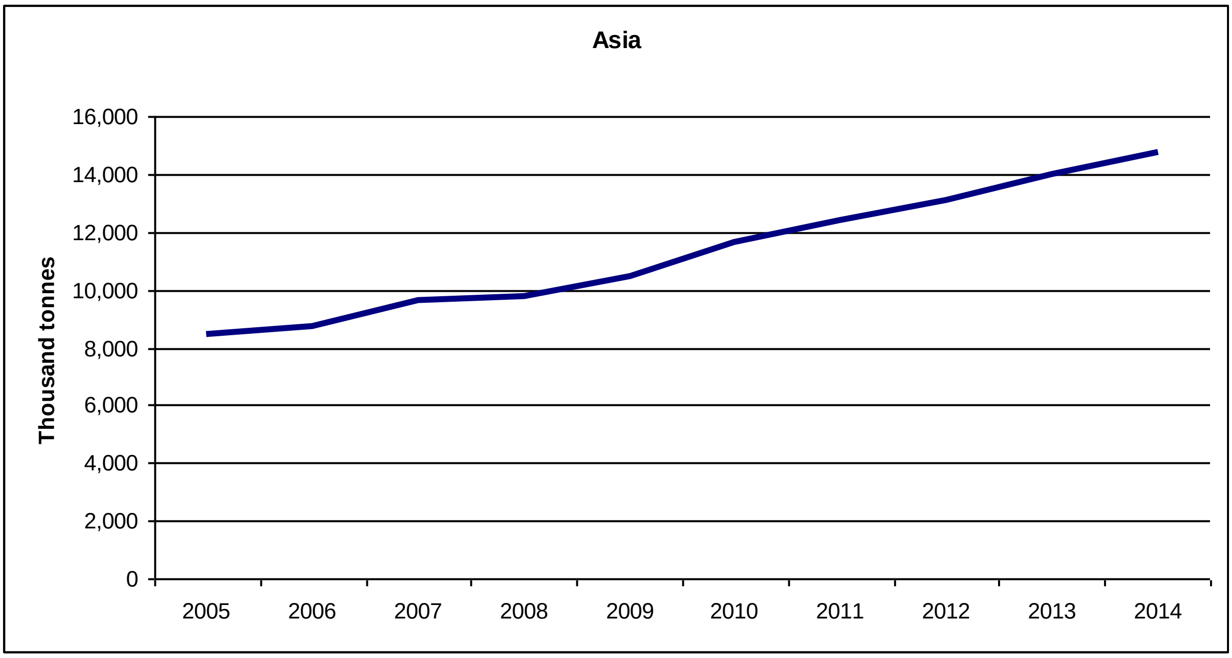
ICSG expects world refined copper apparent usage (apparent usage denotes a formulaic calculation of estimated copper usage that accounts for countries that do not report copper usage data) in 2010 to decline by 1.5%, declining to 17.9 million tonnes. An average increase of 6.9% in three major markets – the United States, the European Union and Japan – is expected to be more than offset by a decline in apparent usage in China of about 13% in 2010. Industrial demand growth for copper in China, however, which is based on anticipated semi-manufacture production, is expected to grow by 7.5% and 5%, respectively, in 2010 and 2011. In 2011, world copper usage is expected to recover, rising by about 5% to 18.9 million tonnes. By 2011, the world's mature economies are expected to be expanding again. The combination of restocking, pent-up consumer and business demand and the full effects of the various infrastructure-related stimulus measures are expected to lead to accelerating global copper demand.

According to CRU, global refined copper consumption is expected to rise by more than 9.8 million tonnes from nearly 16.8 million tonnes in 2009 to a total of around 26.6 million tonnes in 2020. The following graph illustrates global refined copper consumption growth for the periods indicated:



Source: CRU, Analysis Copper Quarterly Industry and Market Outlook July 2010

According to CRU, Asia's refined copper consumption is expected to rise by more than 4.3 million tonnes from approximately 10.5 million tonnes in 2009 to nearly 14.8 million tonnes in 2014. Accordingly, the proportion of global demand accounted for by Asia would rise from 62% in 2009 to approximately 65% by 2014. The following graph illustrates the growth of refined copper consumption in Asia for the periods indicated:



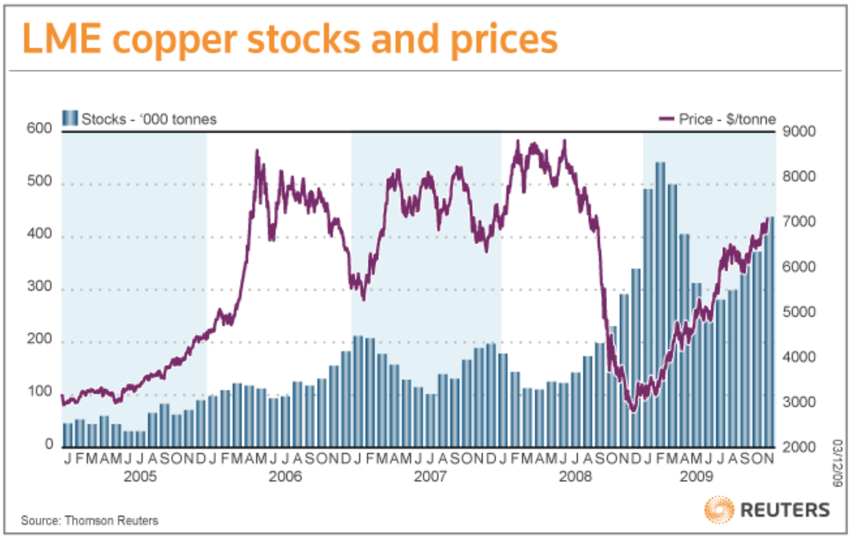
Source: CRU, Analysis Copper Quarterly Industry and Market Outlook July 2010

Global Copper Pricing

Copper is traded on the London Metal Exchange ("**LME**"), the Shanghai Futures Exchange and the New York

Mercantile Exchange and most industry participants, from miners to traders to refiners, base their prices on the LME price of copper. Although prices are determined by LME price movements, producers normally charge a regional premium that is market driven.

The following graph illustrates copper prices and LME copper stocks from 2005 to 2009.



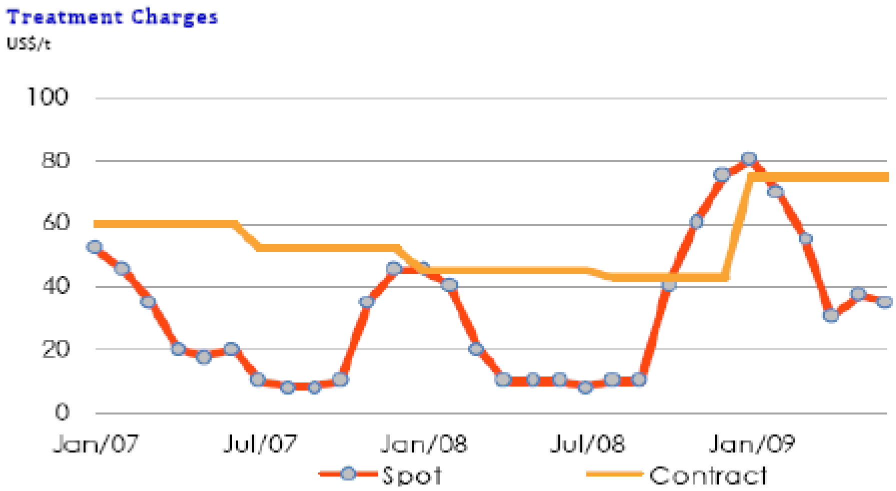
Reuters graphic/Scott Barber

As urbanization and infrastructure investment started to take off in emerging markets in the early parts of this decade, primarily in China, the demand for copper also soared, driving up the LME price. This development peaked in the middle of 2008 as the global financial crisis led to a reduction in demand for copper. The reduced demand was driven by lower end user demand in the metals value chain, de-stocking by producers and distributors as well as reduced demand from financial buyers as investors withdrew funds from commodities and other commodity-linked investments. However, since early 2009, this trend has been reversed as financial investors have invested significant amounts of money in commodities in expectation of a global recovery and metals traders, producers and end users have been returning to the market to re-stock. This has led to a jump in copper prices from the 2008 lows.

Copper concentrate is typically sold under contracts linked to the LME spot price. They can also be sold at spot prices that are market driven. The price of copper concentrate is determined by the LME price for copper minus the amounts charged to treat and refine the copper. The treatment charge reflects the smelting process and is normally expressed in US dollars per dry metric tonne of concentrate material. The copper refining charge reflects the electrolytic refining process and is normally expressed in US cents per pound of payable copper. In many cases, the charge is established as a single, combined value called the treatment charges and refining charges ("**Tc/Rcs**"), expressed in US cents per pound of payable copper. Tc/Rcs are generally negotiated bi-annually between mining and refining companies and are dependent on the oversupply or deficit of copper concentrate in the market, not by the real cost for carrying out the refining processes. If there is an oversupply of concentrate as compared with global smelting capacity, smelters will demand higher Tc/Rcs, and vice versa.

For custom smelters, Tc/Rcs are the key drivers of profitability. Declining copper prices from 2000 to 2002 led to a substantial reduction in copper mine output at a time when Chinese and Indian copper smelters were expanding their production capacities. As a result, annual Tc/Rcs declined significantly and spot Tc/Rcs even more dramatically to a point where many smelters could not justify participation in the market.

The following chart shows historic trends in treatment charges from 2007 to 2009:



Source: IMACS, "The Indian Copper Industry," September 2009

Global Copper Deposits

Mineral deposits are classified based on their geologic certainty and economic value. There are several classification schemes worldwide, however the Canadian CIM classification (NI 43-101), the Australasian Joint Ore Reserves Committee Code (JORC Code) and the South African Code for the Reporting of Mineral Resources and Mineral Reserves (SAMREC) are the general standards. Although exact definitions can vary by classification scheme, mineral "resources" are generally those economic mineral concentrations that have undergone enough scrutiny to quantify their contained metal to a certain degree. Mineral "reserves" are generally resources known to be economically feasible for extraction.

A preliminary assessment by the USGS indicates that global land-based copper resources exceeded 3 billion tons as on January 2010. The USGS estimates global copper reserves of approximately 540 million tonnes.

World Copper Reserves

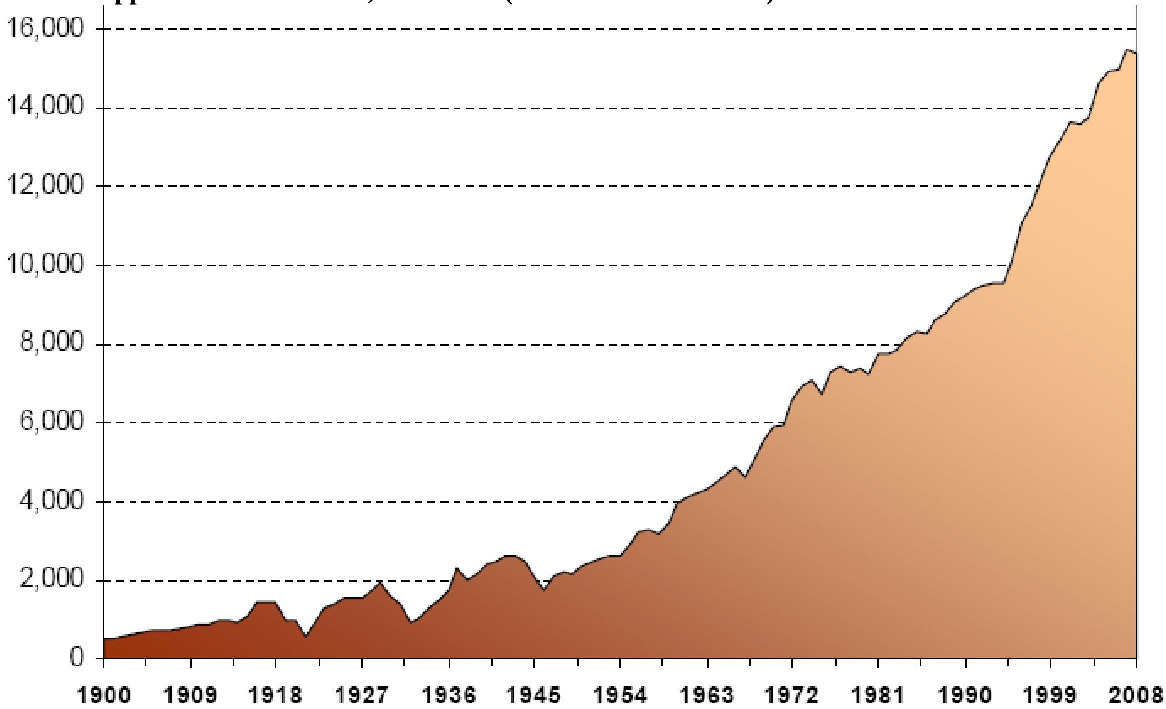
Country	**Reserves** *(in thousands of tonnes)*
Australia	24,000
Canada	8,000
Chile	160,000
China	30,000
Indonesia	31,000
Kazakhstan	18,000
Mexico	38,000
Peru	63,000
Poland	26,000
Russia	20,000
United States	35,000
Zambia	19,000
Other Countries	70,000
World Total	540,000

Source: USGS, Mineral Commodity Summaries, January 2010

Global Copper Mining

Global mine production is the principal source of copper. Historically, total world mine production has been gradually increasing.

World Copper Mine Production, 1900-2008 (in thousands of tonnes)



Source: ICSG, "The World Copper Factbook," 2009

Preliminary data compiled by ICSG shows that Chile accounted for 34% of global copper mine production in 2009, followed by Peru and the United States with 8% and 7.6%, respectively. China and Indonesia follow with 6.5% and 6.3%, respectively.

The following table shows world copper mine production as estimated by ICSG:

World Copper Mine Production (including SX-EW production)

Country	MINE PRODUCTION			
	2008	2009(P)	2010(E)	2011(E)
	(in thousands of tonnes)			
Australia	884	858	959	956
Canada	607	491	482	572
Chile	5,328	5,389	5,768	5,910
China	1,093	1,029	1,060	1,100
India	28	30	33	33
Indonesia	651	996	998	742
Kazakhstan	420	389	410	411
Mexico	247	238	270	375
Peru	1,268	1,275	1,285	1,303
Poland	429	439	427	430
Russia	705	676	700	720
United States	1,335	1,200	1,260	1,310
Zambia	547	588	738	883
Other Countries	1,986	2,156	2,415	2,556
World Total	15,528	15,754	16,805	17,301

P – Preliminary Data, E - Estimate
Source: Compiled from ICSG statistics

A large proportion of the world's copper deposits tend to be in regions with high political risk and limited infrastructure, such as the Tenke Fungurume mine located in Congo DR, Africa, which is considered one of the world's largest underdeveloped high-grade copper deposits. Copper mines are also often plagued by supply disruptions because of issues including power outages, water shortages, labour disputes, grade deterioration, weather, and technical and pit problems, all of which have become persistent and significant features of the copper industry. As a result, the market for copper concentrate has consistently operated on a relatively small margin between supply and demand.

Copper Concentrate Production and Surplus/Deficit

Region	PRODUCTION				SURPLUS/DEFICIT			
	2007	2008	2009(E)	2010(E)	2007	2008	2009(E)	2010(E)
	(in thousands of tonnes)							
Africa	697	854	963	1,095	110	246	300	268
America	6,620	6,442	6,293	6,686	3,297	3,202	3,228	3,372
Asia	2,803	2,786	3,155	3,228	(3,146)	(3,180)	(2,796)	(3,656)
Europe	1,483	1,451	1,529	1,582	(851)	(923)	(764)	(905)
Oceania	1,000	1,007	1,145	1,150	613	588	709	660
Production Loss			(451)	(711)			146	219
Total	12,603	12,540	12,634	13,030	23	(67)	823	(42)

Source: IMACS, "The Indian Copper Industry," September 2009

In 2009, five countries accounted for more than 75% of global copper concentrate demand. Japan was historically the largest purchaser of internationally traded copper concentrate but its share has been eroded over time, having fallen from 34% in 2000 to an estimated 22% in 2009. China's significant growth has seen its share of market demand growing from 13% to an estimated 29% over the same nine-year time frame. India's involvement in this market has doubled since 2000 and now stands at 11% while ongoing expansions at South Korea's sole copper smelting complex in Onsan has enabled that country to maintain a stable 8–9% share of the market. Germany, with expansions at northern Europe's only primary copper smelter in East Hamburg, has secured an ongoing market share of 5–7%.

Copper Refining

CRU expects global refined copper production capacity to reach 26.8 million tonnes in 2010, rising further to approximately 31.2 million tonnes by 2020. Refined copper production capacity in Asia and India are expected to increase from 10.9 million tonnes and 1.1 million tonnes in 2009 to 15.0 million tonnes and 1.5 million tonnes by 2014, respectively.

The following table shows CRU's projections of smelting and refining capacities:

	REFINED COPPER PRODUCTION CAPACITY								
	2009	2010	2011	2012	2013	2014	2016	2018	2020
	(in thousands of tonnes)								
Smelter Blister Capacity (Contained Copper)									
Total Asia	9,184	10,004	11,047	12,257	13,337	13,387			
Of which India	1,021	1,021	1,021	1,411	1,411	1,411			
Total Other	9,865	9,857	9,765	9,895	9,920	9,920			
World	**19,049**	**19,861**	**20,812**	**22,152**	**23,257**	**23,307**	**23,637**	**23,755**	**23,874**
Refined Capacity (Electro-refined and EW Cathode)									
Total Asia	10,937	11,404	12,567	13,877	14,879	15,034			
Of which India	1,090	1,090	1,090	1,490	1,490	1,490			
Total Other	15,242	15,446	15,397	15,468	15,530	15,402			
World	**26,178**	**26,850**	**27,963**	**29,344**	**30,408**	**30,435**	**30,718**	**30,964**	**31,212**

Source: CRU, Analysis Copper Quarterly Industry and Market Outlook July 2010

Integrated copper production is principally concentrated in Chile, Japan, China, the USA and Russia, which together accounted for almost 60% of global refined copper production in 2009.

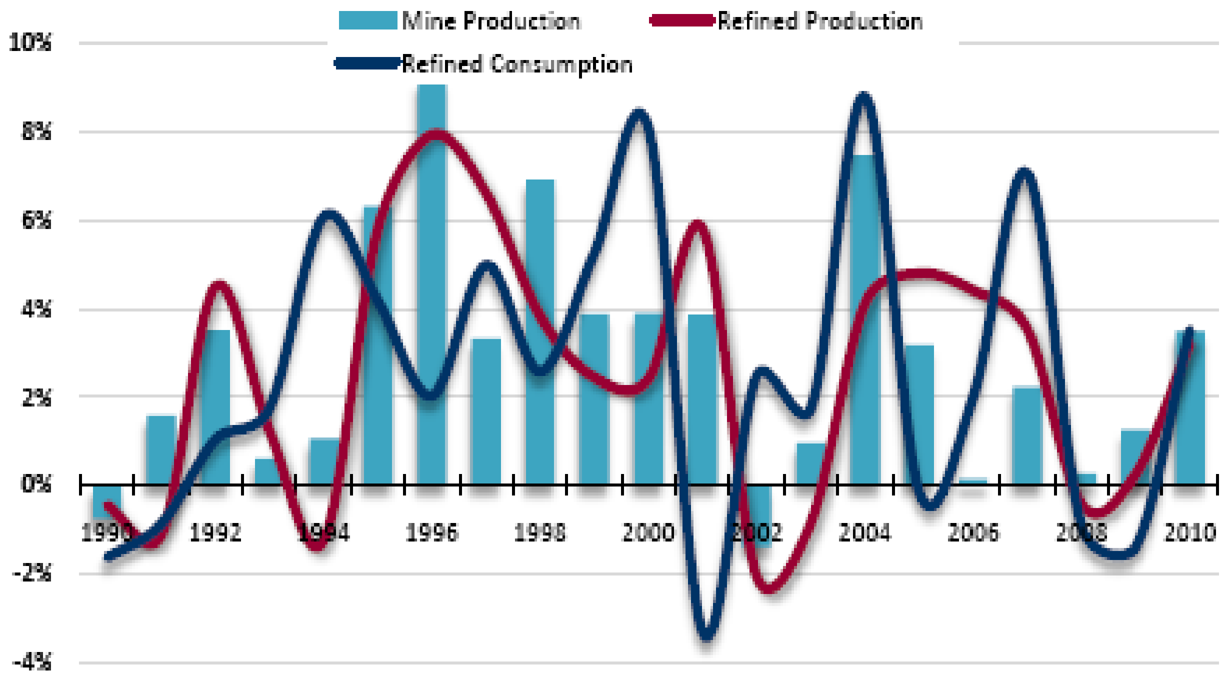
Traditionally, the Americas and Western Europe accounted for a majority of refined copper production, though their percentage share of global production has declined in recent years. Asian markets, especially China and India, have witnessed strong growth in production capacities. In 2009, Asia (including Japan) accounted for 44% of global refined copper production (with China alone accounting for 22%) while the Americas and Western Europe accounted for 31% and 10%, respectively.

The following table sets forth the actual and estimated regional production-consumption balance for refined copper from 2008 to 2011:

Region/ Country	**PRODUCTION**				**SURPLUS/DEFICIT**			
	2008	**2009**	**2010(E)**	**2011(E)**	**2008**	**2009**	**2010(E)**	**2011(E)**
	(in thousands of tonnes)							
Africa	582	672	929	1,142	283	366	591	753
N. America	2,017	1,782	1,792	1,887	(525)	(266)	(364)	(348)
Latin America	3,774	3,937	4,039	4,136	3,193	3,414	3,479	3,544
Asia (excluding China/India	3,285	2,904	2,542	2,080	(543)	(318)	(393)	(516)
China	3,794	4,121	4,450	4,850	(1,408)	(3,068)	(1,800)	(1,700)
India	661	715	748	810	91	105	85	90
Europe	3,607	3,487	3,658	3,759	(1,282)	(373)	(486)	(618)
Oceania	502	445	447	478	351	315	305	330
Production Loss			(951)	(1,426)				
Total	**18,222**	**18,380**	**18,500**	**19,127**	**160**	**175**	**1,417**	**1,535**

Source: Compiled from ICSG statistics

Growth in World Copper Mine Production, Refined Production and Refined Consumption



Source: IMACS, "The Indian Copper Industry," September 2009

Indian Copper Market

Background

The total resources of India's copper ore as of April 2005 (classified under the United Nations Framework Classification system) were estimated at 1.4 billion tonnes. Of these, 369.5 million tonnes (26.5%) fall under "reserves" (proved and probable categories) while the remaining 1.02 billion tonnes (73.5%) are "remaining resources" (under feasibility, pre-feasibility, measured, indicated and inferred categories). Of the total ore resources, 28 million tonnes (2%) comprise ore containing >1.85% copper with 622 million tonnes (44.61%) of 1–1.85% copper grade.

With regard to reserves, about 7 million tonnes (2%) and 347 million tonnes (93.8%) relate to >1.85% copper grade and 1–1.85% copper grade, respectively. The total copper metal content in these resources is estimated to be 11.4 million tonnes of which 4.4 million tonnes constitute reserves.

The largest resources of copper ore are located in the state of Rajasthan with 668.5 million tonnes (47.9%) followed by Madhya Pradesh with 404.3 million tonnes (29%) and Jharkhand with 226 million tonnes (16.2%). Copper resources in Andhra Pradesh, Gujarat, Haryana, Karnataka, Maharashtra, Meghalaya, Orissa, Sikkim, Tamil Nadu, Uttarakhand and West Bengal accounted for about 7% of the total of all Indian estimated resources.

India has three main copper mining projects, all operated by us: the Indian Copper Complex ("**ICC**") in the Eastern Sector in Jharkhand, the Khetri Copper Complex ("**KCC**") in the Western Sector in Rajasthan and the Malanjkhand Copper Project ("**MCP**") at Malanjkhand in Balaghat district, Madhya Pradesh in the Central Sector. MCP is India's largest mechanized hard rock open-pit copper mine, having an annual capacity to produce 2 million tonnes of ore with a matching concentrator plant. It is the single largest copper deposit in the country. The KCC and ICC mines are typically underground mines. India's mine production in 2009 was 30,000 tonnes of copper concentrate.

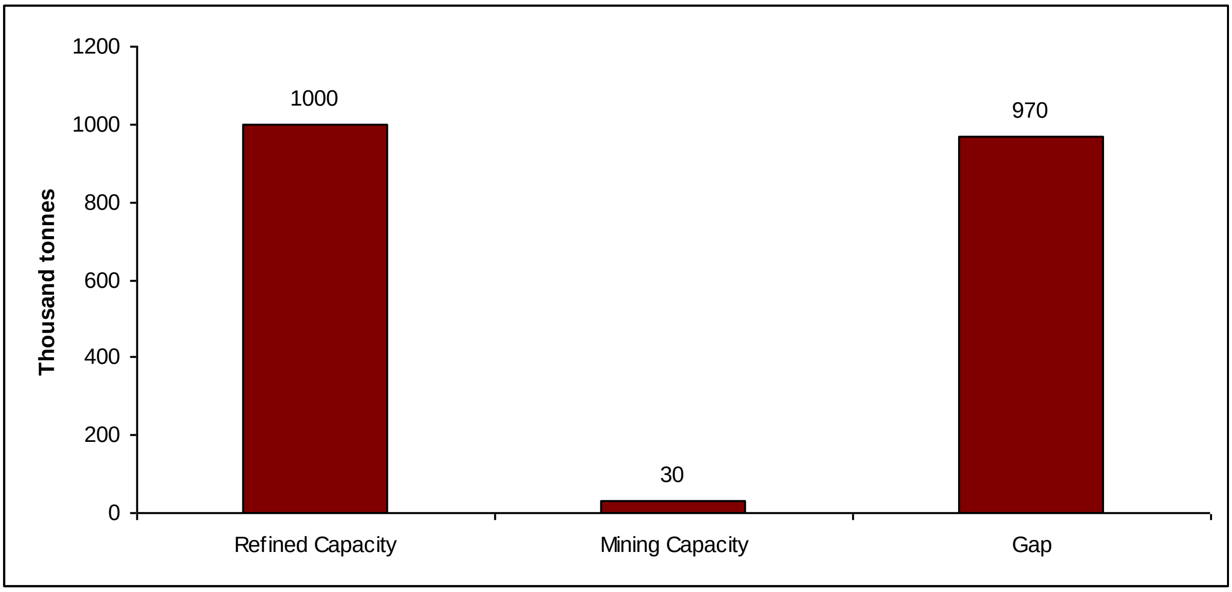
The lack of sufficient resources has resulted in India's copper industry primarily consisting of custom smelters which rely on imported copper concentrate to feed domestic smelters. Since the opening of the copper industry to private sector investment in 1992, the industry has seen the entry of custom smelters Hindalco and Sterlite and one secondary producer (copper scrap recycling), Jhagadia Copper Limited. We are the only vertically integrated producer of primary refined copper using both copper ore from our own mines in addition to imported copper concentrate.

Including us, refined copper production in India is currently dominated by four major producers. Jhagadia is currently focused on producing refined copper from recycled copper scrap with a total refined capacity of 50,000 tonnes per annum in 2009. At present, Sterlite's copper business is principally one of custom smelting. As of 2009, Sterlite's refined copper capacity was approximately 400,000 tonnes per annum. Hindalco is also primarily a custom smelter with a total refined copper capacity of 500,000 tonnes per annum in 2009. As Hindalco and Sterlite rely on overseas markets for almost their entire requirement of copper concentrate, their profitability is strongly dependent on the international variation in Tc/Rcs.

Refined copper production in India has more than doubled from a modest 260,000 tonnes in 2000 to 715,000 tonnes in 2009. In fiscal 2010, India's copper capacity was more than 1 million tonnes of copper, requiring approximately 100 million tonnes of copper ore (assuming a copper content of 1%). The copper ore production in India for fiscal 2010 was 3.2 million tonnes.

There is currently a large disparity between India's smelting/refining capacity and its limited production capacity in copper mining as shown by the following graph:

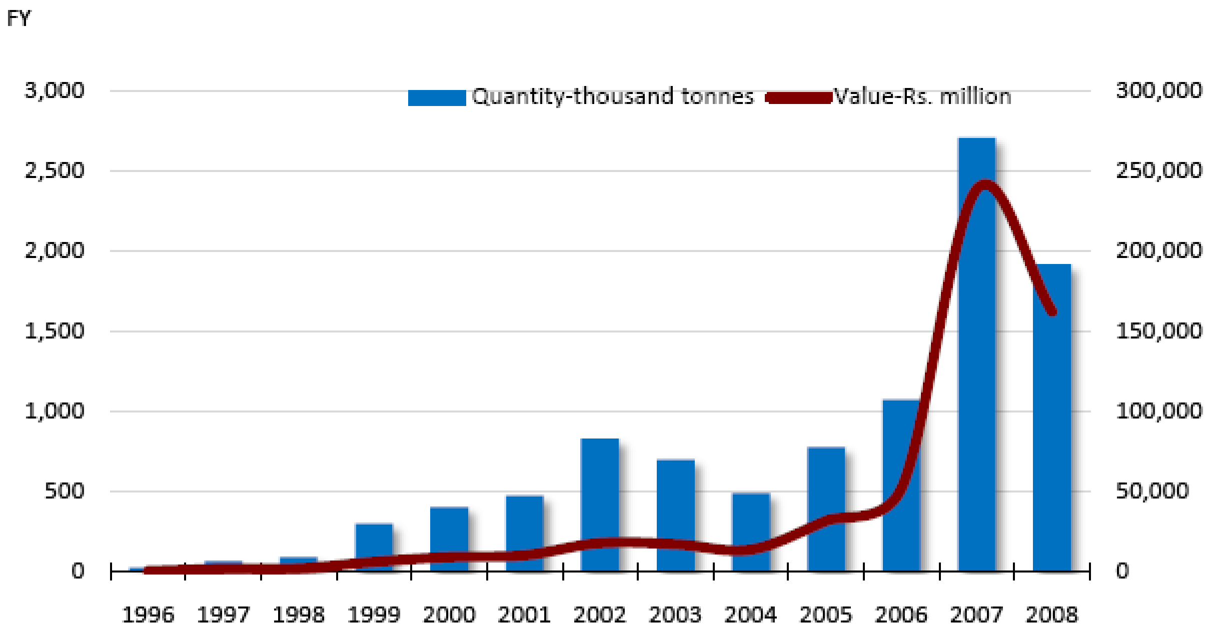
India's Refined Copper Capacity vs. Copper Mining Capacity



Source: CRU statistics; Ministry of Mines, Annual Report 2010

As the copper refining capacity in India has increased, so have the imports of copper concentrate. The following chart shows the growth and value of India's imports of copper concentrate:

India's Imports of Copper Concentrate and Value



Source: IMACS, "The Indian Copper Industry," September 2009

Pricing and Tariff

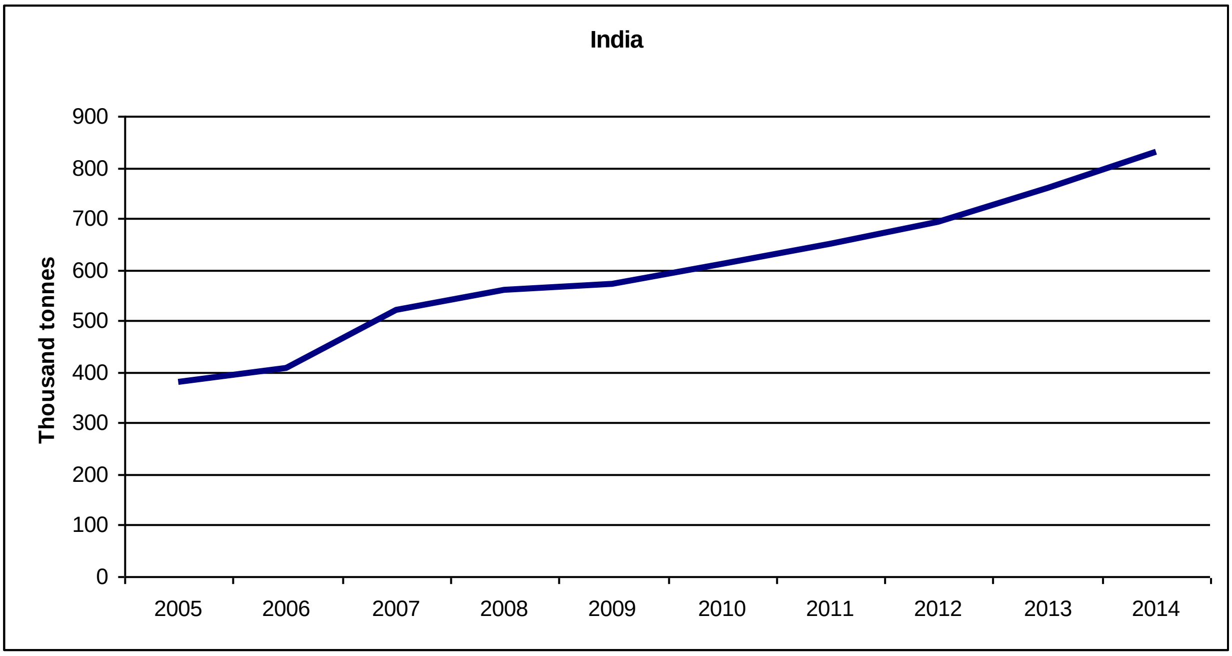
Domestic Indian copper prices track global prices as the metal is generally priced on the basis of the landed cost of imported metal. Copper concentrate imports in India are subject to a customs duty of 2% and refined copper imports are subject to a customs duty of 5% and an additional surcharge of 3% of the customs duty. The customs duty has been reduced in a series of steps from 25% in 2003 to 5% in January 2007. Indian producers are also able to charge a regional premium, which is market driven.

Consumption Pattern

Till the late-1990s, the telecom sector was the major customer segment (accounting for 30-35% of demand) for India's copper consumption. Because of the rapid expansion of the Indian telecom network during the late-1990's, copper usage in the telecom sector increased from around 20,000 tonnes per annum in the early-1990's to around 110,000 tonnes per annum in the late-1990's. With the increasing shift toward wireless communication, copper usage in the telecom sector has declined during the last several years. At present, the electric and electronic products industry has become the largest sector for consuming copper in India, accounting for 36% of total Indian copper consumption. Telecom is still India's second largest copper consuming sector, accounting for 20% of total Indian copper consumption.

Indian domestic refined copper consumption has grown at a CAGR of 9.7% between 2000 and 2009. This has been supported by strong growth in end user segments such as winding wires, power cables and other user applications. India's aggregate refined copper consumption in 2009 was 610,000 tonnes, a growth of 36% from 450,000 tonnes consumed in 2006.

The following graph illustrates the growth of refined copper consumption in India for the periods indicated:



Source: CRU, Analysis Copper Quarterly Industry and Market Outlook July 2010

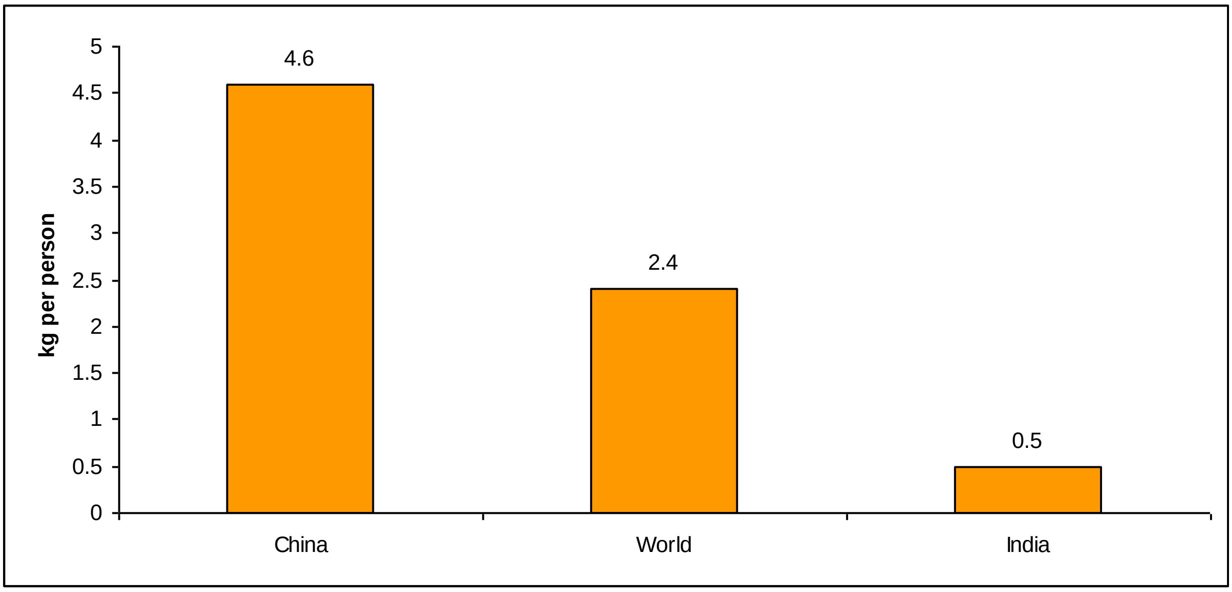
Market Outlook

India's copper market is expected to remain positive with strong growth in key user segments such as power, construction and engineering. Indian refined copper consumption is expected to continue to grow strongly in-line with the overall growth of the economy. Continued growth in the industrial, housing, infrastructure and power sectors is expected to drive the demand for copper over the medium term.

The Indian government's 11th Plan expects domestic demand for refined copper to grow at about 6% per annum while production of refined copper is expected to increase by 15% per annum. The five major industries that consume 82% of the copper in India are electrical, telecom, engineering, construction and transport. Copper consuming sectors have been recognized by the GoI as key infrastructure sectors to sustain the growth of the Indian economy. For example, under the projections of investment in infrastructure during the 11th Plan, the power, telecom and railway industries are expected to attract 30.4%, 13.2% and 12.7%, respectively, of the total projected investment in infrastructure of US$581.68 billion during the 11th Plan. The power industry has seen a CAGR of 5.1% from fiscal 2003 to fiscal 2007 and has a target growth rate of 9% for fiscal 2008 to fiscal 2012 according to the Indian Ministry of Power. This is in conjunction with the program of electrifying 80,000 Indian villages by 2012, with India's power capacity targeted to double to 200,000 megawatts by 2012. According to the Ministry of Railways, the railway industry has seen average annual growth of over 7% in both freight and passenger traffic for fiscal 2002 to fiscal 2007. The Ministry of Heavy Industries & Public Enterprises calculated that production in the automotive industry has grown 16% with exports having grown at a CAGR of 30% per year for fiscal 2002 to fiscal 2006 and identified investment of Rs.110-120 billion per annum as required for the automotive industry to reach its growth potential during the 11th Plan period.

India's per capita copper consumption was less than 0.5 kg in 2009 compared to 4.6 kg in China and a world average of 2.4 kg. If India's per capita copper consumption moves towards the per capita copper consumption levels in the rest of the world, India's copper market has the potential for significant growth.

Copper Per Capita Consumption in 2009



Source: CRU statistics

ICSG expects domestic consumption of refined copper in India to grow an average of 8.6% annually through 2011, from 610,000 tonnes in 2009 to 663,000 tonnes in 2010 and reaching 720,000 tonnes in 2011. According to CRU, Indian refined copper consumption is expected to reach 831,000 tonnes by 2014.

BUSINESS

*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 (Private) Limited ("**IMC-SRGC**"), in their report dated September 11, 2010 on our copper ore reserves and resources (the "**IMC-SRGC JORC Report**"), provided as Annexure I.*
*The following information is qualified in its entirety, and should be read together with, the more detailed financial and other information included in this Draft Red Herring Prospectus, including the information contained in "**Risk Factors**" on page xiii.*

Overview

We are the only operating copper ore producing mining company in India. We are also the only vertically integrated producer of primary refined copper in India (*Source: Annual Report (2009-10), Ministry of Mines* ("**MoM**"), *Government of India* ("**GoI**")). India has a large imbalance between its copper smelting/refining capacity and its copper ore mining capacity. The refined copper production capacity in India for fiscal 2010 was more than 1 million tonnes of copper, requiring approximately 100 million tonnes of copper ore (assuming a copper content of 1%). The copper ore production in India for fiscal 2010 was approximately 3.21 million tonnes. As we are the only operating copper ore producing mining company in India and have access to over two-thirds of India's copper ore reserves, this presents an attractive growth opportunity for us.

Our principal activities include mining of copper ore, concentration of copper ore into copper concentrate through a beneficiation process and also smelting, refining and extruding of the copper concentrate into refined copper in downstream saleable products. Other than selling refined copper products principally in the form of continuous cast wire rods, wire bars and copper cathodes, we also sell surplus copper concentrate. In addition, we sell by-products generated through the copper manufacturing process including anode slime containing gold and silver and sulphuric acid. Our principal operations include three copper ore mining complexes – the Khetri Copper Complex ("**KCC**") at Khetrinagar in Jhunjhunu district, Rajasthan, the Indian Copper Complex ("**ICC**") at Ghatsila in East Singhbhum district, Jharkhand and the Malanjkhand Copper Project ("**MCP**") at Malanjkhand in Balaghat district, Madhya Pradesh – each of which consists of one or more copper ore mines and their own beneficiation plants. Each of our KCC and ICC complexes also has its own smelting and refining facilities, of which the KCC facilities have been shut down for economic reasons. We also have a copper extrusion plant at Taloja in Maharashtra, TCP.

As on April 1, 2010, we have access to over two-thirds of the copper ore reserves in India, with an average of 1.05% copper content. IMC-SRGC has reviewed and classified our mineral reserves and resources in accordance with the Australasian Joint Ore Reserves Committee's Code for Reporting of Mineral Resources and Ore Reserves (the "**JORC Code**"). IMC-SRGC has assessed our copper reserves and resources as follows:

Copper Reserves

Copper Reserves Summary as on April 1, 2010[1]						
Group of Mines	**Proved**		**Probable**		**Total**	
	Tn (Mn tonne)	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**
KCC	**25.98**	**1.01**	**18.27**	**1.30**	**44.25**	**1.13**
ICC	**58.07**	**1.20**	**63.55**	**1.27**	**121.61**	**1.24**
MCP	**103.90**	**0.88**	**141.76**	**0.99**	**245.66**	**0.95**
Grand Total	**187.95**	**1.00**	**223.58**	**1.10**	**411.53**	**1.05**

[1]*See "**Industry Overview**" on page 54] for a discussion on copper reserves and copper resources.*

Copper Resources

Copper Resources Summary as on April 1, 2010[1]								
Group of Mines	Measured		Indicated		Measured + Indicated		Inferred	
	Tn (Mn tonne)	Gr (%Cu)	Tn (Mn tonne)	Gr (%Cu)	Tn (Mn tonne)	Gr (%Cu)	Tn (Mn tonne)	Gr (%Cu)
KCC	**25.19**	**1.22**	**23.94**	**1.42**	**49.13**	**1.32**	**45.74**	**1.27**
ICC	**74.07**	**1.08**	**84.87**	**1.06**	**158.93**	**1.07**	**37.92**	**1.05**
MCP	**160.21**	**0.95**	**107.71**	**1.00**	**267.92**	**0.97**	**63.67**	**0.95**
Grand Total	**259.47**	**1.01**	**216.51**	**1.07**	**475.98**	**1.04**	**147.33**	**1.08**

[1]*See "**Industry Overview**" on page 54] for a discussion on copper reserves and copper resources.*

As on April 1, 2010 our total copper resources including measured, indicated and inferred resources stand at 623.31 million tonnes with average grade of 1.05%.

Set forth below is a chart of our Company's key production and sales volumes for each of the last three fiscal years and the three month period ended June 30, 2010.

Copper Production and Sales

	Fiscal						Three months ended June 30,	
	2010		2009		2008		2010	
(In thousand tonnes)	Production	Sales	Production	Sales	Production	Sales	Production	Sales
Copper ore	3,205	Nil	2,983	Nil	3,245	Nil	852.15	Nil
Copper concentrate[1]	28.202	10.134	27.589	3.540	31.378	Nil	8.392	2.468
Refined copper products:								
Continuous cast rods	29.711	29.475	33.410	33.336	42.536	42.378	3.299	3.587
Cathode	17.516	1.241	30.036	2.359	44.734	3.006	3.140	0.064
By-products:								
Anode Slime	0.025	0.025	0.068	0.080	0.081	0.075	0.00316	0.014
Sulphuric Acid	9.934	9.233	27.316	23.819	41.990	42.187	0.970	0.679

[1]*Copper concentrate figures are given as tonnage of metal in copper concentrate as per the industry practice*

We expect that copper concentrate, rather than refined copper products, will be our primary product in the future. We plan to expand our current production level of approximately 3.21 MTPA to an expected mining capacity of at least 12.41 MTPA by the end of fiscal 2017. This expansion plan includes (i) expanding our existing mines, namely the Malanjkhand mine of MCP, the Khetri mine and Kolihan mine of KCC as well as the Surda mine of ICC, (ii) reopening some of our mines that were closed in the past and renewing our mining leases, namely the Kendadih mine and Rakha mine of ICC and (iii) establishing new mines, namely the Banwas mine at KCC and the Chapri-Sideshwar mine at ICC. In addition, for long term growth prospects, we have applied for certain additional mining leases ("**MLs**"), prospecting licenses ("**PLs**") and reconnaissance permits ("**RPs**") in the States of Jharkhand, Madhya Pradesh, Haryana and Rajasthan. We have also received a notification dated November 7, 2000 from the MoM, that the area falling under Patwari Circle Nos. 35, 36, 37 and 38 of Baihar Taluka, District Balaghat, Madhya Pradesh has been reserved for undertaking prospecting or mining operations by our Company.

We have started processing of low grade sulphide ore (average copper content of 0.3% or less) due to buoyancy in copper prices and are working on a research & development project to exploit low grade sulphide ores through bio-leaching technology at MCP.

We also plan to seek alternative revenue sources from waste material such as waste rock and copper tailings generated from our mining operations at MCP and KCC. We believe we can market and sell waste rock generated through our mining operations at MCP and KCC, as well as market and sell copper tailings produced from our mining operations as micro-nutrients, to diversify our income stream. These new products are expected to provide additional sources of income to our Company without significant increases in our operating cost.

Our Company was incorporated in 1967. We are a public company controlled by the GoI, with our registered office located in Kolkata. Our Company was conferred "*Mini Ratna – Category I*" status by the GoI in 2008, which provides, among other things, greater financial autonomy to our Board of Directors.

For fiscal 2010, and the three month period ended June 30, 2010, sales of refined copper products accounted for approximately 75% and 58% of our revenue, respectively, whereas sale of copper concentrate accounted for approximately 22% and 33% of our revenue, respectively. For fiscal 2010, and the three month period ended June 30, 2010, we had consolidated total revenues of ₹ 13,807.0 million and ₹ 2,469.1 million, profit before tax of ₹ 2,158.4 million and ₹ 439.5 million and profit after tax of ₹ 1,546.8 million and ₹ 262.0 million, respectively.

Competitive Strengths

Our Company has the following key competitive strengths:

There is High Demand for Copper Ore in India and We are the Only Operating Producer of Copper Ore in India with Substantial Reserves

We are the only operating copper ore producing mining company in India. India has a large imbalance between its smelting/refining capacity and its copper ore mining capacity, with more than 1 million tonnes of refined copper production capacity in 2010 requiring approximately 100 million tonnes of copper ore (assuming copper content of 1%) and only approximately 3.21 million tonnes of copper ore mine production in fiscal 2010. Therefore, demand for our copper ore is expected to be maintained at a high level. Our average cost of production for copper concentrate at our mining complexes was approximately ₹ 101,000, ₹ 130,000, ₹ 140,560 and ₹ 137,800 per tonne for fiscal 2008, 2009 and 2010 and the three month period ended June 30, 2010, respectively. In particular, the average cost of production for copper concentrate at our Malanjkhand mine was approximately ₹ 83,641, ₹ 120,685, ₹ 116,192 and ₹ 116,672 per tonne and the average cost of production for copper concentrate at our Khetri mine was approximately ₹ 143,054, ₹ 154,273, ₹ 197,188 and ₹ 196,344 per tonne for fiscal 2008, 2009 and 2010 and the three month period ended June 30, 2010, respectively (the average cost of production for fiscal 2010 and the three month period ended June 30, 2010 include the cost of idle time due to breakdown of equipment at Khetri during these periods). Our low cost of production, as compared to current LME copper prices, enables us to enjoy a healthy profit margin in respect of our sales of copper concentrate and presents a distinct competitive advantage for our Company.

Furthermore, our mining leases cover over two-thirds of the copper ore reserves in India. According to the India Bureau of Mines (the "**IBM**"), the total resources of India's copper ore as of April 2005 (as per the United Nations Framework Classification ("**UNFC**") system) were estimated at 1.4 billion tonnes, of which 370 million tonnes (26.5%) fall under the "reserves" category. Currently, we have under our MLs approximately 300 million tonnes of reserves (as per our own internal UNFC estimates). Since domestic copper concentrate substitutes for imported copper concentrate and the smelting and refining capacity in India exceeds India's output of copper ore by a wide margin with the demand for refined copper expected to generally increase, our position as the only operating copper ore producing mining company within India, along with our copper mining experience in India, presents an attractive growth opportunity and a distinct competitive advantage to our Company.

We Possess First Mover's Advantage with Our Significant Mining Complexes

Copper mining has a relatively high barrier to entry, requiring a substantial investment of capital expenditure and time from the initial reconnaissance of an area to actual production of copper ore and return on investment. We have established mining complexes in three major copper ore deposit areas in India. For any greenfield mining projects located close to our existing mining complexes that we undertake, these new mining projects could rely on the existing infrastructure, like our concentrator plants, of our operating mining complexes.

Furthermore, due to our existing copper ore mining operation, any new mines that we develop may benefit from economies of scale with reduced per unit cost for producing copper ore. Therefore, we believe that we have a distinct competitive advantage in developing new mines, particularly those close to our existing mining complexes.

Our Indian Copper Ore Gives Us a Pricing Advantage in India

We are the only operating copper ore producing mining company in India. Due to the fact that our copper ore is located in India, we are not constrained by international logistical considerations and can ship copper concentrate to domestic refiners faster as compared to the large shipments coming from overseas, which could take two months to be received after order. Furthermore, our shipments are via truck and rail, which allows for smaller lot size, while international shipments are generally via bulk carrier ships, requiring very large lot size. This difference allows for faster delivery of our copper concentrate after customer order and purchases in smaller lots, which in turn results in a shorter cash flow cycle for our customers with a reduced time where our customer's cash is tied up in inventory and a smaller commitment of operating capital for each lot purchased. In addition, our customers enjoy lower freight and insurance costs, lower rates of handling loss and will not have to pay customs duties when purchasing copper concentrate from us, whereas they will have to pay customs duties of 2% when purchasing copper concentrate from overseas.

Vertically Integrated Operations Gives Us More Business Certainty and Flexibility

Our copper operations span the entire value chain and consist of copper ore mining, copper ore concentration, copper refining, smelting and extruding. Unlike other refined copper producers in India, we produce our own copper concentrate and do not need to rely on copper concentrate imported from abroad. Therefore, our copper refining business is generally not subject to the volatility of the international price of copper concentrate. Furthermore, since all of our mines and smelting and refining facilities are located in India, we have relatively low logistic costs involved in moving the copper concentrate to Indian refining facilities to produce refined copper. Being able to produce our own copper concentrate also provides us with certainty in its quality and available quantity.

More importantly, with the mining of copper ore and production of our own copper concentrate, we have the flexibility to either use our copper concentrate to produce refined copper, or sell our copper concentrate to other refined copper producers in India, depending on the profitability and other business considerations of either track. As a result, we believe that our vertically integrated operations provide us with a great deal of flexibility to change our product mix and take advantage of market opportunities.

Ability to Capitalise on India's Growth and Resource Potential

We believe that our experience in operating and expanding our business in India will allow us to capitalize on attractive growth opportunities arising from additional factors including:

- *India's economic growth*: Despite the recession in the global economy, India continues to remain one of the fastest growing economies in the world with a gross domestic product growth of 6.7% in fiscal 2009 and an expected growth in gross domestic product of 7.4% for fiscal 2010, according to the Reserve Bank of India's Macroeconomic and Monetary Developments First Quarter Review 2010-2011, dated as on July 26, 2010, with significant growth in industrial production and investments in infrastructure. We believe that demand for copper products will continue to increase during the next several years, particularly in India. Rising living standards and strong growth in the electrical industry, power industry, construction industry, railway industry, automobile industry and infrastructure developments have sustained the demand for copper in the domestic Indian market. Having our own copper mining capabilities in India, we believe that we are ideally placed to capitalise on the growth opportunities for copper in India in the foreseeable future.

- *Heavy government investment and growth in major copper consuming industries*: India follows a system of successive five year plans that establish targets for economic development in various sectors. According to the Planning Commission of India, the Eleventh Five-Year Plan (2007-08 to 2011-12) (the "**11th Plan**") aims at a sustainable GDP growth rate of 9% and expects domestic demand for refined copper to grow at about 6% per annum while production of refined copper is expected to increase by 15% per annum. The five major industries that consume 82% of the copper in India are electrical, telecom, engineering, construction and transport *(Source: The Indian Copper Industry*

(September 2009), IMACS). Copper consuming sectors have been recognized by the GoI as key infrastructure sectors to sustain the growth of the Indian economy. For example, under the projections of investment in infrastructure during the 11th Plan, the power, telecom and railway industries are expected to attract 30.4%, 13.2% and 12.7%, respectively, of the total projected investment in infrastructure of US$581.68 billion during the 11th Plan. The power industry has seen a CAGR of 5.1% from fiscal 2003 to fiscal 2007 and has a target growth rate of 9% for fiscal 2008 to fiscal 2012 according to the Indian Ministry of Power. This is in conjunction with the program of electrifying 80,000 Indian villages by 2012, with India's power capacity targeted to double to 200,000 megawatts by 2012. According to the Ministry of Railways, the railway industry has seen average annual growth of over 7% in both freight and passenger traffic for fiscal 2002 to fiscal 2007. The Ministry of Heavy Industries & Public Enterprises calculated that production in the automotive industry has grown 16% with exports having grown at a CAGR of 30% per year for fiscal 2002 to fiscal 2006 and identified investment of ₹ 110-120 billion per annum as required for the automotive industry to reach its growth potential during the 11th Plan period. We believe that heavy investment by the GoI in the major copper consuming industries will boost the demand for copper and provide us with attractive growth opportunities.

Experienced Management Team with a Track Record of Project Execution

We have an experienced and qualified management and technical team to operate and implement our copper mines and expansion projects. Our management team includes professionals with an average of over 30 years of experience in copper mining and refining. Shri Shakeel Ahmed, Chairman-cum-Managing Director, has over 34 years of experience in the railway industry holding various leadership positions including Advisor (Projects) to the Railway Board (under the aegis of the Ministry of Railways, GoI) and Divisional Railway Manager of Kharagpur Division on South Eastern Railways as well as working as CEO of railway workshops from time to time. Mr. Avijit Ghosh, Director of Mining, has over 25 years of mining experience. Mr. G. L. Bhatoa, Executive Director of MCP, has over 35 years experience in copper mining and refining. Mr. A. K. Sen, Executive Director of KCC, has over 25 years experience in copper mining. Mr. S. Purthy, Executive Director of ICC, has over 30 years experience in copper smelting and refining. Mr. P. K. Sharma, General Manager of Mining Projects, has over 35 years of copper mining experience. For further details in relation to our key managerial personnel see "***Our Management – Key Management Personnel***" on page 132.

Strategy

The key elements of our strategy include:

Increase Focus on Copper Mining and Expansion of Our Mining Capacity

Due to the competitive advantage we have in producing copper concentrate in India and the expected sustained demand for copper ore, we plan to expand our current production level of approximately 3.21 MTPA to an expected mining capacity of at least 12.41 MTPA by the end of fiscal 2017. We expect to achieve this objective by (i) expanding our existing mines, namely the Malanjkhand mine of MCP, the Khetri mine and Kolihan mine of KCC as well as the Surda mine of ICC, (ii) reopening some of our mines that were closed in the past and renewing our mining leases, namely the Kendadih mine and the Rakha mine of ICC and (iii) establishing new mines, namely the Banwas mine at KCC and the Chapri-Sideshwar mine at ICC. Our expansion plan largely involves expanding our operations further underground rather than increasing their surface area, meaning that we will not always be faced with many of the issues that are typically involved with mine expansion projects, such as acquiring additional land, relocating current inhabitants, establishing additional infrastructure and obtaining additional forest clearance. This expansion plan is expected to allow us to significantly increase our copper concentrate production and to sell copper concentrate as our primary product to other refined copper producers in India. See "***Business – Mining Development and Expansion***" on page 88 for details of the expansion plan.

Continue to Develop Long-Term Growth Prospects through Brownfield and Greenfield Exploration

We intend to develop long-term growth prospects through brownfield and greenfield exploration projects. We intend to undertake further detailed exploration of our existing mines, including the areas immediately below the Khetri mine and Kolihan mine at KCC as well as the Surda mine at ICC. We have applied for, and are also in the process of applying for, additional MLs, PLs and RPs in the States of Jharkhand, Madhya Pradesh, Haryana and Rajasthan. We have also applied for and received a notification dated November 7, 2000 from the MoM, that the area falling under Patwari Circle Nos. 35, 36, 37 and 38 of Baihar Taluka, District Balaghat, Madhya Pradesh has been reserved for undertaking prospecting or mining operations by our Company. We also intend to make such applications in potential areas in the future. By securing further MLs, PLs and RPs and pursuing brownfield exploration, we believe we will be able to expand our current mining capacities for long-term growth prospects and continue to capitalize upon the growing demand for copper in India.

Increase the Amount of Outsourcing Utilized for Our Mining Operations

We plan to explore different outsourcing models for the development and operation of our mining assets and intend to increase the amount of outsourcing we utilize. By utilizing third-party contractors, we believe that we are better able to ensure our access to the latest in mining technology and know-how. In concert with our mine expansion, mine reopening and new mine projects, efficient use of outsourcing will allow us to develop our mines based on the most cost-effective mine designs and implement the most cost effective operations through the use of the latest in mining technology. Increasing the amount of outsourcing we utilize also enables us to ensure the most cost effective mining operations as we believe third-party contractors are better able to control their costs of operation. In addition to providing us cost-effective mining operations, the use of third-party contractors also provides us with a more stable and predictable cost structure on a per tonne basis, thereby streamlining our overall operations. We intend to execute the construction of all our mine expansion projects by way of awarding engineering procurement and construction contracts through a two stage open tender process. The first stage of issuing the tender for request for qualification has already been initiated for each project of our expansion plan.

Continue to be a Low Cost, Efficient and Environmentally Friendly Mining Company

We seek to lower our costs and improve efficiency across our operations. We also give high priority to environmental management and energy conservation. By expanding our mining capacity, we will be able to take advantage of economies of scale with regard to our fixed costs, making our operations more efficient. In addition, our expansion projects will allow us to implement modern mining plans that utilize the latest in modern mining equipment to produce more ore at a lower cost using less energy. We will continue to give high priority to environmental management, addressing environmental issues that may be raised by our mining operations, including restoration and conservation of forests as well as issues related to air, water and soil pollution. Further we are in the process of developing technologies for exploitation of low grade sulphide ores through a research and development project with IMMT, Bhubaneswar, to develop a bio-leaching technique at our MCP mining complex.

Seek Additional Sources of Income

We plan to commercialize waste materials generated by our production processes. We believe we can market and sell waste rock generated from our mining operations at KCC and MCP, as well as market and sell copper tailings produced from our mining operations as micro-nutrients for crops. To date, we have sold 5 million tonnes of our waste rock at KCC at a price of ₹ 45 per tonne and taken an advance from the buyer (but are still waiting for the buyer to remove the waste rock). We have also invited expressions of interest for joint venture, marketing or provision of technology related to monetizing our copper tailings. As we possess a significant amount of waste rock and copper tailings from our past operations, it is expected that sales of such materials will provide new income streams without significant increase in our cost structure. We are also exploring other niche copper product markets like oxygen free copper and magnesium and silver alloy required particularly for the railroad industry, which we believe we are particularly suited for as a smaller producer of refined copper products with the flexibility to exploit these smaller niche markets.

Explore Acquisition of Mining Companies and Mines Within and Outside of India

We have a long history in copper ore mining and we plan to capitalize on such experience by exploring potential acquisitions of other copper, gold or any other base metal mining companies or mines within or outside of India. Within India, we are in negotiations with a third-party to form a joint venture for the purpose of reopening one of their closed mines. We have, in September 2010, also entered into a memorandum of understanding with NALCO, a sister public sector company under the MoM, to explore the possibility of forming a joint venture to explore various business opportunities together including acquiring, developing and operating copper mines in India and abroad. It is expected that NALCO will lead the project and hold the majority stake in any joint venture to be formed except for copper mineral projects, in which case we will lead the project and hold the majority stake. However, this plan is still at an initial stage and no target acquisition has been identified by us or

NALCO at the moment.

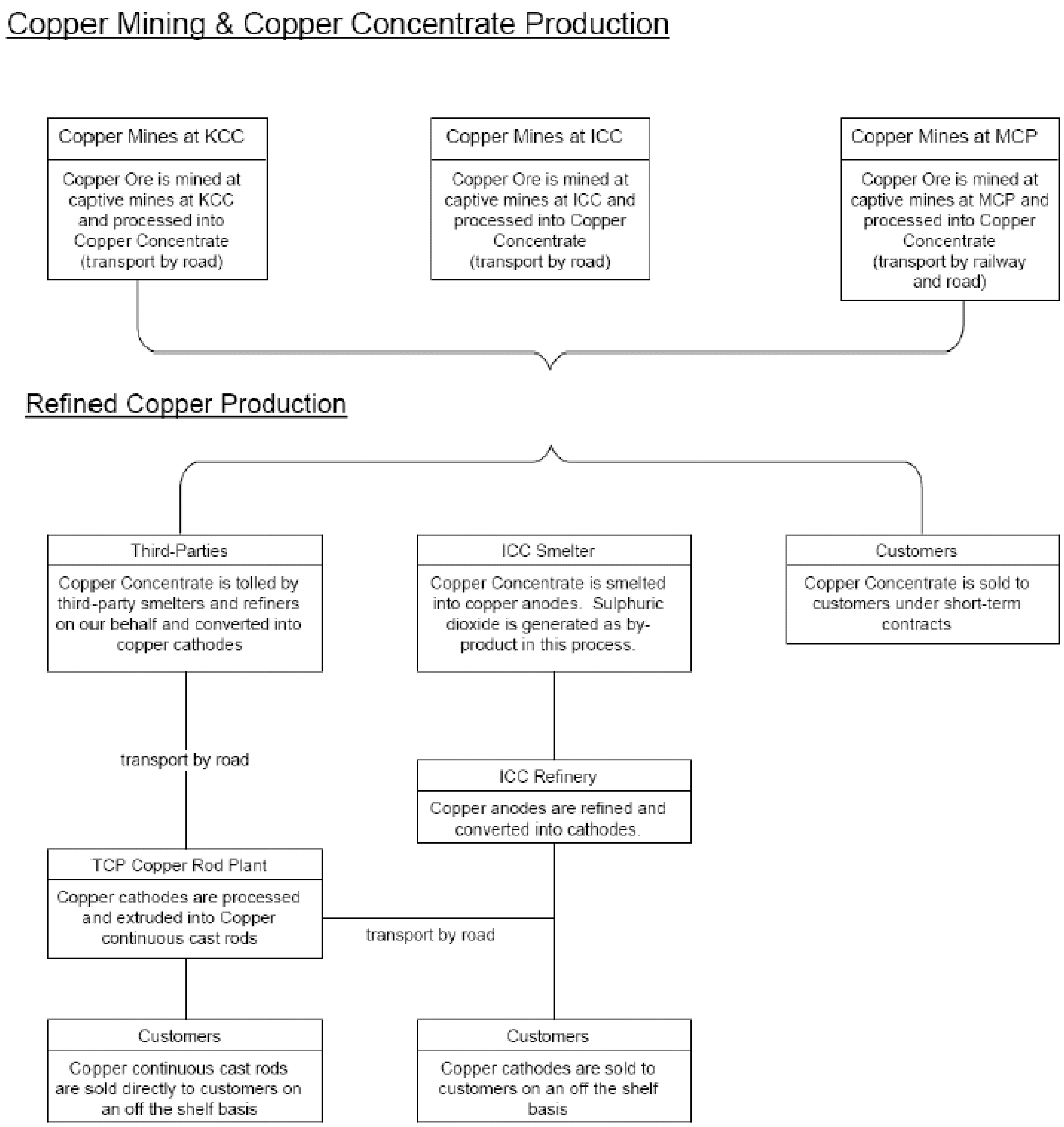
Copper Business

Overview

Our operations can be broadly divided into two categories: (i) copper ore mining, which includes copper concentrate production, and (ii) refined copper production. Currently, we sell (i) copper concentrate, (ii) refined copper products principally in the form of continuous cast wire rods, wire bars and copper cathodes, and (iii) other by-products generated through the copper manufacturing process, including anode slime containing gold and silver and sulphuric acid. We sell most of our copper products in India pursuant to short-term contracts. Our principal operations include three copper ore mining complexes – KCC, ICC and MCP – each of which consists of several copper ore mines and their own beneficiation plants. Each of our KCC and ICC complexes also have their own smelting and refining facilities, of which the KCC facilities have been shut down for economic reasons. We also have the TCP copper extrusion plant.

Our operations are completely vertically integrated with copper mining, copper beneficiation, smelting, refining and casting of refined copper metal into downstream saleable products. We mine copper ore at KCC, ICC and MCP and process the ore in our on-site beneficiation plants to produce copper concentrate. Our copper concentrate is then either (i) shipped to third-parties to be smelted and refined (the industry term for smelting and refining done by a third-party is "tolling") into copper cathodes, which are then returned to our TCP extrusion plant, (ii) shipped to our smelting and refining facilities at ICC to be refined into copper cathodes, which are then shipped to TCP or (iii) sold directly to customers on an off the shelf basis. The copper cathodes received at TCP are extruded into continuous cast rods and sold directly to customers under on an off the shelf basis. We also extrude copper cathode that is not our own into copper wire rods on behalf of third-party clients.

The full process of our vertically integrated copper production is as below:



Copper Ore Mining and Copper Concentrate Production

Copper ore may be mined by either open-pit or underground methods, or the mineral values may be leached out of the ore (solution mining). Open-pit mining accounts for 80% of all copper mining operations in the world (*Source: The Indian Copper Industry Report (September 2009), IMACS*), with an opening wide enough to allow trucks to enter and go deep enough to reach the ore. Underground mining is used when the amount of stripping required (i.e. the amount of soil to be removed per tonne of ore) is too high or the geology does not permit it. In this method, the ore is reached through a tunnel and brought out either by truck or rail, or is raised by a skip.

KCC has three mines – Khetri, Kolihan and Chandmari – and the Banwas deposit, which is adjacent to the Khetri mine and covered by the Khetri mining lease. The Khetri and Kolihan mines are both underground mines. Chandmari was an open-pit mine but the open-pit mine has been substantially exhausted and we are in the process of developing it as an underground mine. The Banwas deposit was initially mined through a horizontal shaft from the Khetri mine. We now plan to access the Banwas deposit through the construction of an independent decline. Currently, all three existing mines at KCC are open, although production at the Chandmari mine has been suspended as we are in the process of developing it as an underground mine. ICC has three mines – Surda, Kendadih and Rakha – and four virgin deposit areas that have not yet been commissioned – Rakha Phase II, Tamapahar, Chapri and Sideshwar. All three of the mines and the four virgin deposit areas are, or are expected to be, underground mines, but only our Surda mine is currently in operation at the ICC mining complex. MCP at Malanjkhand in the State of Madhya Pradesh is in operations and is an open-pit mine measuring 2,200 metres in length, 600 metres in width and final planned depth of 240 metres.

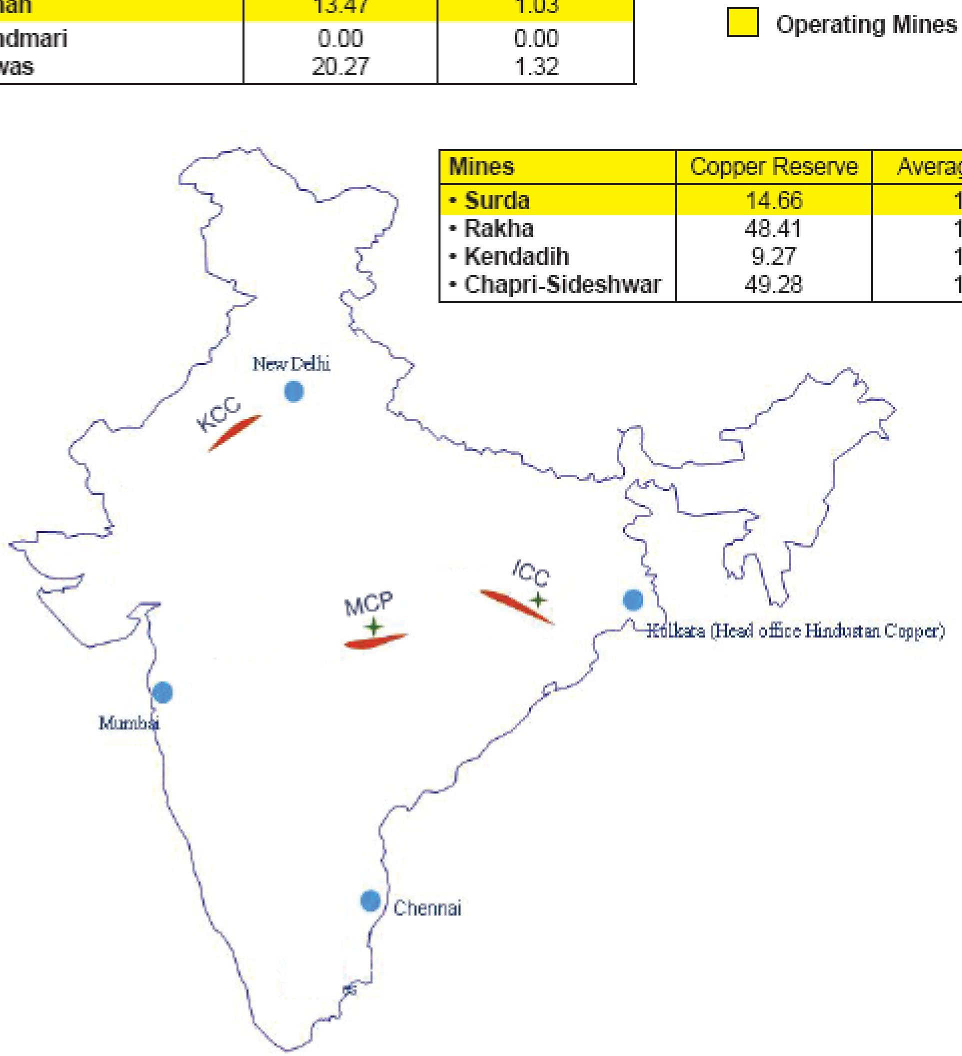
Our copper ore is generally first crushed to a size of 140 mm and then is sent through belt conveyors to secondary and tertiary units for milling to a size of 25 mm. Thereafter, the milled ore is sent for fine ore milling where the ore is pulverized by tumbling it with steel balls in cylindrical mills. The milled ore is then treated via the beneficiation/concentration process in flotation cells with re-agents like pine oil, xanthate and lime for separation of copper concentrate and to eliminate much of the other material. The copper concentrate solution is then sent for filtration and the end result is copper concentrate which can either be sold or used for smelting to produce refined copper. Our copper concentrate generally contains 17%-25% of copper; similar levels of iron and sulphur; minor percentages of oxides of aluminum, calcium, and silicon; and traces of precious metals that depend on the ore source.

There are no direct raw materials used in our ore mining and processing operations. Indirect raw materials include power, fuel, water and oxygen. We procure these indirect materials from various vendors. The electricity required for our operations is supplied by the State Government grid, and supplemented by our own backup generators.

Copper Mines

Our copper mining operations are conducted at three mining complexes: KCC, ICC and MCP. The following map shows the location of each of our mining complexes with its mines and reserves:

Mines	Copper Reserve	Average Grade
• Khetri	10.51	0.91
• Kolihan	13.47	1.03
• Chandmari	0.00	0.00
• Banwas	20.27	1.32



Mines	Copper Reserve	Average Grade
• Surda	14.66	1.16
• Rakha	48.41	1.13
• Kendadih	9.27	1.40
• Chapri-Sideshwar	49.28	1.67

Mines	Copper Reserve	Average Grade
• Malanjkhand	245.66	0.95

NOTE*: Map not to scale and is presented only to provide an indication of approximate locations of our mining complexes*.

The following table summarizes the status of our mines and the details of the relevant MLs in each of our three mining complexes as on June 30, 2010:

Mine Lease	Lease Area (km^2)	Annual Production Program (under mining plan) (in thousand tonnes)		Lease status valid up to	Possible renewal duration	Operating Status
		2010-11	2011-12		(Years)	
Khetri (including Banwas)	3.95	718	768	February 22, 2013	20	Operating
Kolihan	1.63	800	1,000	November 23, 2016	20	Operating
Chandmari	1.48	n/a[3]	n/a[3]	December 26, 2012	20	Operations suspended in 2002
Surda	3.88	450	510	June 15, 2014	20	Operating
Kendadih (including Sideshwar)	11.39	n/a[3]	n/a[3]	June 2, 1993[1]	20	Operations suspended in 2000
Rakha (including Chapri and Tamapahar)	7.85	n/a[3]	n/a[3]	August 28, 2011[2]	20	Operations suspended in 2001
Malanjkhand	4.79	2,000	2,000	August 27, 2013	20	Operating

[1]*Renewal application dated May 28, 1992 has been made by our Company*
[2]*Renewal application dated July 26, 2010 has been made by our Company*
[3]*Mine plans have not been filed for our closed mines*

Process for Acquiring and Renewing MLs

The process for acquiring new MLs involves three stages. As a first step, we apply for and obtain an RP covering the intended area where we will engage in exploration for specific minerals. The RP is granted locally by the respective State Government and then the RP deed covering the intended area is executed. We then commence reconnaissance survey activities during the three-year term of the RP. As a second stage, assuming a successful reconnaissance survey, we will apply for a PL covering targeted or selected blocks of acreage within the area covered by the RP. Once the PL is granted and the relevant deeds are executed, the company is permitted to conduct exploration activities during the term of the PL, generally up to a maximum of five years. After successful exploration activity, we will apply for an ML for the targeted area. MLs generally have initial terms of 20 years and can typically be subsequently renewed for periods of 20 years, subject to environmental clearance and expansion clearance. The MLs can be terminated for breach of existing statutory laws and breach of any environmental protection laws. Under our MLs, we are required to pay a royalty on our operating mines, which may be set, generally every three years, by the GoI. The current monthly royalty of 4.2% of the LME price of copper is paid to the respective local State Governments based upon volume of production in the particular State. For our non-operating mines, we pay a flat monthly dead rent rate to the respective State Governments.

We are required to apply for renewal of our MLs one year before the expiry date. After the expiration of the mining lease, if renewal has not yet been granted, the renewal is deemed granted and we are allowed to continue mining operations until the renewal is granted. For more information, including details of the application and renewal processes and forest, environmental and other clearances, see "***Government and Other Approvals***," "***Regulations and Policies***" and "***Business***" on pages 214, 106 and 68, respectively.

Currently, we have applied for renewal of our Kendadih ML and Rakha ML. In addition and apart from our current MLs, we hold or have applied for the following RPs, PLs and MLs:

No.	State	Area (km^2)	Type of Right/Application, Date and Status	
RAJASTHAN				
1	Baniwala Ki Dhani, District Sikar PL No. 35/06	36.07	PL	PL approved for grant by the MoM, GoI on September 3, 2010
2	Baniwala Ki Dhani, District Sikar PL No. 41/08	12.07	PL June 2, 2008	Applied for with State Government
3	Districts Ajmer and Pali, Tehsil Kishangarh, Beawar and Raipur	1,982.00	RP June 28, 2010	Applied for with State Government
4	Districts Ajmer and Pali, Tehsil Ajmer and Jaitaran	200.00	RP June 28, 2010	Applied for with State Government
5	Districts Bhilwara and Ajmer, Tehsil Shahpura, Mandal and Kekri	1,718.70	RP June 28, 2010	Applied for with State Government
6	Districts Bhilwara and Chittor, Tehsil Bhilwara and Gangawar	319.00	RP June 28, 2010	Applied for with State Government
7	Districts Ajmer, Nagaur and Jaipur, Tehsil Parbatsar, Kishangarh, Phulera and Dudu	1,180.00	RP June 28, 2010	Applied for with State Government
8	Districts Sikar and Jhunjhunu, Tehsil Khetri, Udaipurwati and Shrimadhopur	730.00	RP June 28, 2010	Applied for with State Government

No.	State	Area (km^2)	Type of Right/Application, Date and Status	
9	District Ajmer, Tehsil Sarwar, Kekri and Beawar	671.00	RP June 28, 2010	Applied for with State Government
10	Districts Ajmer and Tonk, Tehsil Kekri, Srwar and Malpura	1,821.69	RP June 28, 2010	Applied for with State Government
HARYANA				
1	Districts of Mohindergarh, Jhajjar and Bhiwani	2,089.00	RP February 2, 2008	Applied for with State Government
MADHYA PRADESH				
1	District Balaghat, Taluka Baihar, Villages Karhu, Anditola, Sitapur, Sital pani, Mohongaon, Kolhyatola, Nayatola and Paldongari, in Khasra No. Patwari Halka No. 42	7.00	PL April 10, 2002	Applied for with State Government
2	District Balaghat, Taluka Baihar, Villages Mohgaon, Paldongri, Kholwa, Rehangi, Lora and Jatta, in Khasra No. P.C. No. 19, 21, 41 & 42	60.00	PL June 18, 2007	Applied for with State Government
3	District Balaghat, Taluka Baihar, Villages Dorli, Gidori, Jamunia Siganpuri, and three other villages in Khasra numbers Patwari Halka No. 37 and Patwari Halka no. 38	22.73	PL July 11, 1996	Applied for with State Government
4	District Balaghat, Taluka Baihar, in Khasra numbers Patwari Halka no. 35, Patwari Halka no. 36 and Patwari Halka no. 37	17.70	PL May 3, 1997	Applied for with State Government
5	District Balaghat, Taluka Baihar, Village Bhimjori	2.48	ML April 8, 1993	Applied for with State Government
6	District Balaghat, Taluka Baihar	1,600.00	RP May 7, 2008	Applied for with State Government
JHARKHAND				
1	District East Singhbhum, Taluka Ghatsila, Villages Laukesra, Pathargora, Meriya, Mosaboni, Rangamatia and Dhobani	7.34	ML June 10, 2009	Applied for with State Government
2	District Saraikela-Kharswan, Taluka Gamharia, Villages Kuludih, Baistamdih, Dhatkidih and 11 other villages	6.45	ML November 12, 2009	Applied for with State Government
3	District East Singhbhum, Taluka Govindpur, Villages Talsa, Kudada, Turamdih, Nandup, Purihasa, Bayangbil, Lailam, Garadih, Kadamdih	9.80	PL June 21, 2010	Applied for with State Government

Khetri Copper Complex (KCC)

KCC is one of the largest copper mining-cum-metallurgical complexes in India. We have three mines in KCC – Khetri, Kolihan and Chandmari – and the Banwas deposit, which is adjacent to the Khetri mine and covered by the Khetri mining lease. The Khetri and Kolihan mines are both underground mines. Chandmari was an open-pit mine but the open-pit mine has been substantially exhausted and we are in the process of developing it as an underground mine. The Banwas deposit was initially mined through a horizontal shaft from the Khetri mine. We now plan to access the Banwas mine through the construction of an independent decline. Currently, all three existing mines at KCC are open, although production at the Chandmari mine has been suspended as we are in the process of developing it as an underground mine.

We have a beneficiation plant, a smelter and a refinery at KCC. Accordingly, KCC has the facilities for manufacturing copper concentrate and copper cathode. It also has the facilities for producing sulphuric acid. Due to economic considerations, we shut down the smelting and refinery facilities at KCC as of December 2008. Accordingly, copper concentrate produced at KCC is tolled pursuant to an agreement with a third-party or sold as surplus copper concentrate transported to our customers by truck at their cost.

KCC is located in a desert like plateau where the climate is tropical, with maximum temperature of 48°C in summer and a minimum temperature of 2°C in winter.

Geology and Mineralization

On tectonic structure, the KCC area is complexly folded and many folds show evidence of refolding. The general strike of the formations varies between NNE-SSW and NE-SW, but there are many deviations from these trends at several places. The dips are high and vary between 50° and 70° westerly or easterly, but locally the dips may be sub-vertical or sub-horizontal. The most conspicuous structural feature of the region is a series of large scale, doubly plunging anti-clinal folds, the core of which is occupied by the rocks of the Alwar series. The folds plunge either southwesterly or northeasterly with the axial traces trending generally NNE-SSW to NE-SW.

On mineralization, sulphide mineralization in the Khetri area is localized along a broadly defined linear belt which is traceable from Singhana in the north to Raghunathgarh in the south. The characteristic features of the mineralized zones are: (i) shear zones often showing stains of hydroxides of iron and rarely secondary copper minerals like malachite and azurite, (ii) gossans of diagnostic color showing boxwork of limonite, (iii) old mines, prospect pits, debris of waste material, slag heaps and (iv) wall rock alterations. There is no particular host rock or rocks of mineralization but the most favored rocks are schists and phyllites in the northern part of the belt, and quartzites and phyllites in its southern part. Locally, marble and amphibolites are also mineralized but the concentration of sulphide in them is of poor order.

Reserves Estimates

IMC-SRGC has assessed the copper ore reserves in the KCC mines as on April 1, 2010, as follows:

Copper Ore Reserves

Copper Reserves Summary as on April 1, 2010								
Group of Mines	**Name of ML**	**Deposits**	**Proved**		**Probable**		**Total**	
			Tn (Mn tonne)	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**
KCC								
	Khetri	Khetri	8.05	0.91	2.46	0.92	**10.51**	**0.91**
		Banwas	6.45	1.18	13.82	1.38	**20.27**	**1.32**
	Kolihan	Kolihan	11.48	0.98	1.99	1.29	**13.47**	**1.03**
	Chandmari	Chandmari Intermediate	0.00	0.00	0.00	0.00	**0.00**	**0.00**
		Chandmari	0.00	0.00	0.00	0.00	**0.00**	**0.00**
Total			**25.98**	**1.01**	**18.27**	**1.30**	**44.25**	**1.13**

Copper Ore Resources

Copper Resources Summary as on April 1, 2010										
			Measured		**Indicated**		**Measured + Indicated**		**Inferred**	
Group of Mines	**Name of ML**	**Deposits**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**
KCC										
	Khetri	Khetri	7.82	1.08	2.39	1.08	10.21	1.08	22.26	1.15
		Banwas	6.26	1.40	13.42	1.63	19.68	1.56	5.09	2.19
	Kolihan	Kolihan	11.04	1.21	1.92	1.59	12.95	1.27	6.50	1.43
	Chandmari	Chandmari Intermediate	0.00	0.00	4.33	1.08	4.33	1.08	7.78	0.99
		Chandmari	0.08	1.35	1.89	0.94	1.97	0.96	4.10	1.07

Copper Resources Summary as on April 1, 2010										
Group of Mines	Name of ML	Deposits	Measured		Indicated		Measured + Indicated		Inferred	
			Tn (Mn tonne)	Gr (%Cu)	Tn (Mn tonne)	Gr (%Cu)	Tn (Mn tonne)	Gr (%Cu)	Tn (Mn tonne)	Gr (%Cu)
Total			**25.19**	**1.22**	**23.94**	**1.42**	**49.13**	**1.32**	**45.74**	**1.27**

Production Statistics

Copper ore mined at our operating mines at KCC is processed into copper concentrate at our beneficiation plant located at KCC. The key total production statistics for KCC for each of the last three fiscal years and the three months period ended June 30, 2010, are as follows:

KCC	Total Production Statistics			
	Fiscal			For the three month period ended
	2010	2009	2008	June 30, 2010
	(In thousand tonnes)			
Copper Ore	907	1,051	1,003	246
Copper Concentrate[1]	7.992	10.050	8.952	2.058
Copper Cathode	1.641[2]	21.759[2]	27.886	Nil
Sulphuric Acid	Nil	14.756	33.420	Nil

[1]*Copper concentrate figures are given as tonnage of metal in copper concentrate as per the industry practice*
[2]*The KCC smelter was closed in 2008. The copper cathode statistics for KCC include production pursuant to a toll smelting agreement with a third-party*

The key copper ore production statistics for each of our operating mines at KCC for each of the last three fiscal years and the three month period ended June 30, 2010, are as follows:

KCC	Copper Ore Production: Production Volumes, Capacity and Capacity Utilization			
	Fiscal			For the three month period ended
	2010	2009	2008	June 30, 2010
	(In thousand tonnes)			
Khetri				
Production	489	533	485	126
Installed Capacity	500	500	500	125
Utilization (%)	98%	106%	97%	100%
Kolihan				
Production	418	518	518	120
Installed Capacity	550	550	550	137
Utilization (%)	76%	94%	94%	87%
Chandmari				
Production	Nil	Nil	Nil	Nil
Installed Capacity	Nil	Nil	Nil	Nil
Utilization (%)	Nil	Nil	Nil	Nil

Mining Leases

We currently have MLs that allow us to mine copper at KCC as follows:

Copper MLs

Group of Mines	Name of ML	Area Covered (in km^2)	Lease Valid Until
KCC			
	Khetri[1]	3.95	February 22, 2013
	Kolihan	1.63	November 23, 2016
	Chandmari	1.48	December 26, 2012

[1]*The Khetri ML includes the Banwas deposit.*

The Khetri ML covers an area of 3.95 km^2 and covers the Khetri mine (comprised of the Khetri deposit) and the Banwas deposit. The Banwas deposit is located adjacent to the Khetri mine and was initially mined through a horizontal shaft from the Khetri mine. We now plan to access the Banwas mine through the construction of an independent decline. Our current ML is due to expire in February of 2013. The current Khetri mine plan calls for production of 718 thousand tonnes and 768 thousand tonnes for fiscal 2011 and fiscal 2012, respectively.

The Kolihan ML covers an area of 1.63 km^2 and covers the Kolihan mine, comprised of the Kolihan deposit. Our current 20-year ML was granted with effect from 1996 and is due to expire on November 23, 2016. The current Kolihan mine plan calls for production of 800 thousand tonnes in fiscal 2011 and 1 million tonnes in fiscal 2012.

The Chandmari ML covers an area of 1.48 km^2 and covers the Chandmari mine, comprised of the Chandmari Intermediate deposit and the Chandmari deposit. Our current 20-year ML was granted with effect from 1992 and is due to expire in December 2012. Operations at the Chandmari mine were suspended in 2002 as the open-pit portion of the mine reached the end of its mine life. We are in the process of developing the Chandmari mine as an underground operation.

For fiscal 2010, we paid annual royalty to the State Government of Rajasthan for carrying on mining activities at the Khetri mine and Kolihan mine in the amount of ₹ 99.14 million and dead rent in the amount of ₹ 347,251 under the Chandmari ML.

Power Supply

Currently, KCC requires approximately 15 Mega Volt Ampere ("**MVA**") of power. We currently meet this demand for power from Ajmer Vidyut Vitran Nigam Limited ("**AVVNL**"), a state owned electricity supplying agency. We have an annual contractual demand on AVVNL for supply of 16.5 MVA of power via an agreement dated August 11, 2004, amended with effect from April 9, 2009. The power tariff that we pay under this agreement is approximately ₹ 4.01 per KWh. We also have backup power capacity at KCC based on two gas turbine generators with 10 MW of capacity each and two diesel generator sets with 3.5 MW of capacity each. These generators can be run in synchronism with the supply of power from AVVNL.

Water Supply

The quantity of water required for KCC is approximately 21,100 cubic metres per day, which is approximately 7.38 million cubic metres per annum. The water requirement for KCC is met from 13 tube wells bored at Chaonra/Jodhpura. The nearest tube well from KCC is about 26 km away and the farthest tube well is about 42 km away. Water is pumped from these tube wells to sump No. 1 and from sump No. 1, the water is pumped through a pipe line of around 17 km to the Tilawali storage tank. Water from this tank is distributed to various plants and townships. On average, approximately 437 cubic metres of raw water per hour is pumped from the tube wells. Approximately 30% of the water pumped from these tube wells is recycled and used in the processing plants in KCC. There is nominal discharge of water from KCC. We are required to pay water cess in the amount of ₹ 40,000 per month to the Rajasthan Pollution Control Board.

Transportation and Logistic Networks

KCC is located about 190 km from New Delhi. The nearest airport is New Delhi at a distance of 165 km and the nearest railway station is Chirawa (metre gauge) at a distance of 28 km. The Rewari station, which is connected by broad gauge line, is about 80 km from the complex. KCC is adjacent to the Singhana-Khetri main road.

Within KCC, ore from the Khetri mine is transported from the mine shaft to the concentrator plant within KCC. Copper ore from the Kolihan mine is brought by a bi-cable aerial ropeway and by road to the concentrator plant within KCC. This ropeway is 7.48 km long and was installed in 1972. This aerial ropeway is supported on 55 steel towers, equipped with seven stations, including loading and unloading. This aerial ropeway is a bi-cable system, consisting of haulage rope of 28 mm diameter, track rope for loaded buckets of 54 mm diameter and track rope for empty buckets of 32 mm diameter. A maximum of 200 buckets are running at one time for transportation of copper ore.

The bi-cable aerial ropeway is currently undergoing refurbishment and is operating at decreased capacity. To account for the decrease in capacity, we have contracted with Sandvik Asia Limited for the supply, operation and maintenance of two loaders and two dump trucks at KCC to transport copper ore from the Kolihan mine to the KCC concentrator. This contract was executed on September 7, 2009 and has a term of three years, although it may be extended for two years upon the consent of both parties. Pursuant to the contract, we have agreed to pay a flat fee of ₹ 277.35 million to Sandvik for its service during the three-year term. We may terminate this contract for material breach by Sandvik of its obligations under the contract.

Copper concentrate produced from KCC is tolled pursuant to an agreement with a third-party or sold as surplus copper concentrate transported to our customers by truck at their cost.

Indian Copper Complex (ICC)

We have three mines at ICC – Surda, Kendadih and Rakha – and four virgin deposit areas that have not yet been commissioned – Rakha Phase II, Tamapahar, Chapri and Sideshwar. All three of the mines and the four virgin deposit areas are, or are expected to be, underground mines. Currently, only the Surda mine is in operation, having been re-started in December 2007. We have a beneficiation plant, a smelter and a refinery at ICC. Accordingly, ICC has the facilities for manufacturing copper concentrate and copper cathode. It also has the facilities for producing by-products including sulphuric acid and copper sulphate.

We have outsourced the full operation of the Surda mine and the ICC beneficiation plant to Monarch Gold Mining Company Limited ("**MGMC**"), pursuant to a work order dated April 14, 2007. Pursuant to the work order, MGMC is responsible for the entire operation of the Surda mine until 2014. MGMC is also responsible for the operation of the ICC beneficiation plant for processing of copper ore mined at the Surda mine into copper concentrate until 2014. MGMC is compensated at a fixed rate per tonne of copper concentrate delivered to the ICC smelter.

The climate at ICC is tropical. Maximum temperature is around 45°C in summer and around 2°C in winter.

Geology and Mineralization

On tectonic structure, the ICC area has orogenic movements over a long period of time resulting in formation of 'geo-anticlines' and 'geosynclines' with isoclinal folds, which were subsequently overturned towards the south, culminating in the development of a major arcuate zone of shearing and overthrust along the overturned southern limb of the central 'geo-anticline.' Thrusting resulted in the older, more metamorphosed 'Chaibasa Formation' rocks in juxtaposition with the less metamorphosed, younger 'Iron Ore Formation' and 'Chaibasa Formation' rocks on the south.

On mineralization, copper mineralization in the Singhbhum Copper Belt shows consistency in regard to the nature and mode of occurrence of host rocks, ore, sulphides and gangue mineralogy, overall geometry and distribution pattern of lodes and wall rock alteration features which are the common features of all of the mines at ICC. The copper bearing blocks undertaken for copper mining from north-west to south-east of the copper belt are Tamapahar block followed by Rakha block – Chapri block – Sideshwar block – Kendadih block and Surda block. Chalcopyrite and pyrite are the principal sulphides in the mineralized zone of which chalcopyrite comprises about 70-80% by volume of the total sulphides.

Reserves Estimates

IMC-SRGC has assessed the copper ore reserves in the ICC mines as on April 1, 2010 as follows:

Copper Ore Reserves

Copper Reserves Summary as on April 1, 2010								
			Proved		Probable		Total	
Group of Mines	Name of ML	Deposits	Tn (Mn tonne)	Gr (%Cu)	Tn (Mn tonne)	Gr (%Cu)	Tn (Mn tonne)	Gr (%Cu)
ICC								
	Surda	Surda Phase I	2.35	1.11	2.46	0.99	**4.81**	**1.05**
		Surda Phase II	4.31	1.37	5.53	1.20	**9.85**	**1.27**
	Kendadih	Kendadih	2.79	1.48	6.48	1.36	**9.27**	**1.40**
		Sideshwar	0.30	2.73	7.38	2.17	**7.68**	**2.19**
	Rakha	Rakha Phase I	3.36	1.14	0.00	0.00	**3.36**	**1.14**
		Rakha Phase II	11.88	1.13	18.75	1.21	**30.63**	**1.18**
		Chapri	31.30	1.18	10.30	1.03	**41.60**	**1.15**
		Tamapahar	1.77	1.16	12.65	1.07	**14.42**	**1.08**

Copper Reserves Summary as on April 1, 2010								
			Proved		Probable		Total	
Group of Mines	Name of ML	Deposits	Tn (Mn tonne)	Gr (%Cu)	Tn (Mn tonne)	Gr (%Cu)	Tn (Mn tonne)	Gr (%Cu)
Total			**58.07**	**1.20**	**63.55**	**1.27**	**121.61**	**1.24**

Copper Ore Resources

Copper Resources Summary as on April 1, 2010										
Group of Mines	Name of ML	Deposits	Measured		Indicated		Measured + Indicated		Inferred	
			Tn (Mn tonne)	Gr (%Cu)	Tn (Mn tonne)	Gr (%Cu)	Tn (Mn tonne)	Gr (%Cu)	Tn (Mn tonne)	Gr (%Cu)
ICC										
	Surda	Surda Phase I	3.88	1.21	3.86	1.55	7.74	1.38	15.75	1.14
		Surda Phase II	5.32	1.24	6.83	1.08	12.15	1.15	5.84	0.74
	Kendadih	Kendadih	4.02	1.28	9.27	1.14	13.30	1.18	4.54	1.44
		Sideshwar	0.45	1.89	11.27	1.50	11.72	1.51	2.01	1.13
	Rakha	Rakha Phase I	6.42	1.15	0.00	0.00	6.42	1.15	0.00	0.00
		Rakha Phase II	15.84	0.89	25.00	0.95	40.83	0.93	0.26	1.10
		Chapri	35.77	1.09	11.77	0.95	47.54	1.05	2.30	0.84
		Tamapahar	2.36	0.92	16.87	0.85	19.23	0.86	7.23	0.90
Total			**74.07**	**1.08**	**84.87**	**1.06**	**158.93**	**1.07**	**37.92**	**1.05**

Production Statistics

Copper ore mined at our operating mine at ICC is processed into copper concentrate at our beneficiation plant located at the ICC complex. The total production statistics for the ICC complex for each of the last three fiscals and the three month period ended June 30, 2010, are as follows:

ICC Complex	Total Production Statistics			
	Fiscal			For the three month period ended
	2010	2009	2008	June 30, 2010
	(In thousand tonnes)			
Copper Ore	388	328	49	79
Copper Concentrate[1]	3.107	2.692	0.314	0.650
Copper Cathode	15.875	8.277	16.848	2.161
Sulphuric Acid	9.934	12.56	8.57	0.970

[1]*Copper concentrate figures are given as tonnage of metal in copper concentrate as per the industry practice*

The key copper ore production statistics for the operating Surda mine at ICC for each of the last three fiscal years and the three month period ended June 30, 2010, are as follows:

Copper Ore Production

	Copper Ore Production: Production Volumes, Capacity and Capacity Utilization			
	Fiscal			For the three month period ended
	2010	2009	2008	June 30, 2010
ICC Complex	(In thousand tonnes)			
Surda				
Production	388	328	49	79
Installed Capacity	420	420	n/a[1]	120
Utilization (%)	92%	78%	n/a[1]	58%

[1]*The Surda mine began production in December of 2007 and had not yet established an installed capacity*

Mining Leases

We currently have MLs that allow us to mine copper at ICC as follows:

Group of Mines	Name of ML	Area Covered (in km^2)	Lease Valid Unit
ICC			
	Surda	3.88	June 15, 2014
	Kendadih[1]	11.39	June 2, 1993[3]
	Rakha[2]	7.85	August 28, 2011

[1]The Kendadih ML includes the Sideshwar deposit
[2]The Rakha ML includes the Rakha Phase II deposit, the Chapri deposit and the Tamapahar deposit
[3]Renewal application dated May 28, 1992 has been made by our Company

The Surda ML covers an area of 3.88 km^2 and covers the Surda mine, comprised of the Surda Phase I deposit and Surda Phase II deposit. Our current 10-year ML was granted with effect from 2004 and is due to expire in 2014. The current Surda mine plan calls for production of 450 thousand tonnes for fiscal 2011 and 510 thousand tonnes for fiscal 2012. Currently, the Surda mine is the only operating mine at ICC.

The Kendadih ML covers an area of 11.39 km^2 and covers the Kendadih mine (comprised of the Kendadih deposit) and the Sideshwar deposit. We suspended operations at the Kendadih mine in 2000. No operations have been commenced at the Sideshwar deposit. We have leased the Kendadih mine since 1973 under a 20-year ML. The Kendadih ML expired in 1993. We applied for the renewal of our ML for the Kendadih mine on May 28, 1992.

The Rakha ML covers an area of 7.85 km^2 and covers the Rakha mine (comprised of the Rakha Phase I deposit), the Rakha Phase II deposit, the Chapri deposit and the Tamapahar deposit. Operations at the Rakha mine were suspended in 2001. No operations have been commenced at the Rakha Phase II deposit, the Chapri deposit or the Tamapahar deposit. Our current 20-year ML was granted with effect from 1991. As our Rakha ML is set to expire in 2011, we have applied for renewal of the Rakha ML as on July 26, 2010.

For fiscal 2010, we paid the State Government of Jharkhand annual royalty in the amount of ₹ 21.5 million for carrying on mining activities at the Surda mine and dead rent in the amounts of ₹ 2.67 million and ₹ 1.84 million under the Kendadih ML and Rakha ML, respectively.

Power Supply

ICC requires approximately 14 MVA of power. We currently meet this demand for power from the Jharkhand State Electricity Board ("**JSEB**"), a State owned electricity supplying agency. The power tariff that we pay to JSEB is approximately ₹ 4.35 per KWh. We also have two steam turbo generators with 4.4 MW of capacity each to meet emergency power requirement.

Water Supply

The quantity of water required for ICC is on average 35,300 cubic metres per day for fiscal 2010, which is approximately 13 million cubic metres per annum. The water requirement for ICC is met by the Subarnarekha river, which is approximately 0.2 km away from the complex. Water is pumped directly from the river to the storage ponds through four intake wells. Water from the storage ponds is distributed to various plants and townships after necessary filtration. We are required to pay tax to the Jharkhand State Government for our use of water from the Subarnarekha river at a rate of ₹ 4.50 per thousand gallons of water.

Transportation and Logistic Networks

ICC is located about 214 km from Kolkata and about 40 km from Tatanagar. The nearest airports are at Kolkata and Ranchi and the nearest railway station is at Ghatsila, at a distance of approximately 3 km. The complex is facilitated by a broad gauge siding of Indian Railway to its site.

Within ICC, ore from the Surda mine is transported by road from the mine shaft to the concentrator plant at Mosaboni within ICC. The copper concentrate is subsequently transported by road to the smelter and refinery at Moubhandar within ICC for smelting and refining. As the full operation of the Surda mine and the ICC beneficiation plant is outsourced to MCMG, MCMG is responsible for the transport of ore from the Surda mine to the beneficiation plant as well as the transport of copper concentrate to the ICC smelter.

Malanjkhand Copper Project (MCP)

The Malanjkhand copper deposit at MCP is the single largest copper deposit in India and accounted for approximately 60% of our total copper ore production in fiscal 2010. The Malanjkhand mine consists of an open-pit mine measuring 2,200 metres in length, 600 metres in width and final planned depth of 240 metres. MCP has the facilities for manufacturing copper concentrate.

The climate at MCP is moderately tropical, with maximum temperature of 45°C in summer and a minimum temperature of 2°C in winter.

Geology and Mineralization

On tectonic structure, the MCP area has a mineralized quartz vein, or reef, extending for 2,600 metres along a north-south strike, up to 60 metres in width and 600 metres in depth, dipping at an angle of 60° to 70° to the east. The reef occupies an arcuate zone representing earlier tectonic activity. The quartz reef is fractured and displaced by late transverse faulting. It occupies a prominent shear zone within the granitoids, although no well defined shear pattern is discernible on a regional scale. The quartz reef is exposed on the hill ridges and faults are now marked by surface valleys.

On mineralization, the quartz reef is the main host of sulphide mineralization and varies in composition from pure quartz to quartzo-felspathic rock. Besides the main mineralization in quartz reef, considerable amount of sulphide mineralization also occurs in the silicified altered granitic rock. The hydrothermal alterations observed in these rocks are sericitization, saussuritization, chloritization, potassic alteration and silicification. Among the above alterations, the mineralized granitoids (known as pink granite) are characterized by potassic alteration which is most conspicuous and wide spread. The intensity of mineralization within granitoids is mostly controlled by the intensity of potassic alteration and silicification. The far away areas occupied by granodiorite (known as gray granite) with no potassic alteration are generally devoid of mineralization. Three conspicuous modes of occurrence of mineralization have been observed:

- Mineralization solely associated with quartz which are essentially confined to the reef quartz as fracture fill type and can be classified as quartz ore;
- Mineralization associated with veins/veinlets of quartz and/or calcite and can be classified as stringer type. This stringer type ore occurs mostly within the granites; and
- Disseminated ore within the granites and/or microgranites occurs in the interstices of constituent grains of the associated rocks.

The major ore minerals which occur in quartz reef and granitoids are:

- Primary Ore : Chalcopyrite, Pyrite, Molybdenite, Magnetite and Sphalerite;
- Secondary Ore : Chalcocite, Bornite and Covellite; and
- Oxidised Ore: Malachite, Azurite, Cuprite and Native Copper.

Reserves Estimates

IMC-SRGC has assessed the copper ore reserves in the Malanjkhand mine as follows:

Copper Ore Reserves

Copper Reserves Summary as on April 1, 2010								
Group of Mines	**Name of ML**	**Deposits**	**Proved**		**Probable**		**Total**	
			Tn (Mn tonne)	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**
MCP								
	Malanjkhand	Malanjkhand 0.45% cutoff	63.59	1.25	101.32	1.27	**164.90**	**1.26**
		Malanjkhand 0.20-0.45% cutoff	40.32	0.30	40.44	0.29	**80.76**	**0.29**
Total			**103.90**	**0.88**	**141.76**	**0.99**	**245.66**	**0.95**

Copper Ore Resources

Copper Resources Summary as on April 1, 2010

Group of Mines	Name of ML	Deposits	Measured		Indicated		Measured + Indicated		Inferred	
			Tn (Mn tonne)	Gr (%Cu)	Tn (Mn tonne)	Gr (%Cu)	Tn (Mn tonne)	Gr (%Cu)	Tn (Mn tonne)	Gr (%Cu)
MCP										
	Malanjkhand	Malanjkhand 0.45% cutoff	102.09	1.31	73.34	1.33	175.43	1.32	42.01	1.28
		Malanjkhand 0.20-0.45% cutoff	58.12	0.30	34.36	0.31	92.49	0.30	21.66	0.31
Total			**160.21**	**0.95**	**107.71**	**1.00**	**267.92**	**0.97**	**63.67**	**0.95**

Production Statistics

The current production capacity of the Malanjkhand mine is approximately 2.0 MTPA of copper ore. Copper ore mined at our Malanjkhand mine is processed into copper concentrate at our beneficiation plant located at the MCP complex. The key production statistics for the MCP complex for each of the last three fiscals and the three month period ended June 30, 2010, are as follows:

MCP Complex	Total Production Statistics			
	Fiscal			For the three month period ended
	2010	2009	2008	June 30, 2010
	(In thousand tonnes)			
Malanjkhand mine				
Copper Ore Production	1,909	1,604	2,193	527
Installed Capacity	2,000	2,000	2,000	500
Utilization (%)	95%	80%	109%	106%
MCP Beneficiation Plant				
Copper Concentrate Production[1]	17.103	14.847	22.112	5.684

[1]Copper concentrate figures are given as tonnage of metal in copper concentrate as per the industry practice

Mining Leases

We currently have an ML that allows us to mine copper at MCP as follows:

Group of Mines	Mines	Area Covered (in km^2)	Lease Valid Unit
MCP			
	Malanjkhand	4.79	August 27, 2013

The Malanjkhand ML covers an area of 4.79 km^2 and covers the Malanjkhand mine, comprised of ore that is ≥0.45% copper (which can be processed with current technology) and ore that is 0.20%-0.45% copper (which cannot be processed with current technology). Our current 20-year ML was granted with effect from 1993 and is due to expire in 2013. The current Malanjkhand mining plan calls for production of 2.0 MTPA for fiscal 2011 and fiscal 2012.

For fiscal 2010, we paid annual royalty in the amount of ₹ 227.81 million to the State Government of Madhya Pradesh for carrying on mining activities under the Malanjkhand ML.

Power Supply

MCP requires approximately 10 MVA of power. We currently meet this demand for power from the Madhya Pradesh State Electricity Board power grid sub-station located at a distance of about 65 km. We have a contractual demand on the sub-station for supply of 14 MWA of power via an agreement dated January 1, 2007 for a duration of five years. The per KWh power tariff that we pay under this agreement varies depending on the type and amount of our use. We also have backup power capacity at MCP based on two diesel generator sets with 3.4 MW of capacity each. The backup power can be run in synchronism with the supply of power from the Madhya Pradesh State power grid sub-station.

Water Supply

The quantity of water required for MCP is on average 22,000 cubic metres per day, which is approximately 8 million cubic metres per annum. The water requirement for MCP is met by the Banjar river, which is about 4.5 km away from the project. Raw water is drawn from the Banjar river through intake wells and filtered via a water treatment plant. Water is then distributed to various plants and townships after necessary filtration.

We have also entered into an agreement with the State Government of Chattisgarh for supply of 690,000 cubic metres of water from the Baherakhar reservoir per month for a period of 30 years commencing from April 1, 2009.

Transportation and Logistic Networks

MCP is located about 90 km from Balaghat. The nearest airports are Jabalpur in the State of Madhya Pradesh at a distance of 200 km, Raipur in the State of Chhattisgarh at a distance of about 200 km and Nagpur in the State of Maharashtra at a distance of about 300 km. MCP is connected by all weather roads to the nearest broad gauge railway stations at Gondia and Durg, which are 130 km and 150 km from the project, respectively.

Within MCP, ore from the Malanjkhand mine is transported by 50-tonne, 85-tonne and 100-tonne dump trucks from the mine shaft to the concentrator plant within MCP. We have a total of seven 50-tonne, thirteen 85-tonne and five 100-tonne dump trucks at the project. Copper concentrate produced at MCP is transported to our smelting and refining plant at ICC by railway and road. A portion of our MCP copper concentrate is also tolled pursuant to an agreement with a third-party.

Mining Development and Expansion

Strategically, we plan to expand our current production level of approximately 3.21 MTPA to an expected mining capacity of at least 12.41 MTPA by the end of fiscal 2017, which will allow us to be self-sufficient in respect of copper concentrate as well as to sell copper concentrate as our primary product to other refined copper producers in India. Prior, ongoing and future actions by us include (i) expanding our existing mines, namely the Malanjkhand mine of MCP, the Khetri mine and Kolihan mine of KCC as well as the Surda mine of ICC, (ii) reopening some of our mines that were closed in the past and renewing our mining leases, namely the Kendadih mine and Rakha mine of ICC and (iii) establishing new mines, namely the Banwas mine at KCC and the Chapri-Sideshwar mine at ICC. For long term growth prospects, we have applied for, and are also in the process of applying for additional MLs, PLs and RPs in the States of Jharkhand, Madhya Pradesh, Haryana and Rajasthan.

Expansion of Existing Mines

The expected expansion in copper ore production capacity statistics of our mines for each of the next seven fiscal years are as follows:

	Expected Copper Ore Production Capacity Statistics (In million tonnes)						
	Fiscal						
	2011	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
MCP Complex							
Malanjkhand	2.200	2.520	2.570	5.000	5.500	5.500	5.500
KCC							
Khetri	0.600	0.600	0.820	0.860	0.890	0.940	1.000
Banwas	Nil	0.022	0.045	0.103	0.600	0.600	0.600
Kolihan	0.640	0.670	0.750	0.900	0.900	1.100	1.200
ICC							
Surda	0.420	0.420	0.420	0.520	0.700	0.900	0.900
Kendadih	Nil	Nil	0.080	0.130	0.180	0.210	0.210
Rakha	Nil	Nil	0.050	0.162	0.390	1.150	1.500
Chapri-Sideshwar	Nil	Nil	Nil	Nil	0.030	0.700	1.500
Total	**3.860**	**4.232**	**4.735**	**7.675**	**9.190**	**11.100**	**12.410**

Our actual copper ore production may differ materially from expected production capacity. The expected production statistics are our expectations and depend on, among other things, the successful implementation of our planned expansion projects, which could be significantly delayed by many factors including failure to receive necessary regulatory approvals or insufficient funding. See "***Risk Factors – Our expansion projects may require significant capital expenditure and may not be completed in the timeframe or at cost levels originally anticipated, and may not achieve the intended economic results***" on page xiii.

Malanjkhand mine

We expect to increase the capacity of the Malanjkhand mine from current production of approximately 1.91 MTPA of copper ore to an expected production capacity of at least 5.5 MTPA of copper ore by the end of fiscal 2015. The expansion of the Malanjkhand mine involves increasing its production capacity in two phases. Currently, open-pit mining method is used for the Malanjkhand mine. The life of the open-pit mine will last for approximately nine more years to 2019 as per the expansion plan. As the open-pit mine achieves a certain depth, it becomes more economical for us to adopt underground mining for this mine going forward. There is a parting of barren rock in the central portion which divides the ore body in two parts and, accordingly, a mining scheme has been prepared for development of the North and South blocks in two parts. Phase I envisions the construction of the North underground mine while the existing open cast operations continue, reaching a combined expected ore production capacity of at least 5.0 MTPA by the end of fiscal 2014. Thereafter in Phase II, the ore production from the existing open cast operations will begin to taper down as production from the underground operations ramps up to an expected combined production capacity of at least 5.5 MTPA by the end of fiscal 2015 by the development of the South underground mine. The construction of the underground mine is expected to commence by July 2011. The estimated construction period for Phase I of the underground mine is five years after award of work and mobilization of resources. The life of the Malanjkhand mine is estimated to be approximately 32 years as per the expansion plan.

The existing concentrator plant at MCP was commissioned in 1982 and is approaching the end of its economic life. To complement the expansion of the Malanjkhand mine, we plan to install a new concentrator plant with a 5.0 MTPA capacity to facilitate this expansion project.

Financing

The capital investment required for expansion of the Malanjkhand mine is divided into two phases. The capital investment in Phase I will be ₹ 14,181 million up until fiscal 2014, of which ₹ 10,500 million is expected to be financed out of the Net Proceeds with the remainder financed out of internal accruals and debt, if required. The capital investment in Phase II will be ₹ 6,019 million, which is expected to be financed by us through equity, internal accruals and debt, if required. The total investment estimated for both phases of the Malanjkhand mine expansion is approximately ₹ 20,200 million.

Procurement/Implementation

We expect to outsource the construction and operation of the underground mine to a third-party contractor and have issued tender for the development of the Malanjkhand expansion as on September 2010. We do not expect to issue tenders for the operation of the mine for another two years.

Regulatory Approvals

We are currently operating an open-pit mine at MCP. The expansion project of the Malanjkhand mine at MCP is a brownfield project converting the mine to an underground operation and will require regulatory approval of our mine plan. We have the ML of the Malanjkhand deposit which will cover our proposed expansion area. Apart from this ML, we require an additional lease of an area of 2.48 km^2 for construction of surface infrastructure, which we have not yet entered into.

The Planning Commission (Minerals Division) has by office memorandum dated September 9, 2010 granted its in-principle approval for the expansion of the planned MCP expansion project from 2.0 MTPA to 5.0 MTPA.

Our environmental approval from the Madhya Pradesh PCB expired as on June 30. 2010. We have applied for renewal of our environmental clearance dated as on April 26, 2010. A new environmental approval for the expansion project will need to be prepared by us and submitted to the MoEF for approval, along with approvals from the Madhya Pradesh PCB under the Water Act and the Air Act, for expanded project capacity.

Power Supply

The estimated maximum demand for electricity for the Malanjkhand mine and beneficiation plant after the expansion is expected to be approximately 49 MVA as it becomes an underground mine rather than an open-pit. To meet this additional electricity requirement, we expect to approach the Madhya Pradesh State Electricity Board for the additional requirement. However, there is no assurance that these electricity requirements could be met.

Water Supply

Currently, the annual water requirement at MCP is approximately 22,000 cubic metres per day, or approximately 8 million cubic metres per annum. The estimated water requirement for the Malanjkhand mine after the expansion is expected to be approximately 30,821 cubic metres per day, or approximately 11.25 million cubic metre per annum. To meet this additional water requirement, we plan to install a Thickened Tailing Disposal system to recover water from the tailing dam. We expect that this system will recover approximately 20,000 cubic metres per day. The remaining portion of the additional water requirement is expected to be met by the State Government of Chhattisgarh. However, there is no assurance that this additional water requirement can be obtained. We executed an agreement with the State Government of Chattisgarh in April 2009 for supply of 690,000 cubic metres of water per month for a period of 30 years commencing from 2009.

Khetri mine

The Khetri mine is an operating underground mine with complementing infrastructure already in place. The production of copper ore at the Khetri mine in fiscal 2010 was approximately 0.49 MTPA. Originally, the Khetri mine was planned to be developed in two phases. The current expansion project of the Khetri mine involves developing Phase II of the mine, which is expected to result in the increase of its production capacity to at least 1.0 MTPA of copper ore by the end of fiscal 2017. Construction of the expansion project is expected to be commissioned by December 2010. The estimated construction period of the underground mine is five years after award of work and mobilization of resources. The life of the Khetri mine is estimated to be approximately 24 years as per the expansion plan.

At KCC, we have one concentrator plant with a capacity of 1.84 MTPA of copper ore. Copper ore mined at the Khetri mine, the Kolihan mine and the Banwas mine at KCC will be processed into copper concentrate at this concentrator plant. To complement the expansion plans of the Khetri mine, Kolihan mine and Banwas mine, we intend to increase the capacity of the concentrator plant to approximately 3 MTPA of copper ore.

Financing

The total investment estimated for the Khetri mine expansion project is approximately ₹ 1,740 million. The total investment for the Khetri expansion project is expected to be financed by us through internal accruals. We may also consider taking debt at a later date if so required.

Procurement/Implementation

The Khetri expansion project will be executed through a number of package contracts. Tender for the development of the Khetri expansion has been issued as on August 2010.

Regulatory Approvals

The Khetri mine and our KCC beneficiation plant are currently in operation. The expansion project of the Khetri mine involves construction of Phase II of the mine. Although we have the ML of the Khetri deposit which will cover our proposed expansion area, we have not yet received the necessary regulatory approvals for the Khetri expansion.

Environmental impact assessment and environment management plan ("**EIA/EMP**") is in place for the existing operation of the Khetri mine and the concentrator plant at KCC. A new EIA/EMP for the expansion project will need to be prepared by us and submitted to the MoEF for approval.

Power Supply

We expect to meet any additional electricity requirement by approaching AVVNL to request provision of the increased amount from the public grid. However, there is no assurance that these electricity requirements could be met.

Water Supply

Currently, the annual water requirement at KCC is approximately 21,100 cubic metres per day, or approximately 7.70 million cubic metres per annum. The estimated water requirement for the Khetri mine and the KCC beneficiation plant after the expansion is expected to be approximately 21,000 cubic metres per day, or approximately 7.67 million cubic metre per annum. To meet this additional water requirement, we are investigating the possibility of drawing surface water from the Indira Gandhi canal in the State of Rajasthan at a distance of about 110 km or from the Yamuna river in the State of Haryana at a distance of about 40 km.

Available fresh water in the area around KCC is decreasing at an alarming rate. We can not assure you that we will be able to source the additional water required for our expansion projects at KCC. See "***Risk Factors – Our operations are subject to operating risks that could result in decreased production or increased cost of production, which could adversely affect our business, results of operations and financial condition – Availability of Water***" on page xx.

Kolihan mine

The Kolihan mine is an operating underground mine with complementing infrastructure already in place. The production of copper ore at the Kolihan mine in fiscal 2010 was approximately 0.42 MTPA of copper ore. The expansion project of the Kolihan mine expects to increase its production capacity to at least 1.2 MTPA of copper ore by the end of fiscal 2017. Construction of the expansion project is expected to be commissioned by December 2010. The estimated construction period of the underground mine is six years after award of work and mobilization of resources. The life of the Kolihan mine is estimated to be approximately 12 years as per the expansion plan.

Copper ore produced from the Kolihan mine is transported to the concentrator plant at KCC by a bi-cable aerial ropeway. To complement the expansion of the production capacity at the Kolihan mine, we plan to increase the capacity of the bi-cable aerial ropeway. We also intend to increase the capacity of the concentrator plant at KCC to approximately 3 MTPA of copper ore.

Financing

The total investment estimated for the Kolihan mine expansion project is approximately ₹ 2,740 million. The total investment for the Kolihan mine expansion project is expected to be financed by us through internal accruals. We may also consider taking debt at a later date if so required.

Procurement/Implementation

We expect to execute the Kolihan expansion project through a number of package contracts. We have issued tender for the development of the Kolihan expansion as on August 2010.

Regulatory Approvals

The Kolihan mine is currently in operation. Although we have the ML of the Kolihan deposit which will cover our proposed expansion area, we have not yet received the necessary regulatory approvals for the Kolihan expansion.

EIA/EMP is in place for the existing operation of the Kolihan mine. A new EIA/EMP for the expansion project will need to be prepared by us and submitted to the MoEF for approval.

Power Supply

We expect to meet any additional electricity requirement by approaching AVVNL to request provision of the increased amount from the public grid. However, there is no assurance that these electricity requirements could be met.

Water Supply

Currently, the water requirement at the Kolihan mine is approximately 1,150 cubic metres per day, or approximately 0.42 million cubic metres per annum. After the expansion project, it is expected that the water requirement at the Kolihan mine will be approximately 12,000 cubic metres per day, or approximately 4.38 million cubic metres per annum. To meet this additional water requirement, we plan to (i) install a Thickened Tailing Disposal system to maximize recovery of water from copper tailings, (ii) implement rain water harvesting in the KCC areas, (iii) gradually replace existing 35 metres deep tube wells with 70-100 metres deep wells, (iv) explore the possibility of drawing surface water from the Indira Gandhi canal in the State of Rajasthan at a distance of about 110 km or from the Yamuna river in the State of Haryana at a distance of about 40 km and (v) explore the possibility of constructing a dam in the Udaipurwati district in the State of Rajasthan.

Available fresh water in the area around KCC is decreasing at an alarming rate. We can not assure you that we will be able to source the additional water required for our expansion projects at KCC. See "***Risk Factors – Our operations are subject to operating risks that could result in decreased production or increased cost of production, which could adversely affect our business, results of operations and financial condition – Availability of Water***" on page xx.

Surda mine

The Surda mine is an operating underground mine with complementing infrastructure already in place. The production of copper ore at the Surda mine in fiscal 2010 was approximately 0.39 MTPA of copper ore. The expansion project of the Surda mine expects to increase its production capacity to at least 0.9 MTPA of copper ore by the end of fiscal 2016. Construction of the expansion project is expected to be commissioned by the first quarter of fiscal 2012. The estimated construction period of the underground mine is 5 years after award of work and mobilization of resources. The life of the Surda mine is estimated to be approximately 18 years as per the expansion plan.

Financing

The total investment estimated for the Surda mine expansion project is approximately ₹ 2,150 million. The total investment for the Surda mine expansion project is expected to be financed by us through a mix of internal accruals and debt. We expect to raise debt to the extent of ₹ 1,701 million and to achieve financial closure of the project by March 31, 2011.

Procurement/Implementation

We expect to execute the Surda expansion project through a number of package contracts. We have issued tender for the development of the Surda expansion as on September 2010.

Regulatory Approvals

The Surda mine is currently in operation. Although we have the ML of the Surda deposit which will cover our proposed expansion area, we have not yet received the necessary regulatory approvals for the Surda expansion. EIA/EMP is in place for the existing operation of Surda mine. A new EIA/EMP for the expansion project will need to be prepared by us and submitted to MoEF for approval.

Power Supply

The estimated electricity requirement for the Surda mine after expansion is expected to be approximately 3.5 MW. To meet this additional electricity requirement, we expect to approach JSEB for the additional requirement. However, there is no assurance that these electricity requirements could be met.

Water Supply

The current and additional water requirement for the Surda expansion is expected to be met through seepage water and the Subarnarekha river.

Re-opening of Closed Mines

We have initiated action to re-open our closed mines at ICC, namely the Kendadih mine and Rakha mine. We have applied for the renewal of the Kendadih ML which expired in 1993. We have also applied for the renewal of the Rakha ML which will expire in 2011. We have prepared detailed project reports for reopening both of the Kendadih mine and Rakha mine, and will need to apply for renewal of our environmental approval for the reopenings of these two mines.

Rakha mine

The Rakha mine is a closed underground mine that is currently flooded. Along with the reopening of the closed Rakha mine, we intend to eventually develop the Rakha Phase II deposit and Tamapahar deposit utilizing the Rakha mine facilities. We estimate that it will require approximately 18 months after award of work and mobilization of resources to establish complementing infrastructure and de-water the Rakha mine and commence operations. The reopening project of the Rakha mine is expected to reach a production capacity of at least 1.50 MTPA of copper ore by the end of fiscal 2017. Construction of the reopening project is expected to be commissioned by the first quarter of fiscal 2012. The life of the Rakha mine is estimated to be approximately 34 years as per the expansion plan.

Financing

The total investment estimated for the Rakha mine reopening project is approximately ₹ 3,460 million (excluding expenses for third party outsourced contractors). The total investment for the Rakha mine reopening project is expected to be financed by us through a mix of internal accruals and debt. We expect to raise debt to the extent of ₹ 1,607 million and to achieve financial closure of the project by March 31, 2011.

Procurement/Implementation

We expect to execute the Rakha reopening project through a number of package contracts. We have issued tender for the development of the Rakha reopening as on September 2010.

Regulatory Approvals

The Rakha mine is currently non-operational. Although we have the ML of the Rakha deposit, we have not yet received the necessary regulatory approvals for the Rakha reopening.
EIA/EMP is in place for the Rakha mine. A new EIA/EMP for the reopening project will need to be prepared by us and submitted to MoEF for approval.

Power Supply

The electricity requirement for the operational Rakha mine is expected to be 12.9 MW. To meet this additional electricity requirement, we expect to approach JSEB for the additional requirement. However, there is no assurance that these electricity requirements could be met.

Water Supply

The water requirement for the operational Rakha mine is expected to be 1,500 cubic metres per day, or approximately 0.55 million cubic metres per annum. This additional water requirement is expected to be met through water recycling and the Subarnarekha river.

Kendadih mine

The Kendadih mine is a closed underground mine that is currently flooded. We estimate that it will require approximately 16 months to establish complementing infrastructure and de-water the Kendadih mine and commence operations. The reopening project of the Kendadih mine is expected to reach a production capacity of at least 0.21 MTPA of copper ore by the end of fiscal 2016. Construction of the reopening project is expected to be commissioned by the first quarter of fiscal 2012. The life of the Kendadih mine is estimated to be approximately 46 years as per the expansion plan.

Financing

The total investment estimated for the Kendadih mine reopening project is approximately ₹ 870 million. The total investment for the Kendadih mine reopening project is expected to be financed by us through internal accruals and debt. We expect to raise debt to the extent of ₹ 367 million and to achieve financial closure for the project by March 31, 2011.

Procurement/Implementation

We expect to execute the Kendadih reopening project through a number of package contracts. We have issued tender for the development of the Kendadih reopening as of September 2010.

Regulatory Approvals

The Kendadih mine is currently non-operational. Although we previously held the ML of the Kendadih deposit, the lease expired on June 2, 1993 and we have submitted a lease renewal application dated as on May 28, 1992. We have not yet received the necessary regulatory approvals for the Kendadih reopening.
EIA/EMP is in place for the Kendadih mine. A new EIA/EMP for the reopening project will need to be prepared by us and submitted to MoEF for approval.

Power Supply

The electricity requirement for the operational Kendadih mine is expected to be 5 MW. To meet this additional electricity requirement, we expect to approach JSEB for the additional requirement. However, there is no assurance that these electricity requirements could be met.

Water Supply

The water requirement for the operational Kendadih mine is expected to be 250 cubic metres per day, or approximately 0.091 million cubic metres per annum. This additional water requirement is expected to be met by the Subarnarekha river.

Establishment of New Mines

We have initiated action to open new mines, namely the Banwas mine at KCC and the Chapri-Sideshwar mine at ICC. Each of these new mine areas are covered under our current and past MLs, namely the Khetri ML for the Banwas mine and the Rakha ML and Kendadih ML for the Chapri-Sideshwar mine. We have applied for the renewal of the Kendadih ML which expired in 1993. We have prepared detailed project reports for establishing both of the Banwas mine and Chapri-Sideshwar mine.

Banwas mine

The Banwas deposit is located adjacent to the Khetri mine and was initially mined through a horizontal shaft from the Khetri mine. We now plan to access the Banwas mine through the construction of an independent decline. We estimate that it will require approximately 5 year after award of work and mobilization of resources to establish mining infrastructure and commence operations. The new Banwas mine project is expected to reach a production capacity of at least 0.6 MTPA of copper ore by the end of fiscal 2015. Construction of the new mine project began in June 2010.

Financing

The total investment estimated for the new Banwas mine project is approximately ₹ 910 million. The total investment for the new Banwas mine project is expected to be financed by us through internal accruals.

Procurement/Implementation

We expect to execute the new Banwas mine project through a number of package contracts. To date, construction of the new Banwas mine has begun pursuant to a work order we have executed with TCL-MMPL Consortium dated as on April 19, 2010.

Regulatory Approvals

Although we have the Khetri ML, which covers the Banwas deposit, we have not yet received the necessary regulatory approvals for establishing the Banwas mine.

EIA/EMP is in place for the existing operation of the Khetri mine. A new EIA/EMP for the new mine project will need to be prepared by us and submitted to MoEF for approval.

Power Supply

The additional electricity requirement for the operational Banwas mine is expected to be a marginal increase over the current power consumed at the Khetri mine. We expect to meet this additional electricity requirement by approaching AVVNL to request provision of the increased amount from the public grid.

Water Supply

The water requirement for the operational Banwas mine is expected to be 1,100 cubic metres per day, or approximately 0.40 million cubic metres per annum.

Available fresh water in the area around KCC is decreasing at an alarming rate. We can not assure you that we will be able to source the additional water required for our expansion projects at KCC. See "***Risk Factors – Our operations are subject to operating risks that could result in decreased production or increased cost of production, which could adversely affect our business, results of operations and financial condition – Availability of Water***" on page xx.

Chapri-Sideshwar mine

The Chapri deposit and Sideshwar deposit are virgin deposit areas at ICC. We intend to establish a new Chapri-Sideshwar mine to develop these virgin deposit areas. We estimate that it will require approximately 4 years after award of work and mobilization of resources to establish mining infrastructure and commence operations at the Chapri-Sideshwar mine. The new Chapri-Sideshwar mine project is expected to reach a production capacity of at least 1.5 MTPA of copper ore by the end of fiscal 2017. Construction of the new mine project is expected to be commissioned by the first quarter of fiscal 2012. The life of the Chapri-Sideshwar mine is estimated to be approximately 35 years as per the expansion plan.

Financing

The total investment estimated for the new Chapri-Sideshwar mine project is approximately ₹ 4,680 million. The total investment for the new Chapri-Sideshwar mine project is expected to be financed by us through internal accruals and debt. We expect to raise ₹ 515 million of debt and to achieve financial closure of the project by March 31, 2011.

Procurement/Implementation

We expect to execute the new Chapri-Sideshwar mine project through a number of package contracts. We have issued tender for the development of the new Chapri-Sideshwar mine as on September 2010.

Regulatory Approvals

We currently have the Rakha ML and have applied for renewal of the Kendadih ML, which cover the Chapri deposit and Sideshwar deposit, respectively. We have not yet received the necessary regulatory approvals for the new Chapri-Sideshwar mine.

A new EIA/EMP for the new mine project will need to be prepared by us and submitted to MoEF for approval.

Power Supply

To meet this additional electricity requirement, we expect to approach JSEB for the additional requirement. However, there is no assurance that these electricity requirements could be met.

Water Supply

The additional water requirement is expected to be met by the Subarnarekha river.

Greenfield Projects

In respect of greenfield exploration, we have applied for RPs, PLs and MLs for certain areas across the country. We have applied for RPs for the prospecting of copper and assorted minerals, over the following areas:

- an area of 1,982 km^2 in Districts Ajmer and Pali, Tehsil Kishangarh, Beawar and Raipur, Rajasthan;
- an area of 200 km^2 in Districts Ajmer and Pali, Tehsil Ajmer and Jaitaran, Rajasthan;
- an area of 1,718.70 km^2 in Districts Bhilwara and Ajmer, Tehsil Shahpura, Mandal and Kekri, Rajasthan;
- an area of 319 km^2 in Districts Bhilwara and Chittor, Tehsil Bhilwara and Gangawar, Rajasthan;
- an area of 1,180 km^2 in Districts Ajmer, Nagaur and Jaipur, Tehsil Parbatsar, Kishangarh, Phulera and Dudu, Rajasthan;
- an area of 730 km^2 in Districts Sikar and Jhunjhunu, Tehsil Khetri, Udaipurwati and Shrimadhopur, Rajasthan;
- an area of 671 km^2 in District Ajmer, Tehsil Sarwar, Kekri and Beawar, Rajasthan;
- an area of 1,821.69 km^2 in Districts Ajmer and Tonk, Tehsil Kekri, Srwar and Malpura, Rajasthan;
- an area of 2,089 km^2 in Districts of Mohindergarh, Jhajjar and Bhiwani, Haryana; and
- an area of 1,600 km^2 in District Balaghat, Taluka Baihar, Madhya Pradesh.

We have also applied for the following PLs:

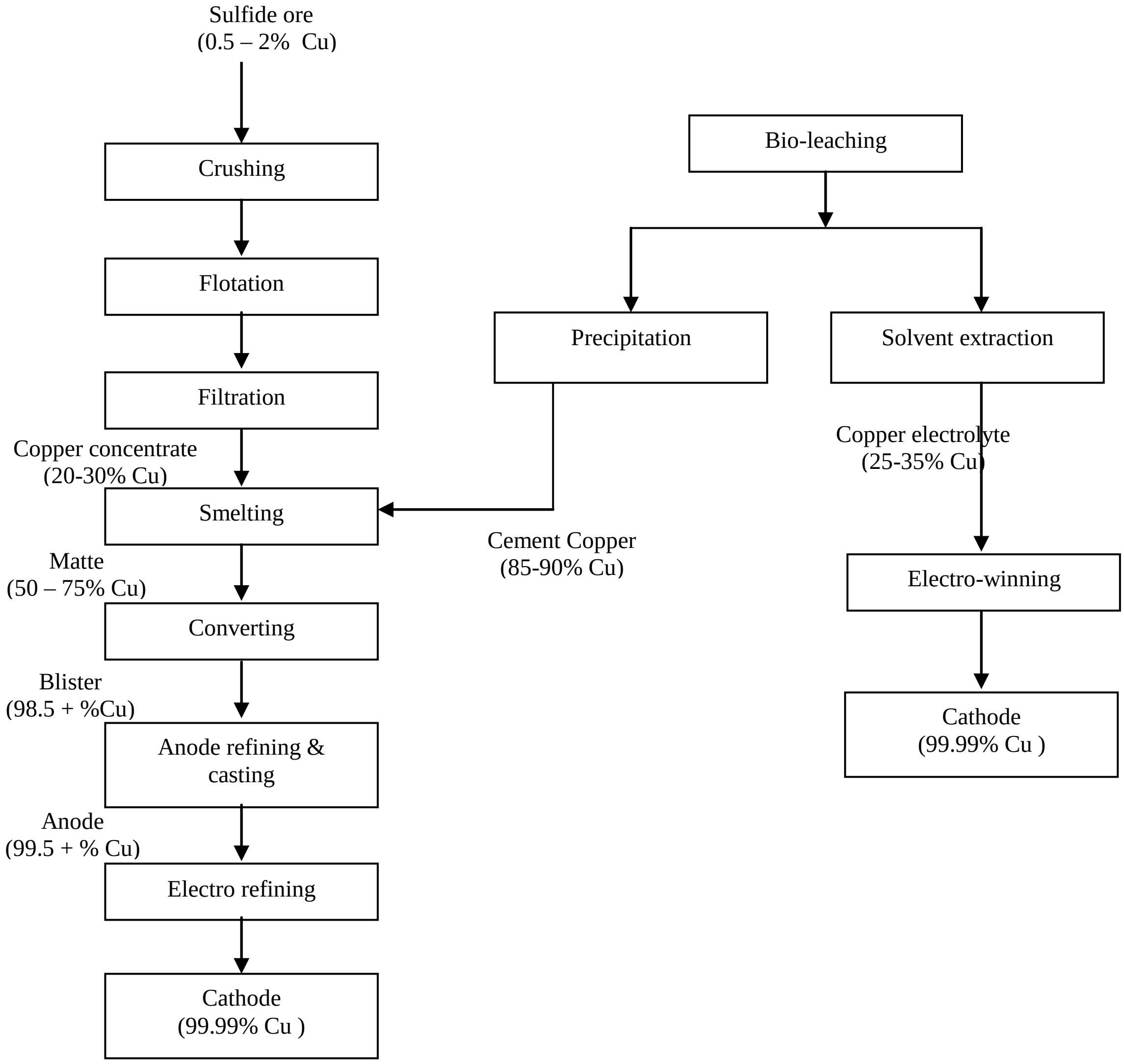
- an area of 12.07 km^2 at Baniwala Ki Dhani in Sikar district of the State of Rajasthan;
- an area of 7 km^2 in District Balaghat, Taluka Baihar, Villages Karhu, Anditola, Sitapur, Sital pani, Mohongaon, Kolhyatola, Nayatola and Paldongari, in Khasra No. Patwari Halka No. 42, Madhya Pradesh;
- an area of 60 km^2 in District Balaghat, Taluka Baihar, Villages Mohgaon, Paldongri, Kholwa, Rehangi, Lora and Jatta, in Khasra No. P.C. No. 19, 21, 41 & 42, Madhya Pradesh;
- an area of 22.73 km^2 in District Balaghat, Taluka Baihar, Villages Dorli, Gidori, Jamunia Siganpuri, and three other villages in Khasra numbers Patwari Halka No. 37 and Patwari Halka no. 38, Madhya Pradesh;
- an area of 17.7 km^2 in District Balaghat, Taluka Baihar, in Khasra numbers Patwari Halka no. 35, Patwari Halka no. 36 and Patwari Halka no. 37, Madhya Pradesh; and
- an area of 9.80 km^2 in District Singhbhum, Taluka Govindpur, Villages Talsa, Kudada, Turamdih, Nandup, Purihasa, Bayangbil, Lailam, Garadih, Kadamdih, Jharkhand.
- We have also submitted applications for the following MLs:
- an area of 2.48 km^2 in District Balaghat, Taluka Baihar, Village Bhimjori, Madhya Pradesh;
- an area of 7.34 km^2 in District East Singhbhum, Taluka Ghatsila, Villages Laukesra, Pathargora, Meriya, Mosaboni, Rangamatia and Dhobani, Jharkhand; and
- an area of 6.45 km^2 in District Saraikela-Kharswan, Taluka Gamharia, Villages Kuludih, Baistamdih, Dhatkidih and 11 other villages, Jharkhand.

Refined Copper Production

From copper concentrate, subsequent heat (pyrometallurgical) treatment to make refined copper may take as many as four steps: smelting, copper converting, fire refining and electro-refining. Copper concentrate is smelted to produce a liquid copper matte (50-62% copper), plus slag (waste) and sulphur dioxide gas. After smelting, the molten matte is converted into blister copper (98.5% copper), slag and sulphur dioxide gas. The molten blister is fire refined to further reduce impurities and then poured into anode moulds. The cooled copper is called copper anode (99.5% copper). In the final stage of purification, these anodes are refined by an electrolytic process to obtain copper cathode, which has a metal content of 99.99% copper, and represent the copper metal in its pure form. Cathode is melted and cast into wirebars or continuous bar stock for wire manufacture, into slabs for mechanical use or into ingots for alloying.

KCC has both a smelter plant and a refinery plant. The KCC smelter plant and refinery plant both have an installed capacity of 0.031 MTPA. Due to economic reasons, the KCC smelter and refinery plants have been shut down since December 2008 and are not currently operational. ICC also has a smelter plant and a refinery plant. The ICC smelter plant has an installed capacity of 0.0205 MTPA of blister copper. The ICC refinery plant has an installed capacity of 0.0185 MTPA of copper cathode. MCP does not have smelting or refining capabilities. TCP has an extrusion plant set up to toll copper cathode into copper wire rods. The TCP plant has an installed capacity of 0.060 MTPA.

A flowchart detailing the copper refining process is as below:



Products and Application

The principal products in our copper refining business is copper cathode and continuous cast rods. We also produce sulphuric acid, copper sulphate, nickel sulphate and anode slime containing gold and silver, which are by-products of the copper smelting process.

Copper Cathode

Our copper cathodes are square shaped with purity levels of 99.99%. The cathode production process at our ICC smelting and refining plants are accredited with ISO 9001:2008 certification. The major uses of copper cathode are in the manufacture of copper rods for the wire and cable industry and copper tubes for consumer durable goods. Copper cathode is also used for making alloys such as brass, bronze and alloy steel, with applications in the defense, minting and construction industries.

Continuous Cast Copper Wire Rods

Our continuous cast copper wire rods are available in 8.0 mm, 11.0 mm, 12.5 mm, 16.0 mm and 19.6 mm diameters with a coil size of 1500 x 900 x 600 mm and coil weight of 1.0 to 2.5 million tonnes. Our continuous cast rods have a homogenous structure and very fine grain size and can be drawn into ultra fine wires. Our continuous cast rods are used for power and communication cables, strips for power and distribution transformers and magnet wires as well as other products. Our large diameter continuous cast rods (11.0 mm, 12.5 mm and 16.0 mm) are utilized for production of profiles and bus bars. Our 19.6 mm diameter continuous cast rods are largely used for groove conductors and profiles. The continuous cast rods can also be used as the basic raw material for the manufacture of wire and cable, including winding wire, telephone cables, power cables, wiring harnesses, house wiring cables and instrumentation and control cables. Larger diameter continuous cast rods are mainly used in strip making, whereas 8.0 mm rods are used for wire and cable making as well as in the manufacture of flats and sections for electrical and electronic applications.

Precious Metals

We have a precious metal recovery plant located at ICC. Precious metals, such as gold and silver, are found in certain quantities in our copper concentrate. Gold and silver rates are based on the prevailing international bullion market price of the metals. These metals are extracted after copper refining to produce 99.95% pure gold and silver, as well as selenium and tellurium. The residue after extraction of gold and silver contains traces of platinum and palladium which can be sold as platinum group metal mix, commonly known as PGM.

We suspended the operations of the ICC precious metal recovery plant in 2007 as we found it more economical to sell anode slime containing gold and silver rather than refine the precious metals ourselves. Accordingly, we sell anode slime containing gold and silver as a by-product in the export market.

By-Products

We have a sulphuric acid plant located at ICC. The sulphur dioxide gas generated from the flash furnace and converter is treated in the sulphuric acid plant to produce sulphuric acid. We sell sulphuric acid, copper slag and copper sulphate crystals, which are by-products of our refined copper production processes, in the domestic and export markets.

Our Principal Facilities and Production Capacities

The following table sets out the details of our facilities required to produce refined copper products from copper concentrate, including their principal activities and operating capacities:

Facility	Location	Principal Activities	Products	Operating Capacity (in thousand tonnes)
ICC Smelter	ICC	Copper smelting	Copper anodes	20.5
ICC Refinery	ICC	Copper refinery	Copper cathodes	18.5
TCP Extrusion Plant	TCP	Production of continuous cast rods from copper cathode	Continuous cast rods	60.0
ICC Sulphuric Acid Plant	ICC	Production of sulphuric acid	Sulphuric acid	n/a[1]

[1]*Sulphuric acid production capacity is variable due to variation in the production of sulphur dioxide gas in the smelting process*

The following table sets forth the production and utilization figures of our facilities described above for the periods indicated:

	Refined Copper Production: Production Volumes, Capacity and Capacity Utilization								
	Fiscal								
	2010			2009			2008		
	(in thousand tonnes)								
	Production	Installed Capacity[1]	Utilization %	Production	Installed Capacity[1]	Utilization%	Production	Installed Capacity[1]	Utilization %
ICC refinery	15.875	18.500	85%	8.277	18.500	45%	16.848	16.500	102%
TCP Extrusion Plant	41.999[3]	60.000	70%	51.777	60.000	86%	58.223	60.000	97%
ICC sulphuric acid plant	9.934	n/a[2]	n/a[2]	12.560	n/a[2]	n/a[2]	8.570	n/a[2]	n/a[2]

[1]*Capacity is based on normal generation at full steam availability including waste heat boilers which could vary*
[2]*Sulphuric acid production capacity is variable due to variation in the production of sulphur dioxide gas in the smelting process*
[3]*Includes production from continuous cast rod tolled for third-parties*

Smelting

Copper concentrate is processed at the ICC smelter plant to convert it into copper anodes. After drying of the copper concentrate in a rotary dryer, it is smelted in a flash furnace to produce copper matte (50-62% copper), which is further fired in a converter to produce blister copper (98.5% copper). Blister copper is then fire refined to produce copper anode (99.5% copper). The sulphur dioxide gas produced during the smelting process is treated in our ICC sulphuric acid plant to produce sulphuric acid.

Refining

Copper anodes are processed at the ICC refining plant to convert them into copper cathode. Our ICC refining plant uses the conventional electro-refining technology to refine copper anode (99.5% copper) electrolytically into copper cathode (99.99% copper). Copper anodes are electrolyzed in copper sulphate and a sulphuric acid electrolyte solution. During the process of electrolysis, insoluble impurities containing precious metals are separated as anode slime. Copper cathode is either sold to customers or sent to our copper extrusion plant at TCP. Anode slime containing gold and silver is sold in the export market.

Taloja Copper Plant (TCP)

TCP was set up to extrude copper cathode into copper wire rods. It utilizes the "SCR 2000 system" technology of the U.S. company, Southwire Co. Since June 1997, our management system at TCP (in relation to manufacture of continuous cast copper wire rod in diameters of 8 mm, 13 mm and 16 mm) has been audited and is in accordance with the requirements of the ISO 9001:2008 standard, certified by the Bureau Veritas Certification (India) Private Limited. The plant is located in the Maharashtra Industrial Development Corporation Limited ("**MIDC**") area of Taloja on the Thane-Pune Highway, near Navda Phata in Maharashtra. It is 50 km away from the Mumbai Airport. The nearest railway stations are Panvel and Belapur. The plant enjoys locational advantages with its proximity to the JNPT sea port for importing copper cathode and exporting copper wire rods. TCP is spread over an area of 32 km^2. The land is leased from MIDC pursuant to a 95 year lease with effect from September 1, 1987. The area has infrastructure facilities, including schools and health centers. The water for TCP is obtained from the MIDC water supply scheme.

<u>*Production Statistics*</u>

The key production statistics for the TCP for each of the last three fiscal years and the three month ended June 30, 2010, are as follows:

Copper Wire Rod Production

In thousand tonnes	Fiscal			Three months ended June 30,
	2010	2009	2008	2010
Copper Wire Rods – Own Cathode	29.711	33.410	42.536	3.299

In thousand tonnes	Fiscal			Three months ended June 30,
	2010	2009	2008	2010
Copper Wire Rods – Third-Party Cathode	12.288	18.367	15.687	0.902
Total Production	**41.999**	**51.777**	**58.223**	**4.201**

Raw Materials

The main raw material required for production of copper wire rods is copper cathode. Copper cathode is sourced from our smelting and refinery plants at KCC and ICC, as well as from third-parties under our tolling agreements. The cathode is transported from our plants at KCC and ICC, or from the third-party toller, via truck to the TCP plant and is stored in stacks outside the TCP plant building in an open storage area. When needed, we also source copper cathode from third-parties on the international market. In addition, we often extrude copper cathode that is not our own into copper wire rods on behalf of third-party clients.

Production Process

The copper cathode is first melted in a melting furnace. The melting furnace is fired with natural gas. The molten copper, reaching temperatures of approximately 1,120 degrees Celsius and oxygen levels of 200-350 parts per million ("**ppm**") after coming out from the melting furnace, is taken to a holding furnace for further processing. The hot liquid copper from the holding furnace is then fed into the casting mould of a casting wheel and then extruded and passed through a cooling system that begins solidification of the copper into 1,935 sq. mm copper bars. The resulting copper bars are gradually stretched in a rolling mill to achieve the desired diameter. The rolled bar is then cooled and sprayed with a preservation agent and collected in a rod coil that is compacted and sent to customers.

Power Supply

We currently meet the electricity demand for TCP from the Maharashtra State Electricity Board ("**MSEB**"), a state-owned electricity generating agency. We have a contract with MSEB for supply of 1.36 MVA of power via an agreement dated April 10, 1989 for an initial term of seven years, which became year to year with automatic annual renewal thereafter. The power tariff that we pay under this agreement is approximately ₹ 5.05 per KWh for industrial use and ₹ 7.15 per KWh for commercial use. We also have a generator at the TCP plant with total capacity of 3,150 KVA of power from three diesel generators.

Water Supply

We require approximately 2,000 cubic metres of water per month for the TCP plant. The required water is drawn from MIDC pursuant to an agreement dated July 20, 2007. MIDC stores rain water in a large reservoir and supplies the water to its consumers in residential and industrial areas after treatment by chemical dosing. The hardness of the water supplied by MIDC is around 50 ppm. We further treat the water in a softening plant to bring down its hardness level to 10 ppm and then store it in an overhead reinforced concrete tank for subsequent use by the TCP plant.

Key Raw Materials and Cost of Production

Historically, we have been able to secure an adequate supply of the principal inputs for our refined copper production. As a precautionary measure, we maintain a stockpile of each of the principle inputs for our refined copper production, which we keep in storage at our plant locations. Depending on the amount used by our copper smelting and refinery plants and our extrusion plant and the lead-time required to receive the input, we maintain a stockpile of principal inputs covering approximately 20 production days. The principal inputs for our refined copper production business are copper concentrate, copper cathodes, power, fuel, water and oxygen. We used the following amount of each of these inputs during the periods indicated:

	Fiscal		
	2010	**2009**	**2008**
	(in thousand tonnes, except as otherwise indicated)		
Copper Concentrate[1]	28.202	27.589	31.378
Copper Cathode	17.516	30.036	44.734

	Fiscal		
	2010	2009	2008
	(in thousand tonnes, except as otherwise indicated)		
Power, Fuel and Water (in ₹ million)	1,230.932	1,744.143	1,851.653
Power	751.746	841.721	-[2]
Fuel and Water	357.885	702.340	-[2]
Oxygen	121.301	200.082	-[2]

[1]*Copper concentrate figures are given as tonnage of metal in copper concentrate as per the industry practice*
[2]*Separate figures for power, oxygen and fuel and water are not available for fiscal 2008*

Distribution, Logistics and Transportation

Most of our sales are domestic sales, where the sale is either "free on rail" or "free on truck" so that transportation is arranged by our customers at their cost. We sell copper concentrate from our KCC and MCP mining complexes. We sell copper cathode from our ICC smelting and refining plants. We also sell copper wire rods from our TCP plant. Furthermore, we ship part of our copper concentrate from our MCP mining complex to our ICC complex by rail for smelting and refining. We also ship part of the resulting copper cathode from the ICC complex to our TCP plant for extrusion.

Due to our multi-location operations, management of logistics has been a critical factor. We contracted with Sical Multimodal and Rail Transport Limited pursuant to a work order dated January 8, 2010, to provide us with a complete multimodal logistics solution across all of our operating units. This includes end-to-end multi-modal transportation of semi-finished and finished products between our operating units and to our customers.

Sales and Marketing

Most of our sales of copper concentrate, refined copper products and by-products are made in the domestic market. We sell a small amount of our refined copper products in the export market. Our sales and marketing activities are overseen from our regional sales offices in Delhi, Mumbai, Bangalore and Kolkata. All payments by domestic customers are in Rupees and by overseas customers in foreign currencies but the prices of our products are pegged to the U.S. dollar through the application of the LME copper price. For fiscal 2010, we sold 30.716 thousand tonnes of refined copper and 10.134 thousand tonnes of copper concentrate. For the three month period ended June 30, 2010 we sold 3.651 thousand tonnes of refined copper and 2.495 thousand tonnes of copper concentrate.

The following table sets forth our revenue by product categories derived from the domestic and export markets for the latest three fiscal years and the three month period ended June 30, 2010:

(in ₹ million)

	Fiscal			Three months ended June 30,
	2010	2009	2008	2010
Domestic Market:				
Copper concentrate[1]	3,073.069	665.327	Nil	784.223
Refined copper products:				
Continuous cast rods	9,978.792	10,677.468	16,069.862	1,434.498
Cathode	378.909	689.574	1,187.016	25.321
Wire bars	Nil	4.636	Nil	Nil
By-products				
Anode Slime	Nil	Nil	Nil	Nil
Sulphuric Acid	10.517	116.890	198.216	2.148
Other	505.385	584.952	188.214	50.760
Subtotal (A)	**13,946.672**	**12,738.847**	**17,643.308**	**2,296.95**

	Fiscal			Three months ended June 30,
	2010	**2009**	**2008**	**2010**
Export Market:				
Copper concentrate[1]	Nil	Nil	Nil	Nil
Refined copper products:				
Continuous cast rods	Nil	Nil	158.180	Nil
Cathode	Nil	222.763	Nil	Nil
Wire bars	Nil	Nil	Nil	Nil
By-products				
Anode Slime	351.807	529.390	596.422	190.804
Sulphuric Acid	Nil	Nil	Nil	Nil
Subtotal (B)	**351.807**	**752.153**	**754.602**	**190.804**
Total (A + B)	**14,298.479**	**13,491.000**	**18,397.910**	**2,487.754**

[1]*Copper concentrate figures are given as tonnage of metal in copper concentrate as per the industry practice*

The following table sets forth our actual sales in thousand tonnes (unless otherwise indicated) in the domestic and export markets for the latest three fiscal years and the three month period ended June 30, 2010:

(in thousand tonnes)

	Fiscal			Three months ended June 30,
	2010	**2009**	**2008**	**2010**
Domestic Market:				
Copper concentrate[1]	10.134	3.540	Nil	2.468
Refined copper products:				
Continuous cast rods	29.475	33.336	41.875	3.587
Cathode	1.241	1.761	3.006	0.064
Wire bars	Nil	0.019	Nil	Nil
By-products				
Anode Slime	Nil	Nil	Nil	Nil
Sulphuric Acid	9.233	23.819	42.187	0.679
Export Market:				
Copper concentrate[1]	Nil	Nil	Nil	Nil
Refined copper products:				
Continuous cast rods	Nil	Nil	0.503	Nil
Cathode	Nil	0.598	Nil	Nil
Wire bars	Nil	Nil	Nil	Nil
By-products:				
Anode Slime	0.025	0.080	0.075	0.014
Sulphuric Acid	Nil	Nil	Nil	Nil

[1]*Copper concentrate figures are given as tonnage of metal in copper concentrate as per the industry practice*

Our sales of copper concentrate to refined copper producers in India are made under short term contracts. Due to the volatility of copper prices, we consider it more favorable to our Company to sell copper concentrate under short term contracts than to enter into long-term contracts with refined copper producers in India. In respect of our sales of refined copper products and by-products, we generally sell our products through the global auctioning/tendering process or on an off the shelf basis.

Competition

We are the only operating copper ore producing mining company in India. We are also the only company in India that is completely vertically-integrated in our copper mining and processing operations. Therefore, we believe that we do not and will not encounter intense competition in our production and sales of copper concentrate within India. We do face competition from copper mining companies outside of India for production of copper concentrate, but we believe that our geographic proximity to our target customers, namely the refined copper producers in India, will result in lower logistics costs and a competitive advantage to our Company.
The factors influencing competition vary by region and end-use market. However, copper is a commodity product and we compete primarily on the basis of price and service, with price being the most important consideration when supplies of copper are abundant. Copper is sold directly to consumers at prices benchmarked to the cash settlement price, weekly average, fortnightly average or monthly average of the LME price.

Research and Development

Mining and mineral development requires a strong base of suitable research and development effort. We are collaborating with IMMT to develop a bio-leaching technique for the extraction of copper from low grade ore at our MCP mining complex for the exploitation of low grade sulphide ores.

Recently we have also taken initiatives to monetize our waste products namely waste rock and copper tailings.

Waste Rock

During our mining process, primarily open cast, we generate waste rock, which is generally discarded adjacent to our mines. As on August 30, 2010, we have approximately 215 million tonnes of waste rock at MCP. We believe the waste rock can be used as buildings materials in the construction of roads. We have also submitted a sample of our MCP waste rock for testing by the National Institute of Technology Raipur, which concluded that the basic, granite and aplite waste rock samples from MCP are fit for application and use in railway track as ballast.

To date, we have sold 5 million tonnes of our waste rock at KCC at a price of ₹ 45 per tonne pursuant to a sale order dated March 10, 2009, and have received an advance from the buyer. However, the buyer has not yet commenced removal of the waste rock. We have also issued a tender for the sale of 200 million tonnes of our waste rock at MCP on September 10, 2010.

Copper Tailings

The copper ore extracted in the process of mining is fed to our concentrator plants for processing into copper concentrate. The waste material left out after processing is copper tailings, which are stored in tailings dams at MCP and KCC. As on August 30, 2010, we have approximately 55 million tonnes of copper tailings at our MCP complex and as on September 20, 2010, we have copper tailings of 41 million tonnes at KCC. We intend to commercially exploit the stock of copper tailings lying at MCP and KCC.

The University of Agricultural Sciences, Dharwad has in the past conducted research on copper ore tailings of another mining company and found they may be suitable as a source of micro-nutrients for use in agriculture. Our stock of copper tailings at MCP and KCC have been chemically analyzed by Non-Ferrous Materials Technology Development Centre, Hyderabad ("**NFTDC**"), an autonomous research and development institution under the aegis of the MoM, GoI.

We are in the process of monetizing our copper tailings by inviting expression of interest for joint venture, marketing or provision of technology related to our copper tailings. We are also negotiating with a marketing agency that has expressed its interest in marketing our copper tailings at MCP and KCC based on their belief that our tailings are similar to those tested by the University of Agricultural Sciences, Dharwad.

Intellectual Property

We have registered our trademark "Hindcop RoD" in respect of common metals and their alloys, wires of common metal, copper unwrought or semi-wrought, copper wire not insulated, copper rings, cast and rolled copper rods, ores, goods of common metal, produced at TCP. We do not currently hold a trademark registration for our logo appearing on the cover page of this Draft Red Herring Prospectus. See "***Government and Other Approvals***" and "***Risk Factors – We have not obtained registration for our logo appearing on the cover page of this Draft Red Herring Prospectus and we cannot register "Hindustan" as trademark***" on pages 214 and xxx, respectively.

Employees

Our Registered Office is located in Kolkata. As on September 1, 2010, our Company had 5,229 permanent employees as follows:

Divisions	Total Employees
Copper mining	1,320
Copper smelting, refining and plants	1,575
Administration and management (including health services)	690
Engineering	1,230
Finance	112
Materials and Marketing	114
Legal	9
City Offices	179
Total	**5,229**

All of our permanent employees are unionized. We believe that our relations with our employees and unions are generally good, although we have in the past and may in the future experience industrial actions or disputes. We have entered into wage and benefits agreements dated January 6, 2010 with recognized unions, further to which we have revised pay scales and the terms of certain benefits, for a period of five years with effect from November 1, 2007. Our union wage and benefits agreements are due for revision in November 2012

Environmental Matters

We are committed to the protection of the environment in the places where we operate and have therefore subscribed to the principles of sustainable development. We have taken pollution control measures in all of our business activities. We develop our facilities and operations in accordance with local laws and regulations, including the pollution control board guidelines and standards, as well as internationally accepted good management practices on environmental issues. We practice pollution prevention principles in all of our operational activities.

The ambient air quality is regularly monitored by us at our mines, processing plants and residential areas in accordance with the Central and State Pollution Control Board ("**PCB**") guidelines and standards. Effluent treatment facilities have been installed by our Company, meeting the regulatory norms as prescribed by the Central and State PCB in India. Solid waste from the Company's facilities is safely disposed of or stored in accordance with the PCB directives and standards. Water discharged is also recycled after treatment.

Safety

Although mining is an inherently dangerous activity, we have endeavored to conduct our mining operations safely. We regularly monitor our safety procedures and review our safety records.

As part of our efforts to help ensure safety in our mining operations, we have followed a number of requirements and procedures including training for a number of employees working in the mines, implementation of a policy of strict compliance with the Mines Act in the formation of benching, which is the construction of a mine, a number of training courses to help raise safety awareness levels among our workforce and use of machinery and equipment in our mines and processing plants with built-in safety features.

Insurance

Currently, we maintain insurance coverage on our property and plants, fixed assets, transportation vehicles and certain other assets that we consider to be subject to significant operating risks, including standard fire and special perils policies with add-on cover for earthquake and tsunami for MCP, KCC and TCP and burglary policies for certain of our offices. Our employees are covered by health insurance policies. The total sum for which our various assets are currently insured is ₹ 515.34 million.

However, our insurance does not cover other potential risks associated with our operations. In particular, we are not currently insured against business interruptions, product liability or certain types of environmental hazards, such as pollution or other hazards arising from the disposal of waste products and, for a substantial part of our business, terrorist insurance.

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 operations. Moreover, no assurance can be given that we will be able to maintain existing levels of insurance in the future at the same rates. See "***Risk Factors – Our insurance does not cover all of the risks we face, and the occurrence of events that are not covered by our insurance could cause losses, which it significant, could adversely affect our financial condition***" on page xxix.

Corporate Social Responsibility

After a baseline survey conducted by a third-party in 2007 for the purpose of social mapping to initiate corporate social responsibility activities ("**CSR**"), initially, five villages in the vicinity of each of KCC, MCP and ICC were identified for rolling out CSR activities. The activities are focused on health, general hygiene, sanitation, awareness generation and formation of Self Help Groups ("**SHGs**") with the support of local non-governmental organizations and community participation since April 2008.

The initial activities have also built up the necessary ground work for implementing micro-finance projects for the SHGs – towards creation of alternative employment activities and resource formation. At KCC, ICC and MCP, mobile medical units equipped with medical personnel conduct weekly health camps at the selected villages for community health check-ups.

We are committed to providing 2-3% of our net profits toward social sector activities on a continuing basis as per the April 9, 2010, office memorandum of the DPE setting forth such guidelines.

Properties

KCC (excluding the mine area) is spread over an area of 9.91 km2, comprising 0.13 km2 of freehold land acquired from various private parties, 7.32 km2 of leasehold land pursuant to a lease deed dated March 29, 2000 with the Governor, State of Rajasthan, for a period of 99 years with effect from March 25, 1970, and 2.45 km2 of land allotted in favour of our Company by the State Government of Rajasthan.

ICC is spread over an area of 2.53 km2, comprising 2.38 km2 of land acquired through the procedure under the Land Acquisition Act, 0.13 km2 of freehold land acquired pursuant to leases entered into with private parties and 0.02 km2 acquired through private settlement with third parties.

MCP (excluding the mine area) is spread over an area of 14.46 km2, comprising 8.31 km2 of freehold land acquired from various private parties and 6.15 km2 of freehold land acquired from the State Government of Rajasthan. Further, the boundaries of MCP also contain 0.73 km2 of revenue land belonging to the State Government of Madhya Pradesh that has not been formally transferred to our Company as on the date of this Draft Red Herring Prospectus.

TCP is spread over an area of 0.03 km2 of leasehold land, pursuant to a lease deed dated February 13, 2001 with Maharashtra Industrial Development Corporation for a period of 95 years from September 1, 1987.

Our Registered and Corporate Office, spread over an area of approximately 1,497 m2 of freehold land, was acquired pursuant to an indenture dated January 14, 1958. Our other offices, located at Delhi, covering an area of 328.04 m2 is held pursuant to an allotment made by the Standing Conference of Public Enterprises and our offices premises located at Bengaluru, covering an area of approximately 139.35 m2 is held under a lease agreement dated December 24, 1991, with effect from January 1, 1992, renewed through December 31, 2010.

For risks related to our properties, see "***Risk Factors - Some of our immovable properties may have certain irregularities in title, as a result of which our operations may be impaired***" on page xxxi.

REGULATIONS AND POLICIES IN INDIA

The following description is a summary of the relevant regulations and policies as prescribed by the GoI and other regulatory bodies that are applicable to our business. The information detailed below has been obtained from the various legislations, including rules and regulations promulgated by regulatory bodies, and the bye-laws of the respective local authorities that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information, and are neither designed nor intended to substitute for professional legal advice.

Minerals and Mining Industry Regulations

The regulation of minerals and mining in India is shared between the Centre and State, in accordance with the Seventh Schedule to Constitution of India, adopted on January 26, 1950. Entry 54 of List I in the Seventh Schedule empowers the Central Government to regulate mining activities and development of minerals. Entry 23 of List II in the Seventh Schedule empowers the State Governments to frame rules and regulations in respect of mining activities and mineral development, subject to the provisions of List I.

The MoM is responsible for overseeing the survey and exploration of all minerals other than natural gas and petroleum, and for the mining and metallurgy of non-ferrous metals (including copper) and for the administration of the Mines Act, 1952 (the "**Mines Act**"), Mines and Minerals (Development and Regulation) Act, 1957, as amended, (the "**MMDRA**") in respect of mines and minerals other than natural gas and petroleum. The Indian Bureau of Mines (the "**IBM**"), established in March 1948, is a subordinate office under the MoM and the principal Government agency responsible for compiling exploration data and mineral maps. Besides its technical consultancy services, the IBM performs regulatory functions, including the enforcement of the MMDRA, the Mineral Concession Rules, 1960, as amended, ("**Mineral Concession Rules**") and the Mineral Conservation and Development Rules, 1988 ("**Mineral Conservation and Development Rules**"). The IBM also disseminates statistical information on mines, minerals, metals and mineral based industries through its various publications.

Mines Act and Mines Rules

The Mines Act is the primary legislation in relation to the health, safety and welfare of workers employed in mines. The Mines Act is administered by the Ministry of Labour and Employment through the Directorate General of Mines Safety (the "**DGMS**"). The Mines Act empowers the Central Government to appoint qualified persons as Inspectors and Chief Inspectors of Mines, with power to inspect any part of a mine at any time, to ascertain compliance. Contravention can result in penalties, civil or criminal in nature, including enhanced penalty after previous conviction. The Mines Rules, 1955, (the "**Mines Rules**"), notified pursuant to the Mines Act, lays down guidelines regarding Committees and Court of Inquiry constituted under the Mines Act, requirements for initial and periodical medical examinations of persons employed or to be employed in mines, health and sanitation standards, first aid and medical appliances, leave with wages and overtime and welfare amenities. The Mines Rescue Rules, 1985 (the "**Mines Rescue Rules**") were notified under the Mines Act to empower the Chief Inspector of Mines to permit or require the owner of an underground mine or a group of underground mines to establish and maintain rescue stations, to provide training in rescue and recovery, and support in case of major accidents or long lasting rescue and recovery.

MMDRA

The MMDRA was enacted for the regulation of mines and development of minerals, applicable to all minerals except mineral oils. The MMDRA empowers State Governments to develop and regulate mines and minerals, including in relation to granting of reconnaissance permits ("**RPs**"), prospecting licences ("**PLs**") and mining leases ("**MLs**"). Two sets of rules, viz., the Mineral Concession Rules and the Mineral Conservation and Development Rules, were framed under the MMDRA to deal with major minerals, while the State Governments are free to frame their own rules for mineral concessions with respect to minor minerals. The Industrial Policy Resolution, 1956 classified 'major minerals' such as coal, lignite, mineral oils, iron ore, zinc, atomic minerals, and including copper and copper ore, which were initially reserved exclusively for the public sector. Other minerals were termed as 'minor minerals'. This classification of major and minor minerals is continued under the MMDRA.

There are three kinds of mineral concessions recognized under the MMDRA:

RP - for preliminary prospecting of a mineral through regional, aerial, geophysical or geochemical surveys and geological mapping.

PL - for undertaking operations for purpose of exploring, locating or proving mineral deposit.

ML - for undertaking operations for winning any mineral.

RP holders receive priority in the grant of PLs within reconnaissance areas, subject to certain conditions. Licencees receive priority in the grant of MLs within licence areas, subject to certain conditions. The initial period for which an RP or PL may be granted is three years. The MMDRA does not provide for renewal of an RP, but a PL may be renewed, on application, for up to five years. An ML may be granted for a minimum of 20 years and a maximum of up to 30 years and is renewable, on application, for up to 20 years. Every holder of an ML for a mineral which in used in his or its own industry (i.e., for captive use) is entitled to the renewal of the ML for up to 20 years, unless a lesser period is applied for. Where mining operations are not commenced within two years from the execution of the ML, or is discontinued for a continuous period of two years after commencement of such operations, the State Government will (unless the lessee submits reasons for the delay, which are found satisfactory by the State Government, for instance including delays in acquisition of surface rights or possession of the ML area or in supply or installation of machinery or in arranging financial assistance from lenders) declare the ML as lapsed and communicate the declaration to the lessee. The State Government may, on application by a lessee submitted prior to lapse of the ML, being satisfied that non-commencement or discontinuance of mining operations was due to reasons beyond the lessee's control, revive the ML from such date as it thinks fit but not earlier than the lapse of the ML, provided that no ML may be revived more than twice for the entire period of the ML. Where the Central Government, after consultation with the State Government, is of the opinion that it is expedient in the interest of the environment, flood control, prevention of pollution or to avoid danger to public health or communications or to ensure safety of buildings, monuments or other structures or for conservation of mineral resources or maintaining safety in mines or such other purposes, it may request the State Government to order premature termination of a PL or ML in respect of any major mineral in any area or part thereof.

The MMDRA restricts the maximum area over which a person can be granted an RP to 10,000 km^2 in one or more RPs. A person can be granted a maximum area of 25 km^2 in one or more PLs, but if the GoI 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.

In respect of certain major minerals including copper, prior GoI approval is required to be obtained by the State Government for the grant of a PL or execution of an ML. The GoI approval is granted based on recommendations of the State Government, though the GoI has the discretion to overlook recommendations of State Governments. On receiving GoI clearance, the State Government grants the ML and PL. On receipt of communication from the State Government of the precise area over which the ML is to be granted, the applicant is required to submit a mining plan to the Central Government for its approval (based on prospecting data obtained by the applicant or by any other person for the area in question). Such plans are required to be in formats prescribed by the IBM in this regard. On obtaining the approval of the Central Government, the applicant is required to submit the approved mining plan to the State Government to grant an ML over the approved area. The mining plan includes a tentative scheme of mining and the annual programme and plan for excavation from year to year for five years, and a progressive mine closure plan. The mining plan once approved is valid for the entire duration of the ML. Modification of the approved mining plan during the operation of an ML requires prior approval of the competent Government authority. If the mining operation in respect of any ML leads to a displacement of people, the mining project can become functional only after obtaining consent of affected persons and the resettlement and rehabilitation of persons displaced by mining operations and payment of other benefits is to be carried out in accordance with the guidelines of the State Governments, including payment for the acquired land owned by displaced persons.

A lessee is required to pay to the State Government royalty in respect of any mineral removed or consumed by him or by his agent, manager, employee, contractor or sub-lessee from the ML area, as well as dead rent for the ML area, at the respective rates for the time being specified under the MMDRA in respect of that mineral. The rate presently chargeable on the contained copper metal in ore produced is 4.2 per cent. of the London Metal Exchange ("**LME**") copper metal price. The GoI has broad powers to alter the royalty rates but cannot do so more than once every three years. For calculation of dead rent, copper is classified as a 'high-value mineral'.

Any RP, PL or ML granted, renewed or acquired in contravention of the provisions of the MMDRA or the rules or orders made thereunder is void. Any person who undertakes reconnaissance, prospecting or mining operations in any area in India, except under and in accordance with the terms of an RP, PL or ML, as the case may be, or who transports or stores any mineral granted under the MMDRA and rules thereunder, is punishable with imprisonment of up to two years, or fine which may extend to ₹25,000, or both. An offence of this nature is cognizable. Further, if any person raises or transports, without lawful authority, any mineral from any land, and, for that purpose, uses any tool, equipment, vehicle or other thing, such mineral, tool, equipment, vehicle or other thing are liable to be seized and confiscated by an order of a competent court and where such mineral has already been disposed of, the price thereof may be recovered from such person, along with any rent, royalty or tax, as the case may be, for the period for which the land was occupied without lawful authority. Further, contravention of any other provision of the MMDRA or any rule thereunder is punishable with imprisonment for up to one year or fine which may extend to `5,000, or both. Continuing contravention is punishable with additional fine which may extend to `500 for every day for which such contravention continues after conviction. Where any person trespasses into any land in contravention of the MMDRA, such trespasser may be served with an order of eviction by the State Government. If the person committing an offence under the MMDRA or rules thereunder is a company, every person who at the time was in charge of, and responsible to, the company for the conduct of its business, or where such offence was committed with consent or connivance of any director, manager, secretary or other officer of the company, such person is deemed guilty and liable to be proceeded against and punished accordingly, provided that no such person is liable to punishment if he proves that the offence was committed without his knowledge or that he exercised due diligence to prevent the commission of such offence.

Under the MMDRA, the Central Government (after consultation with the relevant State Government) or a State Government (with the approval of the Central Government), may reserve any area not already held under a PL or ML for undertaking prospecting or mining operations through a Government company or a corporation owned or controlled by it, by notifying the boundaries of the area and the mineral(s) in respect of which such area will be reserved.

Mineral Concession Rules

The Mineral Concession Rules were notified under the MMDRA, on November 11, 1960, in supersession of the Mineral Concession Rules, 1949. The State Government has at all times the right of pre-emption of the minerals won from the land in respect of which the ML was granted, provided the fair market price prevailing at the time of pre-emption is required to be paid to the lessee for all such minerals. The fees for RPs, PLs and MLs are fixed by the State Government, and vary from State to State. The Mineral Concession Rules also specify the method for computation of royalty on minerals. In respect of copper, it is provided that the total contained metal in the ore or concentrate produced during the period for which the royalty is computed and reported in the statutory returns under Mineral Conservation and Development Rules, or recorded in the books of the mine owner, be considered for computing royalty in the first place and then royalty is computed as the percentage of the average metal prices as published by the IBM. There are also various periodic reports required to be made to the State Government under the Mineral Concession Rules.

The concessions of the holder of an RP, PL or ML under the Mineral Concession Rules do not extend to the surface rights over the land and it is not necessary that areas covered within a single RP, PL or ML should be contiguous. The boundary of the area covered by an ML runs vertically below the surface. A lessee would require consent of the owner of the surface of the land for starting mining operations in the area or part thereof, prior to entry into the area. An RP holder, licencee or lessee must pay to the occupier of the surface of the land, such compensation as may be payable in respect of such land (including compensation for any damage to the land), and would also require permission of the Forest Department or the owner of the private land, as the case may be, to enter forest land or private land. In case of Government-owned land, surface rights to operate in the ML area are granted by the Government on application and as per the norms of the State Government. If a private party refuses to grant such surface rights, the lessee is to inform the same to the State Government and deposit the compensation for the acquisition of the surface rights with the State Government, and if the State Government deems that such amount is fair and reasonable the State Government will order the private occupier to permit the lessee to enter the land. The lessee must, in the matter of employment, give preference to tribals and to persons displaced because of mining operations.

A lessee may not determine an ML or part thereof unless a final mine closure plan is approved by the State Government, including in respect of protective, reclamation and rehabilitation work to be carried out by the lessee. An RP holder or licencee would require prior approval of the State Government to transfer the licence. A lessee would require prior approval of the State Government to assign, sublet, mortgage, or in any other manner, transfer the ML, or any right, title or interest therein. In the event of breach of any conditions imposed on any holder of an RP, PL or ML, the State Government may cancel an RP, PL or ML, as the case may be, and/or forfeit, in whole or part, any amount deposited by the holder of an RP, PL or ML. The contravention of any provision of the Mineral Concession Rules, including the reporting requirements specified thereunder, is punishable with imprisonment for up to one year or fine which may extend to ₹ 5,000 or both.

Mineral Conservation and Development Rules

The Mineral Conservation and Development Rules were notified in 1988, for the conservation and systematic development of all minerals excepting coal, atomic minerals and minor minerals. The Mineral Conservation and Development Rules are administered by the Controller General, Controller of Mines and the Regional Controller, whose permission is required for the reconnaissance scheme, prospecting scheme, mining plan, mine closure plan, and any modification thereto. There are various reporting obligations applicable to an RP holder, licencee or lessee, in respect of various notices as well as annual, quarterly and monthly returns that need to be provided to the Controller General, Controller of Mines and the Regional Controller, as well as various provisions for protection of the environment, pollution control, and reclamation and rehabilitation of lands affected by prospecting, mining, beneficiation or metallurgical operations.

National Mineral Policy

Pursuant to the recommendations of India's Planning Commission, the National Mineral Policy, 2008 (for non-fuel and non-coal minerals) was announced, to supersede the previous national mineral policy announced in March 1993. The policy of 1993 had opened up to the private sector 13 major minerals (including copper) hitherto reserved exclusively for the public sector. The 2008 policy lays further encourages private participation and investment in the sector. It also provides that project affected persons will be protected through comprehensive relief and rehabilitation packages in line with the National Rehabilitation and Resettlement Policy, 2007.

Draft Mining Bill

The MoM has prepared a draft mining bill, which seeks to decentralize powers to the States, increase revenues to the Government by bringing in concepts of price discovery and true value (including through rationalization of royalties, taxes and cesses), ensure equity, fair play, transparency and simple procedures (including through offer of mining blocks on auction basis, pursuant to promotional regional exploration by the State Government), and scientific mining and sustainable development. The draft bill proposes, amongst other things, that mining companies be required to provide an annuity of 26% of their net profit or to offer free shares of an equivalent amount to local project-affected persons. Even in respect of mining operations which are nonfunctional or unprofitable, the draft bill provides for payment of compensation in lieu of annuity for the first five years from the date of commencement of mining activity. On the finalization of the draft bill and on obtaining the approval of the Indian Cabinet, the bill will be placed before the Indian Parliament for its approval and notification as an Act of Parliament.

Nationalization of Indian Copper Corporation

The Indian Copper Corporation Limited was incorporated under the laws of England in 1930, with its assets and operations, consisting of a cluster of underground copper mines, concentrator plants and smelter, at Ghatsila, then in the State of Bihar. On September 25, 1972, the GoI nationalized the company and our Company acquired the entire assets, undertaking, management and administration of the Indian Copper Corporation, pursuant to the Indian Copper Corporation (Acquisition of Undertaking) Act, 1972 and Indian Copper Corporation (Taking Over of Management) Act, 1972. Today, Ghatsila is in the State of Jharkhand, in east Singbhum District.

Environmental Laws

Pursuant to the judgment of the Supreme Court of India in M.C. Mehta vs. Union of India and notification No. 60(E) issued by the MoEF dated January 27, 1994, prior environmental clearance from the Ministry of Environment and Forest, GoI ("**MoEF**") is required under the Environment (Protection) Act, 1986, as amended ("**Environment Act**") at the time of execution or renewal of an ML, if the area under the ML is in excess of five hectares and the ML is in respect of a 'major mineral'.

The Environment Impact Assessment Notification S.O. 1533(E), 2006 (the "**EIA Notification**") issued under the EPA and the Environment (Protection) Rules, 1986, as amended, provides that the prior approval of the MoEF, GoI, or State Environment Impact Assessment Authority, as the case may be, is required for the establishment of any new project and for the expansion or modernization of existing projects specified in the EIA Notification. The EIA Notification states that obtaining of prior environmental clearance includes a maximum of four stages, i.e., screening, scoping, public consultation and appraisal.

An application for environmental clearance is made after the identification of prospective site(s) for the project and/or activities to which the application relates but before commencing any construction activity, or preparation of land, at the site by the applicant. Certain projects which require approval from the State Environment Impact Assessment Authority may not require an Environment Impact Assessment Report. For projects that require preparation of an Environment Impact Assessment Report public consultation involving both public hearing and written response is conducted by the State PCB. The appropriate authority makes an appraisal of the project only after a Final EIA Report is submitted addressing the questions raised in the public consultation process.

The prior environmental clearance granted for a project or activity is valid for a period of ten years in the case of river valley projects, project life as estimated by Expert Appraisal Committee or State Level Expert Appraisal Committee subject to a maximum of 30 years for mining projects and five years in the case of all other projects and activities. This period of validity may be extended by the regulatory authority concerned by a maximum period of five years.

The mining of minerals in a leased area of 50 hectares or more requires clearance from the MoEF, GoI. The mining of minerals in a leased area of five hectares or more, but less than 50 hectares requires clearance from State Environment Impact Assessment Authority.

In case forest lands are involved, execution of an ML requires prior clearance of the GoI, through the MoEF, under the Forest (Conservation) Act, 1980, as amended ("**Forest Conservation Act**").

The penalties for non-compliance under the Environment Act and the Forest Act range from closure or prohibition of mining activity as well as the power to stop supply of power, water or other utilities and monetary penalties on and imprisonment of the persons in charge of the conduct of the business of the company.

Further, clearances are required from the State PCB, under the Water (Prevention and Control of Pollution) Act, 1974, as amended (the "**Water Act**"), Water (Prevention and Control of Pollution) Cess Act, 1977, as amended (the "**Water Cess Act**") and Air (Prevention and Control of Pollution) Act, 1981, as amended (the "**Air Act**") are required before commencing mining operations. For ensuring continuation of the mining operations, a valid consent certification from the State PCB is required under the Air Act and the Water Act, which prescribe certain environmental quality standards and penal provisions for contravention. The State PCB is authorized to carry out regular checks on any industry to verify if the standards prescribed are being complied with. If the standards are not being complied with, the State PCB is authorized to serve a notice of non-compliance, pursuant to which it may close the mine or withdraw power or water supply or cause a court to pass necessary injunctions to restrain pollution.

Labour Laws

Depending on the nature of work and number of workers employed at any unit, the following labour legislations may apply:

The Factories Act, 1948 as amended (the "**Factories Act**") regulates occupational safety, health and welfare of workers of industries in which 10 or more workers are employed on any day of the preceding 12 months and are engaged in a manufacturing process carried out with the aid of power. The Factories Act includes provisions as to the approval of factory building plans before construction or extension, investigation of complaints, maintenance of registers and submission of yearly and half-yearly returns.

The Industrial Disputes Act, 1947 ("**ID Act**") provides the procedure for investigation and settlement of industrial disputes. When a dispute exists or is apprehended, the appropriate Government may refer the dispute to a labour court, tribunal or arbitrator, to prevent the occurrence or continuance of the dispute, or a strike or lock-out while a proceeding is pending. The labour courts and tribunals may grant appropriate relief including ordering modification of contracts of employment or reinstatement of workmen. The Industrial Disputes

(Amendment) Bill 2010 passed by the Rajya Sabha on August 3, 2010, proposes to, among other things, provide direct access for workmen to labour courts or tribunals in case of individual disputes, expand the scope of qualifications of presiding officers of labour courts or tribunals, constitute grievance settlement machineries in any establishment having 20 or more workmen, and vest industrial tribunals-cum-labour courts with the powers of a civil court in respect of enforcement of their decrees.

The Workmen's Compensation Act, 1923 as amended ("**Workmen's Compensation Act**") requires an employer to pay compensation for personal injury, or death caused due such personal injury, to a workman by accident during employment, except in certain cases for instance where such workman was at the time of injury under the influence of drugs or alcohol, or willfully disobeyed safety rules.

On December 1, 2009, the Indian Parliament passed the Workmen's Compensation Amendment Bill, 2009, which broadens the scope of the Workmen's Compensation Act to do away with the application of this law to companies with at least 20 employees and to include clerical staff, raising the monetary compensation payable in the event of death or permanent disability, and introducing reimbursement for treatment of injuries sustained in course of employment. On notification, the statute would be known as the Employee Compensation Act, 2010.

The Payment of Wages Act, 1936, as amended (the "**Payment of Wages Act**") applies to persons employed in factories and industrial or other establishments where the monthly wages payable are less than Rs 10,000. It requires the persons responsible for payment of wages to maintain certain registers and display of the abstracts of the rules made thereunder.

The Minimum Wages Act, 1948, as amended (the "**Minimum Wages Act**") provides for minimum wages in certain employments. The central and the State Governments stipulate the scheduled employment and fix minimum wages, calculated based on the basic requirement of food, clothing, housing required by an average Indian adult. The holder of a PL or ML under the Mining Concession Rules is not permitted to pay a wage less than the minimum wage prescribed by the Central or State Government, from time to time, under the Minimum Wages Act.

The Employees (Provident Fund and Miscellaneous Provisions) Act, 1952, as amended (the "**EPF Act**") applies to factories employing more than 20 employees and such other establishments and industrial undertakings as notified by the GoI from time to time. It requires all such establishments to be registered with the State provident fund commissioner. Also, such employers are required to contribute to the employees' provident fund the prescribed percentage of basic wages, dearness allowances and remaining allowance payable to employees. Employees are also required to make equal contribution to the fund. A monthly return is required to be submitted to the State provident fund commissioner in addition to the maintenance of registers by employers.

The Payment of Gratuity Act, 1972, as amended (the "**Payment of Gratuity Act**") applies to all factories and shops and establishments in which 10 or more persons are employed, and requires every such employer to obtain insurance for his liability towards gratuity payment to be made, with an approved insurance fund. Under the Payment of Gratuity Act, gratuity refers to a terminal lump sum benefit paid to a worker when he or she leaves employment after having worked for the employer for a prescribed minimum number of years.

The Payment of Bonus Act, 1965, as amended (the "**Payment of Bonus Act**") provides for payment of minimum bonus to factory employees and every other establishment in which 20 or more persons are employed and requires maintenance of certain books and registers and filing of monthly returns showing computation of allocable surplus, set on and set off of allocable surplus and bonus due.

The Contract Labour (Regulation and Abolition) Act, 1970, as amended (the "**CLRA**") regulates the employment, and protects the interests, of workers hired on the basis of individual contracts in certain establishments. In the event any activity is outsourced and carried out by labourers hired on contract basis, compliance with the CLRA including registration will be necessary and the principal employer will be held liable for default by the contractor to make requisite payments towards provident fund.

The Employees State Insurance Act, 1948, as amended (the "**ESI Act**") provides that employees of establishments where 20 or more persons are employed are required to be registered with the Employees State Insurance Corporation and insured in the manner provided. Both employers and employees are required to make contribution to the Employees State Insurance Fund, of which returns are required to be filed with the Employees State Insurance Department of the Ministry of Labour.

The Industrial Employment (Standing Orders) Act, 1946, as amended (the "**Standing Orders Act**") requires employers in industrial establishments which employ 100 or more workmen to define the conditions of employment of workmen employed and to make them known to such workmen. The Standing Orders Act requires every employer to which the Standing Orders Act applies to certify and register the draft standing orders proposed by such employer in the prescribed manner, until which time the model standing orders under the Standing Orders Act must be followed.

The Shops and Establishments Act

Under the provisions of local shops and establishments legislations applicable in the states in which establishments are set up, establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

Competition Act

The Competition Act, 2002 ("**Competition Act**") aims to prevent anti-competitive practices that cause or are likely to cause an appreciable adverse effect on competition in the relevant market in India. The Competition Act regulates anti-competitive agreements, abuse of dominant position and combinations. The Competition Act, although enacted in 2002, is being brought into force in a phased manner. Provisions relating to anti-competitive agreements and abuse of dominant position were brought into force with effect from May 20, 2009 and thereafter the Competition Commission of India ("**Competition Commission**") became operational from May 20, 2009. Sections 5 and 6 (dealing with combinations, mergers and acquisitions) are yet to be notified, by the GoI.

Under the Competition Act, the Competition Commission has powers to pass directions / impose penalties in cases of anti-competitive agreements, abuse of dominant position and combinations. In the event of failure to comply with the orders or directions of the Competition Commission, without reasonable cause, such person is punishable with a fine extending to ₹ 0.10 million for each day of such non-compliance, subject to a maximum of ₹ 100 million. If there is a continuing non-compliance the person may be punishable with imprisonment for a term extending up to three years or with a fine which may extend up to ₹ 250 million or with both as the Chief Metropolitan Magistrate, Delhi may deem fit. In case of offences committed by companies, the persons responsible for the conduct of the business of the company will be liable under the Competition Act, except when the offence was committed without their knowledge and they had exercised due diligence to prevent it. Where the contravention committed by the company took place with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such person is liable to be punished. The Competition Act also provides that the Competition Commission has the jurisdiction to inquire into and pass orders in relation to an anti-competitive agreement, abuse of dominant position or a combination, which even though entered into, arising or taking place outside India or signed between one or more non-Indian parties, but causes an appreciable adverse effect in the relevant market in India. The Lok Sabha has passed a bill to transfer the pending monopolies and restrictive trade practices cases under the Consumer Protection Act, 1986 to the Competition Appellate Tribunal. Once this bill is notified the Competition Appellate Tribunal will take up the pending cases of unfair trade practices under the Consumer Protection Act, 1986. This bill will replace the ordinance which was introduced on October 14, 2009 to make the Monopolies and Restrictive Trade Practice Commission non functional.

The Weights and Measures Act

The Standard of Weights and Measures Act, 1976 ("**Weights and Measures Act**") aims at introducing standards in relation to weights and measures used in trade or commerce. The purpose of this Act is to provide better protection to consumers by ensuring accuracy in weights and measures as well as regulating trade or commerce where goods are sold or distributed by weights, measures or numbers. Use of non-standard weights and measures is a criminal offence under the Weights and Measures Act. Though the Weights and Measures Act is a central legislation it is enforced by the State Governments under the Standard of Weights and Measures (Enforcement) Act, 1985.

Right to Information Act

Applications for information from any public authority in India can be submitted under the Right to Information Act, 2005 ("**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 (the First Appellate Authority, or "**FAA**"). 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. A further appeal against the directions of the FAA may be submitted before the Central Information Commission and State Information Commission.

Foreign Direct Investment in the Mining Sector

Under Press Note 4 (2006 Series) issued by the Department of Industrial Policy and Promotion of the Ministry of Commerce and Industry, GoI ("**DIPP**"), FDI was permitted up to 100 per cent. under the automatic route (i.e., without the requirement for regulatory approval) for all non-fuel and non-atomic minerals, with effect from February 10, 1996. India's consolidated FDI Policy notified by the DIPP under Circular 1 of 2010, with effect from April 1, 2010 consolidates and subsumes all press notes, press releases, and clarifications on FDI issued by DIPP as on March 31, 2010.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated as 'Hindustan Copper (Private) Limited' on November 9, 1967 under the Companies Act with the Registrar of Companies, Rajasthan. Subsequently, our Company became a public limited company pursuant to a shareholders' resolution dated February 27, 1968 and the name of our Company was changed to 'Hindustan Copper Limited' and our Company received a fresh certificate of incorporation on March 26, 1968.

Our Company is engaged in the business of copper mining in India. For details relating to our Company's business activities, operations and growth, location of mines, capacity built-up, technology, competition, major suppliers and customers, environmental issues, see "***Business***" on page 68. For details relating to the management of our Company, see "***Our Management***" on page 119.

As on the date of this Draft Red Herring Prospectus, the total number of holders of Equity Shares of our Company is 23,026. Our Company is presently listed on the BSE and the NSE. For more information on delisting approvals and applications, see "***Government and Other Approvals***" on page 214.

Our Company is not operating under any injunction or restraining order.

Changes in Registered Office

At the time of incorporation our registered office was situated at Khetrinagar, Khetri Copper Project (P.O.), District Jhunjhunu, Rajasthan. Our registered office was shifted from Khetrinagar, Rajasthan to Kolkata, West Bengal, by order (Letter No.6/53/71 Met III) dated February 6, 1973 of the GoI, and registered with the RoC by certificate dated May 31, 1973. Our registered office address in Kolkata was shifted from Industry House, 10, Camac Street, Kolkata to our present address at Tamra Bhavan, 1, Ashutosh Chowdhury Avenue, Kolkata 700 019 on May 18, 1995. The changes in registered office were for administrative and operational efficiency.

Key Events

Year	Key Events
1967	Incorporation of our Company and assets at Khetri, Rajasthan transferred to our Company from National Mineral Development Corporation Limited
1972	Indian Copper Corporation Limited at Ghatsila, Jharkhand, nationalized by the GoI and handed over to our Company
1975	Smelter plant at KCC commissioned with capacity of 31,000 TPA
1982	MCP commenced at Madhya Pradesh
1989	CC Rod plant at TCP commissioned with installed capacity 60,000 TPA, using southwire SCR-2000 technology and natural gas as fuel
1993	Sale of 3,411,000 Equity Shares by the Promoter to Life Insurance Corporation of India, General Insurance Corporation of India, Manali Investment & Finance (Private) Limited and GIC Mutual Fund
1994	Equity Shares of our Company listed on the BSE
1995	Sale of 387,500 Equity Shares by the Promoter to the employees of our Company
1999	First restructuring of our Company approved by the GoI
2002	Second restructuring of our Company approved by the GoI
2008	Third restructuring of our Company approved by the GoI
	Our Company was granted 'Miniratna-Category I' status.

Awards/Certifications

Awards/Certifications
License for the quality management systems certification IS/ISO 9001:2008 dated January 25, 2008 awarded by the Bureau of Indian Standards at ICC.
Awarded ISO 9001:2008 standard dated May 22, 2010 by the Bureau Veritas Certification (India) Private Limited certifying that the management system of our Company at TCP (in relation to manufacture of CC Rods in diameters of 8 mm, 13 mm and 16 mm) has been audited and is in accordance with the requirements of the standard.

For details in relation to our borrowings with banks/financial institutions, see "***Financial Indebtedness***" on page 137.

Corporate restructuring

First restructuring, 1999

Pursuant to our letter (No. Fin/Budget/01/1.13) dated November 20, 1998, the MoM through letters (both No. 1(10)/95-Met.III) dated January 4, 1999 and April 12, 1999 approved the conversion of an outstanding GoI loan of ₹ 1,807.30 million as on March 31, 1998 into 7.5% non-cumulative redeemable preference shares to be redeemed at the end of the 10 years from the date of conversion and waiver of outstanding interest as on March 31, 1998 amounting to ₹ 1,674.30 million.

Second restructuring, 2002

The MoM through letters (No. 1(4)/2001-Met.III) dated July 9, 2002 and (Nos. 1(12)/2002-Met.III; 1(13)/2002-Met.III; 1(14)/2002-Met.III and 1(15)/2002-Met.III(Pt.)) each dated March 26, 2003 approved the following:

(i) conversion of a GoI non-plan loan of ₹ 4,400 million given to our Company towards implementation of a VRS into grants-in-aid;

(ii) conversion of the outstanding GoI plan loan as on March 31, 2002 of ₹ 715 million into Equity Shares to improve the net worth of our Company;

(iii) waiver of outstanding interest amounting to ₹ 257.20 million as on March 31, 2002;

(iv) waiver of outstanding guarantee fee of ₹ 67.50 million;

(v) to provide an additional amount of ₹ 1,300 million to meet the expenses of closing the mines at Surda and Khetri by offering VRS to 3,000 employees under in 2002-2003; and

(vi) sanction of additional equity of ₹ 600 million to meet cash losses.

Third restructuring, 2008

Our Company filed a petition for restructuring before the MCA on August 30, 2007 under section 101 of the Companies Act. The MCA, based on the recommendation of the Board of Reconstitution of Public Sector Enterprises, approved the scheme through an order dated April 16, 2008 and approved the following:

(i) Reduction of the paid-up equity share capital of our Company from ₹ 7,682.18 million, divided into 768,218,000 equity shares of face value ₹ 10 each, to ₹ 3,841.09 million, divided into 768,218,000 equity shares of face value ₹ 5 each, by way of cancelling equity share capital of our Company of ₹ 3,841.09 million, which is lost or unrepresented due to past accumulated losses to the extent of ₹ 5 per equity share in each and every equity share of our Company which had been issued; and

(ii) Waiver of the entire amount of preference share capital of our Company, amounting to ₹ 1,807.32 million, comprising of 1,807,324 7.50% non-cumulative, redeemable preference shares of face value ₹ 1,000 each.

For details, see "***Capital Structure***" on page 30.

Main Objects

The main objects of our Company, as contained in the Memorandum of Association, are:

1. To takeover from the National Mineral Development Corporation Limited, a Central Government Company registered under the Companies Act, 1956 all the plans, projects schemes and studies are pertaining to the exploration, exploitation, mining and the like of copper and copper ore and specifically the Khetri Kolihan Copper Project (including sulphuric acid and fertilizer plants), Rakha and Agnigundala Copper Projects and other utilized manners along with the assets and liabilities concerning such work.

2. To carry on in India and elsewhere trades or business of metallurgists and miners including beneficiation of minerals, mineral dressing, concentration, smelting, refining and the extraction, manufacture and fabrication, purchase and sale of and generally dealing in all metals and their products and alloys and in

particular to manufacture and/or produce and/or otherwise engage generally in the manufacture or production of or dealing in ores and concentrates of Copper, Zinc, brass and lead, zinc and land metals and their products and bye - products of all kinds and fertilizers, sulphuric and other acids, chloride and other chemical products and the sale, dealing or other disposition of such products and bye products.

3. To search, prospect, get, win, work, raise, beneficiate, make merchantable, sell, dispose of and deal in all minerals and substances and the manufacture and sale of produce obtained thereby.

4. To mine quarry, beneficiate, concentrate, dress, smelt, refine, manufacture, process, fabricate, purchase or otherwise acquire, sell or otherwise dispose or deal in ores containing copper, lead, cine or cadmium, concentrates of copper, lead and zinc, copper, lead and zinc alloys and compounds, copper, lead and zinc goods, wares and products of all kinds, fertilizers, chemicals, compounds of metals and minerals or other materials of every kind needed for or resulting from the mining, production, purchase or processing of ores containing copper, lead and zinc or cadmium, copper, lead, zinc, cadmium metals and their products of every kind.

5. To search for, inspect, prospect, examine, explore, mine, quarry, purchase or otherwise acquire in India or elsewhere in the world, ores containing copper, lead, zinc or cadmium, concentrates of copper, lead and zinc copper, lead and zinc metals and their products and all other metals, minerals and minerals substances of every kind, which may be of direct or indirect use in the production of copper, lead, zinc, cadmium and other metals or which may result as incidental to or bye- products of any of them.

6. To buy, sell, smelt, refine, manufacture, fabricate and deal in minerals and metals alloys of all kind.

7. To develop consultancy services in the field of copper mining, concentrating, smelting, refining and act as consulting engineers and metallurgists in all field of engineering and metallurgy and to carry on the business of mechanical, metallurgical, mining, chemical, electrical and civil engineering including in particular the work of selling, erecting, installing, operating, maintaining and repairing all types of plant, machinery and equipment.

8. To undertake, carry on, or cause to be carried on, and assist contribute in any form, research in all fields of metallurgy and engineering in India elsewhere and to construct, execute, carry out, equip improve, work, purchase or other-wise acquire, hire, lease, develop, administer, manage, control in India or elsewhere laboratories, technical training educational institutes schools or colleges.

The main objects as contained in the Memorandum of Association enable us to carry on the business that are presently carried out, as well as the businesses we propose to carry out.

For details relating to our business and operations, see "***Business***" and "***Financial Statements***" on pages 68 and 137, respectively.

Amendments to our Memorandum of Association

Since our incorporation, the following changes have been made to our Memorandum of Association.

Date of shareholder resolution	Nature of amendment
February 27, 1968	The name of our Company was changed from '*Hindustan Copper Private Limited*' to '*Hindustan Copper Limited*'.
September 30, 1972	Clause V of the MoA was altered to read as follows: "*The authorized share capital of the Company is ₹65 crores divided into 6,50,000 Equity Shares of ₹1,000 each.*"
March 25, 1974	Clause V of the MoA was altered to read as follows: "*The authorized share capital of the Company is ₹75 crores divided into 7,50,000 Equity Shares of ₹1,000 each.*"
March 29, 1976	Clause V of the MoA was amended and the authorized capital of our Company was increased from ₹ 75 crores to ₹ 100 crores by the creation of 2,50,000 Equity Shares of ₹ 1,000 each.
May 9, 1979	Clause V of the MoA was amended and the authorized capital of our Company was increased from ₹ 100 crores to ₹ 150 crores by the creation of 5,00,000 Equity Shares of ₹ 1,000 each.

Date of shareholder resolution	Nature of amendment
May 3, 1982	Clause V of the MoA was amended and the authorized capital of our Company was increased from ₹ 150 crores to ₹ 170 crores by the creation of 2,00,000 Equity Shares of ₹ 1,000 each.
February 7, 1883	Clause V of the MoA was amended and the authorized capital of our Company was increased from ₹ 170 crores to ₹ 200 crores by the creation of 3,00,000 Equity Shares of ₹ 1,000 each.
December 29, 1984	Clause V of the MoA was altered to read as follows: "*The authorized share capital of the Company is ₹ 250 crores divided into 25,00,000 Equity Shares of ₹ 1,000 each.*"
December 28, 1988	Clause V of the MoA was altered to read as follows: "*The authorized share capital of the Company is ₹ 300 crores divided into 30,00,000 Equity Shares of ₹ 1,000 each.*"
September 21, 1990	Clause V of the MoA was altered to read as follows: "*The authorized share capital of the Company is ₹ 400 crores divided into 40,00,000 Equity Shares of ₹ 1,000 each.*"
December 4, 1992	Clause V of the MoA was altered to read as follows: "*The authorized share capital of the Company is ₹ 400 crores divided into 40,00,00,000 Equity Shares of ₹ 10 each.*"
September 23, 1994	Clause V of the MoA was altered to read as follows: "*The authorized share capital of the Company is ₹ 600 crores divided into 60,00,00,000 Equity Shares of ₹ 10 each.*"
December 8, 1999	Clause V of the MoA was altered to read as follows: *"The authorized share capital of the Company is ₹ 800 crores divided into: (i) 60,00,00,000 Equity Shares of ₹ 10 each. (ii) 20,00,000 Preference Shares of ₹ 1,000 each."*
September 30, 2003	Clause V of the MoA was altered to read as follows: *"The authorized share capital of the Company is ₹ 900 crores divided into: (i) 70,00,00,000 Equity Shares of ₹ 10 each. (ii) 20,00,000 Preference Shares of ₹ 1,000 each."*
September 30, 2004	Clause V of the MoA was altered to read as follows: *"The authorized share capital of the Company is ₹ 1100 crores divided into: (i) 90,00,00,000 Equity Shares of ₹ 10 each. (ii) 20,00,000 Preference Shares of ₹ 1,000 each."*
August 16, 2007	Clause V of the MoA was altered to read as follows: *"The authorized share capital of the Company is ₹ 1100 crores divided into: (i) 1,80,00,00,000 Equity Shares of ₹ 5 each. (ii) 20,00,000 Preference Shares of ₹ 1,000 each."*

Previous Issues

Our Company has not made any public or rights issue in the last three years.

Date of listing

The Equity Shares of our Company were listed on BSE and NSE on August 2, 1994 and September 15, 2010, respectively.

Our Holding Company

Our Company does not have a holding company.

Our Subsidiary

Our Company does not have any subsidiaries.

Joint Venture

Our Company does not have any joint ventures.

Shareholders' Agreements

Our Company does not have any shareholders' agreements.

Collaborations

Our Company has not entered into any collaboration with any third party as per Clause (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 as per Clause (VIII) (D) (6) of Part A, Schedule VIII of the SEBI ICDR Regulations. However, for more information on a memorandum of understanding entered into by us with NALCO, to explore opportunities for entering into a joint venture, see "***Business***" on page 68.

Financial Partners

Apart from our various arrangements with our lenders and bankers, which we undertake in the ordinary course of our business, our Company does not have any other financial partners as per Clause (VIII) (D) (7) of Part A, Schedule VIII of the SEBI ICDR Regulations.

OUR MANAGEMENT

Our Articles of Association require us to have not less than three and not more than 14 Directors. We currently have 11 Directors on our Board, out of which four are whole-time Directors, two are Government nominee Directors and five are independent Directors. In accordance with clause 49 of the Equity Listing Agreement, the MoM has by a letter dated September 23, 2010, notified us of the President of India's approval for the appointment of two part-time non-official Directors on our Board, Mr. A.K. Sarmah (former managing director, Bongaigaon Refinery) and Major General (Retired) R. Gossain (former chairman and managing director, Bharat Dynamics Limited), for a period of three years from the date of appointment and until further orders, whichever is earlier. Our Board has, by resolution dated September 23, 2010, approved the appointment of these two Directors (as additional Directors pending regularization at our Company's next Annual General Meeting).

The details of our Board as on the date of the filing of this Draft Red Herring Prospectus are provided below.

Name, Designation, Occupation, Nationality and Term	Age (years)	Address	DIN	Other Directorships
Mr. Shakeel Ahmed **Designation**: Chairman cum Managing Director **Occupation**: Service **Nationality**: Indian **Term**: For a period of five years w.e.f. October 28, 2009 or until the date of his superannuation or until further orders, whichever event occurs earlier	58	Uttarayan, Flat 7 A, 7th Floor, 24/1A, Ballygunge Circular Road, Kolkata 700 019, West Bengal, India	02845144	**Indian Companies** Nil **Foreign Companies** Nil
Mrs. Ajita Bajpai Pande **Designation:** Government Nominee Director **Occupation:** IAS officer **Nationality:** Indian **Term:** w.e.f. October 21, 2005 and until further orders	55	D-1/100, Vinay Marg, Chanakyapuri, New Delhi 110 021, India	00537692	**Indian Companies** • Hindustan Zinc Limited; • Bharat Aluminum Company Limited; and • Hindustan Diamond Company Limited **Foreign Companies** Nil
Mr. Sanjiv Kumar Mittal **Designation:** Government Nominee Director **Occupation:** Government Service **Nationality:** Indian **Term:** w.e.f. April 18, 2007 and until further orders	47	A-76, Sector-61, Noida 201 301, Uttar Pradesh, India	00449867	**Indian Companies** • Coal India Limited; • Hindustan Zinc Limited; and • Bharat Aluminum Company Limited **Foreign Companies** Nil
Mr. Anupam Anand **Designation**: Whole Time Director (Personnel) **Occupation**: Service	50	"Jay Jayanti", Flat No. 8A, 8th Floor, 2A, Mandeville Garden, Kolkata 700 019, West Bengal, India	02752767	**Indian Companies** Nil **Foreign Companies**

Name, Designation, Occupation, Nationality and Term	Age (years)	Address	DIN	Other Directorships
Nationality: Indian **Term**: For a period of five years w.e.f. August 5, 2009 or until the date of his superannuation or until further orders, whichever event occurs earlier				Nil
Mr. Kailash Dhar Diwan **Designation**: Whole Time Director (Operations) **Occupation**: Service **Nationality**: Indian **Term**: For a period of five years w.e.f. September 14, 2007 or until the date of his superannuation or until further orders, whichever event occurs earlier	53	Flat No. 6A, Ashoka Apartment, 111, Meghnad Saha Sarani (Southern Avenue), Kolkata 700 029, West Bengal, India	01829545	**Indian Companies** Nil **Foreign Companies** Nil
Mr. Avijit Ghosh **Designation**: Whole - time Director (Mining) **Occupation**: Service **Nationality**: Indian **Term**: For a period of five years w.e.f. June 1, 2010 or until the date of his superannuation or until further orders, whichever event occurs earlier	51	18/7, Block C-6, Sunny Park, 7th Floor, Kolkata 700 019, West Bengal, India	03101511	**Indian Companies** Nil **Foreign Companies** Nil
Mr. Arun Kumar Mago **Designation:** Independent Director **Occupation:** Retired IAS officer **Nationality:** Indian **Term:** For a period of three years w.e.f. January 7, 2008 and until further orders, whichever is earlier	66	E-7, Nizamuddin West, New Delhi 110 013, India	01624833	**Indian Companies** • NHPC Limited; • Yes Bank Limited; and • Inter Connected Stock Exchange of India **Foreign Companies** Nil
Mr. Sakti Kumar Banerjee **Designation:** Independent Director **Occupation:** Professional	65	A-4/6, KMDA – Baitalik Cooperative Housing Society, EM - Bypass, Highland Park, Kolkata 700 094, West Bengal, India	00631772	**Indian Companies** • PervCom Consulting Private Limited; • Himadri Chemicals and Industries Limited;

Name, Designation, Occupation, Nationality and Term	Age (years)	Address	DIN	Other Directorships
Nationality: Indian **Term:** For a period of three years w.e.f. January 7, 2008 and until further orders, whichever is earlier				• Tecpro Systems Limited; and • Green Valley Industries **Foreign Companies** Nil
Mr. Michael Bastian **Designation:** Independent Director **Occupation:** Professional **Nationality:** Indian **Term:** For a period of three years w.e.f. January 7, 2008 and until further orders, whichever is earlier	66	'Cecilia', 1186, 22nd Cross, 14th Main, H.S.R Layout, Sector 3, Bangalore 560 034, Karnataka, India	00458062	**Indian Companies** • Orient Paper and Industries Limited; • Indian Oil Corporation Limited; • Artson Engineering Limited; and • Elder Pharmaceuticals Limited **Foreign Companies** Nil
Dr. Mukesh Khare **Designation:** Independent Director **Occupation:** Professor **Nationality:** Indian **Term:** For a period of three years w.e.f. January 7, 2008 and until further orders, whichever is earlier	54	41, New Campus, IIT Campus, IIT, Hauz Khas, New Delhi 110 016, India	02029807	**Indian Companies** Nil **Foreign Companies** Nil
Mr. Shantikam Hazarika **Designation:** Independent Director **Occupation:** Service **Nationality:** Indian **Term:** For a period of three years w.e.f. January 7, 2008 and until further orders, whichever is earlier	62	'Hazarikas', 11-12 Nizorapar, Chandmari, Guwahati 781 003, Assam, India	00523656	**Indian Companies** • Assam Power Distribution Company Limited; • North Eastern Electric Power Corporation Limited; • Assam Institute of Management; • Gauhati Stock Exchange Limited; and • Assam Electronics Development Corporation Limited **Foreign Companies** Nil

None of the Directors are related to each other. There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Directors were selected as a Director or member of the senior management.

Details of Directors

Mr. Shakeel Ahmed, 58 years, is our Chairman cum Managing Director. He was appointed w.e.f. October 28, 2009, in terms of MoM order (No. 10(4)/2008-Met.III) dated October 8, 2009. He is a Graduate Mechanical Engineer of the 1975 batch of the Indian Railway Service of Mechanical Engineers. Prior to joining our Company, Mr. Ahmed has held senior management positions in the Indian Railways. He was the CEO (Divisional Railway) of Kharagpur Division of the South Eastern Railways for more than two years from April 2004 to July 2006. He was also the CEO of various Railway workshops and divisions. He is an expert on public-private partnership and has held the position of Advisor (Projects) and Executive Director (Public-Private Partnership) in the Ministry of Railways. He has spearheaded the transfer of technology for manufacture of new generation high horsepower diesel locomotives from General Motors, USA to Diesel Locomotive Works in Varanasi, India.

Mrs. Ajita Bajpai Pande, 55 years, is one of our Government Nominee Directors. She was appointed w.e.f. October 21, 2005, in terms of MoM order (No. 10(2)/2002-Met.III) dated October 21, 2005. She is an officer in the Indian Administrative Service (Madhya Pradesh cadre) and presently the Joint Secretary of the MoM, GoI. Mrs. Pande is a post graduate in political science and has over 28 years of work experience. Prior to joining the MoM, she held key positions in various ministries and departments of the Government of Madhya Pradesh such as Member (Finance), Madhya Pradesh SEB; Secretary and Commissioner in Public Relations & Information; Secretary and Commissioner, Panchayat Raj; Secretary, Technical Education and Secretary (Labour).

Mr. Sanjiv Kumar Mittal, 47 years, is one of our Government Nominee Directors. He was appointed as a part time official director w.e.f. April 18, 2007, in terms of MoM order (No. 10(2)/2002-Met.III) dated April 18, 2007. He holds a bachelor's degree in electrical engineering from the Indian Institute of Technology, New Delhi. He joined the Indian Administrative Service in the year 1987 and was allotted the Uttar Pradesh cadre. In his career of over two decades, Mr. Mittal has held various key positions such as Sub Divisional Officer; Chief Development Officer; Collector and District Magistrate; Special Secretary, Department of Industrial Department, Government of Uttar Pradesh; Divisional Commissioner; Secretary, Department of Finance, Government of Uttar Pradesh; Sugar and Cane Commissioner, Uttar Pradesh and Director, Ministry of Coal, GoI. He is presently the Joint Secretary and Financial Advisor, Ministry of Coal, GoI. He is also holding charge of Joint Secretary & Financial Advisor in the MoM and Ministry of Youth Affairs and Sports, GoI.

Mr. Anupam Anand, 50 years, is our Director (Personnel). He was appointed as Director (Personnel) w.e.f. August 5, 2009, in terms of MoM order (No. 10(3)/2008-Met.III) dated July 14, 2009. He holds a masters' degree in physics from Banaras Hindu University, an M.A. in public administration from Punjab University, a diploma in social work (labour welfare) from Calcutta University and passed the Bihar Factory Welfare Officers' Examination conducted by the Department of Labour, Government of Bihar. He has 28 years of experience in all facets of human resource including human resource management, human resource development, administration and industrial relations, having previously worked in MTNL as General Manager (Human Resources) and Steel Authority of India Limited from 1981 to 2005 in various capacities under Corporate Human Resources.

Mr. Kailash Dhar Diwan, 53 years, is our Director (Operations). He was appointed as Director (Operations) w.e.f. September 14, 2007, in terms of MoM order (No. 10(3)/2006-Met.III) dated June 28, 2007. He has a bachelor's degree in electrical engineering from the National Institute of Technology, Raipur. He also has a bachelor's degree in law from Ravishankar University, Raipur, a post graduation in materials management from the Indian Institute of Material Management, Mumbai and a post graduate diploma in financial and accounts management from Ravishankar University, Raipur. He is also a member in the Executive Council of the Chhattisgarh Swami Vivekanand Technical University. He has 26 years of experience in operations, material management, marketing and finance, having previously worked in Bharat Refractories Limited as the Head (Marketing and Services).

Mr. Avijit Ghosh, 51 years, is our Director (Mining). He was appointed w.e.f. June 1, 2010, in terms of MoM order (No. 10(1)/2009-Met.III) dated April 1, 2010. He is a B.Tech (Mining) from the Indian School of Mines, Dhanbad and has obtained first class Manager's Certificate of Competency in 1985-86. He also attended the management education programme at the Indian Institute of Management, Ahmedabad in 1995-1996. Mr. Ghosh has 30 years of experience in the field of mining and has held key managerial positions in Raymond Cements Works, Indian Aluminum Company and was the Assistant Vice President in Jindal Steel & Power Limited prior to joining our Company.

Mr. Arun Kumar Mago, 66 years, is our Independent Director. He was appointed as part-time non-official Director of our Company w.e.f. January 7, 2008, in terms of MoM order (No. 10(1)/2002-Met.III) dated January 7, 2008. He has a M.Sc. degree in physics from Delhi University, an M.Phil. in social sciences from the Punjab

University, a diploma in management from the All India Management Association and a diploma in public administration from the Indian Institute of Public Administration, Delhi and IIAP, Paris, a diploma in public finance from the University of Paris as well as a certificate in international law and diplomacy from Paris and a diploma in French. He is a former member of the Indian Administrative Service (Maharashtra cadre) with nearly 40 years of experience in different capacities in the State and Central Government in several sectors including energy, ports, urban infrastructure, environment, forest and industries, having retired in 2004 as Chief Secretary, Government of Maharashtra prior to which he was the Joint Secretary (Power), GoI; Secretary (Energy) and Principal Secretary (Environment and Forests), Government of Maharashtra, a nominee director of the Government of Maharashtra on the boards of various companies in the Tata Power Group; Chairman of the Maharashtra State Electricity Board ("**MSEB**") and Mumbai Port Trust; Metropolitan Commissioner, Mumbai Metropolitan Region Development Authority and Additional Municipal Commissioner, Municipal Corporation of Greater Mumbai. He has also been the Managing Director of Maharashtra Petro Chemicals Corporation and Maharashtra Small Scale Industries Corporation as well as the Commissioner of Food and Drug Administration.

Mr. Sakti Kumar Banerjee, 65 years, is our Independent Director. He was appointed w.e.f. January 7, 2008, in terms of MoM order (No. 10(1)/2002-Met.III) dated January 7, 2008. He has a bachelor's degree in civil engineering from Jadavpur University, Kolkata and is a fellow and life member of the Indian Council of Arbitration, Institution of Engineers; life member of the Institute of Directors, Society of Civil Engineers, American Society of Civil Engineers and an executive committee member of the Indian Institute of Metal, Kolkata chapter and life member and Vice President of Millennium Institute of Energy & Environmental Management. He was also a former syndicate member for MoU under the Department of Public Enterprises, GoI. He is presently the independent external monitor in Garden Reach Shipbuilders & Engineers and Hindustan Steelworks Construction Limited, Kolkata. He has approximately 40 years of work experience in the public sector and various governmental organizations in the chemicals, fertilizers and aluminum sectors, having previously been the Chairman and Managing Director of National Aluminum Company Limited. Presently, he is the Managing Director of PervCom Consulting Private Limited.

Mr. Michael Bastian, 66 years, is our Independent Director. He was appointed w.e.f. January 7, 2008, in terms of the MoM order (No.10 (1)/2002-Met.III) dated January 7, 2008. He has a bachelor's degree in commerce from Kerala University and is a fellow member of the Institute of Chartered Accountants of India ("**ICAI**"). He has over 33 years of experience in banking and financial management, having been the Chairman and Managing Director of Syndicate Bank and Vijaya Bank. Previously, he had held senior managerial positions in the Union Bank of India at Mumbai, Cochin, Chennai, Bangalore and London, and was promoted as General Manager in the Union Bank of India. While in the Union Bank of India, he had also served as the Principal of the bank's staff training college and training centres. He is also the Executive Director of Vijaya Bank. He has formerly been an alternate director of IBU International Finance, Hong Kong (as nominee of Union Bank of India) and the Vice-Chairman of the Foreign Exchange Dealers Association of India and director of the Association of Merchant Bankers of India. He was also a member of the Advisory Board of Pacific Rim Bankers Program, USA, part of the University of Washington Business School. He has written and presented a number of papers on banking and related subjects and is part of the guest faculty at the National Institute of Bank Management and the Centre for Research in Rural and Industrial Development.

Dr. Mukesh Khare, 54 years, is our Independent Director. He was appointed w.e.f. January 7, 2008, in terms of MoM order (No. 10(1)/2002-Met.III) dated January 7, 2008. Dr. Khare is a Ph.D. in the Faculty of Engineering (Specialized in Air Quality Modeling) from the Newcastle University, UK. He is Fellow of the Wessex Institute of Great Britain, UK and Fellow of the Indian Society of Wind Engineers, India and Life Member of the Indian Association of Environmental Management. Dr. Khare has published more than 120 research articles in various international and national journals, conferences and workshops. He has authored two books on Air Pollution Modelling and edited one book on Aluminum Smelting and its Health Effects published by WIT Press, UK, Springer, Germany and Ian Randle, Jamaica, respectively. He has served as visiting faculty to universities/institutions like Harvard University, USA, Ecole Des Mines, Nantes, France and Newcastle University, UK. He has also served as Atlantic LNG Chair Professor of Environmental Engineering at the University of West Indies, Trinidad and Tobago and University of Technology, Lae, Papua New Guinea. He has also been awarded the Deutscher Akademischer Austauschdienst (DAAD), German Academic Exchange Service Fellowship by the Government of Germany to serve as Invited Professor at Karlsruhe Institute of Technology, Germany. He is also the Founder Member of the International Sustainable Technology Alliance, Arizona State University, USA. Further, Dr. Khare is presently serving as the Professor of Environmental Engineering in the Department of Civil Engineering at the Indian Institute of Technology, Delhi. He is also serving as Expert Advisor to Blacksmiths, USA and is a consultant on pollution to a number of environmental pollution related projects under the GoI and Delhi Government.

Mr. Shantikam Hazarika, 62 years, is our Independent Director. He was appointed w.e.f. January 7, 2008, in terms of MoM order (No. 10(1)/2002-Met.III) dated January 7, 2008. He has a bachelor's degree in electronics engineering from the Birla Institute of Technology and Science, Pilani and a postgraduate diploma in business management from the Indian Institute of Management, Ahmedabad. He has worked as a senior executive in Oil India Limited for nearly 15 years and is a founder director of the Assam Institute of Management, a Government of Assam society. He is also the Chairman of the Gauhati Stock Exchange Limited. He has also served as a Member (Finance) of the Assam State Electricity Board for three years. He was also a member of the State Pay Commission, Assam in 2009.

Borrowing Powers of the Board of Directors of our Company

Pursuant to a resolution passed by our shareholders on January 12, 1998 in accordance with the provisions of the Companies Act, our Board has been authorised to borrow from time to time any sum or sums of monies as it may deem fit notwithstanding that the monies to be borrowed together with the monies already borrowed (apart from temporary loans obtained from our Company's bankers in the ordinary course of business) may exceed the aggregate for the time being of the paid-up capital of our Company and its free reserves, i.e. which may be reserves not set apart for any specific purpose, provided however, that the aggregate amount borrowed will not exceed ₹ 8,000 million at any time.

Details of appointment of our Directors

Name of Director	Appointment Letter/ MoM Order	Term
Mr. Shakeel Ahmed	Appointment through MoM Order No. 10(4)/2008-Met.III dated October 8, 2009	Appointed as Chairman cum Managing Director for five years w.e.f. October 28, 2009 or until the date of his superannuation or until further orders, whichever event occurs earlier.
Mrs. Ajita Bajpai Pande	Appointed through MoM Order No. 10(2)/2002-Met-III dated October 21, 2005	Appointed w.e.f. October 21, 2005 and until further orders.
Mr. Sanjiv Kumar Mittal	Appointed through MoM order No.10(2)/2002-Met.III dated April 18, 2007	Appointed w.e.f. April 18, 2007 and until further orders.
Mr. Anupam Anand	Appointment through MoM Order No. 10(3)/2008-Met.III dated July 14, 2009	Appointed for five years w.e.f. August 5, 2009 or until the date of his superannuation or until further orders, whichever event occurs earlier.
Mr. Kailash Dhar Diwan	Appointment through MoM Order No. 10(3)/2006-Met.III dated June 28, 2007	Appointed as Director (Operations) w.e.f. September 14, 2007, for a period of five years or until the date of his superannuation or until further orders, whichever event occurs earlier.
Mr. Avijit Ghosh	Appointment through MoM Order No. 10(1)/2009-Met.III dated April 1, 2010	For a period of five years w.e.f. June 1, 2010 or until the date of his superannuation or until further orders, whichever event occurs earlier.
Mr. Arun Kumar Mago	Appointment through MoM Order No. 10(1)/2002-Met.III dated January 7, 2008	For a period of three years w.e.f. January 7, 2008 and until further orders, whichever is earlier.
Mr. Sakti Kumar Banerjee	Appointment through MoM Order No. 10(1)/2002-Met.III dated January 7, 2008	For a period of three years w.e.f. January 7, 2008 and until further orders, whichever is earlier.
Mr. Michael Bastian	Appointment through MoM Order No. 10(1)/2002-Met.III dated January 7, 2008	For a period of three years w.e.f. January 7, 2008 and until further orders, whichever is earlier.
Dr. Mukesh Khare	Appointment through MoM Order No. 10(1)/2002-Met.III dated January 7, 2008	For a period of three years w.e.f. January 7, 2008 and until further orders, whichever is earlier.
Mr. Shantikam Hazarika	Appointment through MoM Order No. 10(1)/2002-Met.III dated January 7, 2008	For a period of three years w.e.f. January 7, 2008 and until further orders, whichever is earlier.

Remuneration of our Directors

The following table sets forth the details of remuneration of our Directors for fiscal 2010.

(₹ in million)

Name of Directors	Date of appointment letter/MoM order	Compensation	Remuneration in fiscal 2010
Mr. Shakeel Ahmed	October 8, 2009	Salary and other allowances	0.60
Mrs. Ajita Bajpai Pande	October 21, 2005	-	Nil
Mr. Sanjiv Kumar Mittal	April 18, 2007	-	Nil
Mr. Anupam Anand	July 14, 2009	Salary and other allowances	0.87
Mr. Kailash Dhar Diwan	June 28, 2007	Salary and other allowances	2.01
Mr. Avijit Ghosh*	April 1, 2010	Salary and other allowances	-

**Mr. Avijit Ghosh did not draw any remuneration from our Company in fiscal 2010 since he joined the Board in June 2010.*

In addition, our independent Directors were paid sitting fees in fiscal 2010, details of which are provided below.

(in ₹)

Name of Directors	Date of appointment letter/MoM order	Compensation	Remuneration in fiscal 2010
Mr. Arun Kumar Mago	January 7, 2008	Sitting fees	25,000
Mr. Sakti Kumar Banerjee	January 7, 2008	Sitting fees	60,000
Mr. Michael Bastian	January 7, 2008	Sitting fees	60,000
Mr. Mukesh Khare	January 7, 2008	Sitting fees	20,000
Mr. Shantikam Hazarika	January 7, 2008	Sitting fees	65,000

Terms and conditions of appointment of our non-executive Directors

We have not entered into any formal arrangements with our non-executive Directors. We pay our non- executive Directors a sitting fee of ₹ 10,000 for attending each meeting of the Board and ₹ 5,000 for attending every committee meeting.

Terms and conditions of employment of our executive Directors

Mr. Shakeel Ahmed

Mr. Shakeel Ahmed was appointed as the Chairman cum Managing Director of our Company by MoM order (No. 10(4)/2008-Met.III) dated October 8, 2009 w.e.f. October 28, 2009 for a period of five years or until the date of his superannuation or until further orders, whichever event occurs earlier. The terms and conditions of appointment of Mr. Shakeel Ahmed has been set out in letter (No. 10/(4)/2008-Met-III) dated June 28, 2010 issued by the MoM. The significant terms and conditions of appointment of Mr. Shakeel Ahmed as per letter (No. 10/(4)/2008-Met-III) dated June 28, 2010 are as under:

Basic Salary	₹ 80,000 per month, in the existing scale of ₹ 80,000 – ₹ 125,000 (Schedule 'A') from the date of assumption of office.
Dearness Allowance	In accordance with the new 'Industrial Dearness Allowance Scheme' mentioned in the DPE's office memoranda dated November 26, 2008 and April 2, 2009.
House Rent Allowance	Entitled to house rent allowance as per rates indicated in the office memorandum dated November 26, 2008
Residential Accommodation and Recovery of Rent	Entitled to suitable residential accommodation from our Company including company leased accommodation. Accommodation can also be taken on self lease basis provided that a lease deed in favor of our Company is executed or on the basis of existing lease deeds. Recovery of rent for the accommodation arranged by our Company in its own township or from the pool of flats purchased by it in cities and towns would be made at the rate of 10% of the basic pay from the date of joining or the standard rent fixed by our Company, whichever is lower. Where our Company has prescribed flat rates of recovery in respect of accommodation in its townships depending on each type of accommodation i.e., recovery of rent on uniform basis for each type of accommodation, rent would be required to be paid as prescribed by our Company. In respect of leased accommodation arranged by our Company, rent would be recovered at the rate of 10% of basic pay from the date of joining or the actual rent, whichever is lower.
Annual Increment	Mr. Shakeel Ahmed is eligible to draw his annual increment at the rate of 3% of the basic

	pay on the anniversary date of his appointment in the scale and further increments on the same date in subsequent years until the maximum of the pay scale is reached. After reaching the maximum of the scale, one stagnation increment equal to the rate of last increment drawn will be granted after completion of every two year period from the date he reached the maximum of his pay scale provided he gets a performance rating of "good" or above. He will be granted a maximum of three such stagnation increments.
Other Allowances and Perks	Subject to a maximum ceiling of 50% of his basic pay as indicated in the office memorandum dated November 26, 2008 and April 2, 2009, to be decided by the Board.
Superannuation Benefits	Mr. Ahmed will be eligible for superannuation benefit based on approved schemes as per office memoranda dated November 26, 2008 and April 2, 2009.
Performance Related Payment	He is eligible as per the approved Performance Related Pay ("**PRP**") as per office memoranda dated November 26, 2008, February 9, 2009 and April 2, 2009.
Leave	As per the Leave Rules of our Company.
Restriction on Joining Private Commercial Undertakings after Retirement/Resignation	After retirement/resignation from the services of our Company, will not accept any appointment or post, whether advisory or administrative, in any firm or company, whether Indian or foreign, with which our Company had or has business relations, within one year from the date of his retirement/resignation, without prior approval of the Government.
Conduct Discipline and Appeal	Subject to the Conduct, Discipline and Appeal Rules of our Company, with the Disciplinary Authority being the President of India.

Mr. Kailash Dhar Diwan

Mr. Kailash Dhar Diwan was appointed as the Director (Operations) of our Company by MoM order (No. 10(3)/2006-Met.III) dated June 28, 2007 w.e.f. September 14, 2007 for a period of five years or until the date of his superannuation or until further orders, whichever event occurs earlier. The terms and conditions of appointment of Mr. Kailash Dhar Diwan has been set out in letter (No. 10/(3)/2006-Met-III) dated March 18, 2008 and revised by letter (No. 10/(4)/2010-Met.III) dated August 5, 2010, issued by the MoM. The significant terms and conditions of appointment of Mr. Kailash Dhar Diwan as per letter (No. 10/(4)/2010-Met.III) dated August 5, 2010 are as under:

Basic Salary	₹ 75,000 per month, in the existing scale of ₹ 75,000 – 100,000 from the date of assumption of office.
Dearness Allowance	In accordance with the new Industrial Dearness Allowance Scheme mentioned in the DPE's office memoranda dated November 26, 2008 and April 2, 2009.
House Rent Allowance	Entitled to house rent allowance as per the rates indicated in office memorandum dated November 26, 2008.
Residential Accommodation and Recovery of Rent	Entitled to suitable residential accommodation from our Company including company leased accommodation. Accommodation can also be taken on self lease basis provided that a lease deed in favor of our Company is executed or on the basis of existing lease deeds. Recovery of rent for the accommodation arranged by our Company would be made at the rate of 10% of the basic pay from the date of joining or the standard rent fixed by our Company, whichever is lower. Where our Company has prescribed flat rates of recovery in respect of accommodation in its townships depending on each type of accommodation i.e., recovery of rent on uniform basis for each type of accommodation, rent would be required to be paid as prescribed by our Company. In respect of leased accommodation arranged by our Company, rent would be recovered at the rate of 10% of basic pay from the date of joining or the actual rent, whichever is lower.
Annual Increment	Mr. Diwan is eligible to draw his annual increment at the rate of 3% of the basic pay on the anniversary date of his appointment in the scale and further increments on the same date in subsequent years until the maximum of the pay scale is reached. After reaching the maximum of the scale, one stagnation increment equal to the rate of last increment drawn will be granted after completion of every two year period from the date he reaches the maximum of his pay scale provided he gets a performance rating of "good" or above. He will be granted a maximum of three such stagnation increments.
Other Allowances/Perks	Subject to a maximum ceiling of 50% of his basic pay as indicated in the office memorandum dated November 26, 2008 and April 2, 2009, to be decided by the Board.
Superannuation Benefits	Mr. Diwan will be eligible for superannuation benefit based on approved schemes as per office memoranda dated November 26, 2008 and April 2, 2009.
Performance Related Payment	Mr. Diwan is eligible for the approved PRP as per office memoranda dated November 26, 2008, February 9, 2009 and April 2, 2009.
Leave	Subject to the Leave Rules of our Company.

Restriction on Joining Private Commercial Undertakings after Retirement/Resignation	After retirement/resignation from the services of our Company, Mr. Diwan will 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 year from the date of his retirement/resignation, without prior approval of the Government.
Conduct Discipline and Appeal	Subject to the Conduct, Discipline and Appeal Rules framed by our Company, with the Disciplinary Authority being the President of India.

Mr. Anupam Anand

Mr. Anupam Anand was appointed as the Director (Personnel) of our Company by MoM order (No. 10(3)/2008-Met.III) dated July 14, 2009 w.e.f. August 5, 2009 for a period of five years or until the date of his superannuation or until further orders, whichever event occurs earlier. The terms and conditions of appointment of Mr. Anupam Anand has been set out in letter (No. 10/(3)/2008-Met III) dated November 26, 2009 and revised by letter (No. 10/(4)/2010-Met.III) dated August 5, 2010, issued by the MoM. The significant terms and conditions of appointment of Mr. Anupam Anand as per letter (No. 10/(4)/2010-Met.III) dated August 5, 2010 are as under:

Basic Salary	₹ 75,000 per month, in the existing scale of ₹ 75,000 – 100,000 from the date of assumption of office.
Dearness Allowance	In accordance with the new Industrial Dearness Allowance Scheme mentioned in the DPE's office memoranda dated November 26, 2008 and April 2, 2009.
House Rent Allowance	Entitled to house rent allowance as per the rates indicated in office memorandum dated November 26, 2008.
Residential Accommodation and Recovery of Rent	Entitled to suitable residential accommodation from our Company including company leased accommodation. Accommodation can also be taken on self lease basis provided that a lease deed in favor of our Company is executed or on the basis of existing lease deeds. Recovery of rent for the accommodation arranged by our Company would be made at the rate of 10% of the basic pay from the date of joining or the standard rent fixed by our Company, whichever is lower. Where our Company has prescribed flat rates of recovery in respect of accommodation in its townships depending on each type of accommodation i.e., recovery of rent on uniform basis for each type of accommodation, rent would be required to be paid as prescribed by our Company. In respect of leased accommodation arranged by our Company, rent would be recovered at the rate of 10% of basic pay from the date of joining or the actual rent, whichever is lower.
Annual Increment	Mr. Anand is eligible to draw his annual increment at the rate of 3% of the basic pay on the anniversary date of his appointment in the scale and further increments on the same date in subsequent years until the maximum of the pay scale is reached. After reaching the maximum of the scale, one stagnation increment equal to the rate of last increment drawn will be granted after completion of every two year period from the date he reaches the maximum of his pay scale provided he gets a performance rating of "good" or above. He will be granted a maximum of three such stagnation increments.
Other Allowances/Perks	Subject to a maximum ceiling of 50% of his basic pay as indicated in the office memorandum dated November 26, 2008 and April 2, 2009, to be decided by the Board.
Superannuation Benefits	Mr. Anand will be eligible for superannuation benefit based on approved schemes as per office memoranda dated November 26, 2008 and April 2, 2009.
Performance Related Payment	Mr. Anand is eligible for the approved PRP as per office memoranda dated November 26, 2008, February 9, 2009 and April 2, 2009.
Leave	Subject to the Leave Rules of our Company.
Restriction on Joining Private Commercial Undertakings after Retirement/Resignation	After retirement/resignation from the services of our Company, Mr. Anand will 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 year from the date of his retirement/resignation, without prior approval of the Government.
Conduct Discipline and Appeal	Subject to the Conduct, Discipline and Appeal Rules framed by our Company, with the Disciplinary Authority being the President of India.

Mr. Avijit Ghosh

Mr. Avijit Ghosh was appointed as the Director (Mining) of our Company by MoM order (No. 10(1)/2009-

Met.III) dated April 1, 2010 w.e.f. June 1, 2010 for a period of five years or until the date of his superannuation or until further orders, whichever event occurs earlier. The terms of employment of Mr. Avijit Ghosh have not been notified by the MoM until the date of this Draft Red Herring Prospectus.

Any further increase in the remuneration of the whole time directors will be within the limits as approved by the Board/ Shareholders.

Corporate Governance

At present, we have five independent Directors on our Board. We are in compliance with the requirements of corporate governance set forth in terms of clause 49 of the Equity Listing Agreement, particularly those relating to the composition of the Board, constitution of committees including the Audit Committee and the Shareholders'/Investors' Grievance Committee. In accordance with clause 49 of the Equity Listing Agreement, the MoM has by a letter dated September 23, 2010, notified us of the President of India's approval for the appointment of two part-time non-official Directors on our Board, Mr. A.K. Sarmah (former managing director, Bongaigaon Refinery) and Major General (Retired) R. Gossain (former chairman and managing director, Bharat Dynamics Limited), for a period of three years from the date of appointment and until further orders, whichever is earlier. Our Board has, by resolution dated September 23, 2010, approved the appointment of these two Directors (as additional Directors pending regularization at our Company's next Annual General Meeting).

(a) Audit Committee

Our Audit Committee was constituted pursuant to board resolution dated April 20, 2001, and most recently reconstituted pursuant to board resolution dated September 10, 2008. Currently, our Audit Committee comprises the following members:

1. Mr. Michael Bastian (Independent Director) - Chairman;
2. Mr. Sanjiv Kumar Mittal (Government Nominee Director) - Member;
3. Mr. Sakti Kumar Banerjee (Independent Director) - Member;
4. Mr. Shantikam Hazarika (Independent Director) - Member; and
5. Mr. Kailash Dhar Diwan (Director - Operations) - Member

The terms of reference of the Audit Committee is in accordance with the Companies Act and the Listing Agreement, as amended from time to time and include the following:

(a) 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;

(b) 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;

(c) Approving payment to statutory auditors for any other services rendered by the statutory auditors;

(d) Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
   - 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;
   - Changes, if any, in accounting policies and practices along with reasons for the same;
   - Major accounting entries involving estimates based on the exercise of judgment by management;
   - Significant adjustments made in the financial statements arising out of audit findings;
   - Compliance with listing and other legal requirements relating to financial statements;
   - Disclosure of any related party transactions; and
   - Qualifications in the draft audit report.

(e) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

(f) 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 utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

(g) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
(h) 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;
(i) Discussing with the internal auditors any significant findings and follow up there on;
(j) 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;
(k) 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;
(l) 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;
(m) Reviewing the functioning of the Whistle Blower mechanism, in case the same is existing; and
(n) 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.

Mr. C.S. Singhi, our Deputy General Manager and Company Secretary and Compliance Officer is the Secretary of the Audit Committee. The Audit Committee is required to meet at least four times in a year. The quorum for the meetings is either two members or one third of the total number of members, whichever is greater, provided that at least two independent members are present.

Our Audit Committee met five times during fiscal 2010. The matters reviewed by the Audit committee at the above mentioned included review of our Company's financial statements, review of internal audit reports and appointment of Statutory Auditors.

(b) Shareholders'/Investors' Grievance Committee

Our Shareholders'/Investors' Grievance Committee was constituted pursuant to board resolution dated April 20, 2001. The Shareholders'/Investors' Grievance Committee was reconstituted pursuant to board resolution dated August 12, 2010. Currently, the Shareholders'/Investors' Grievance Committee comprises the following members:

1. Mr. Sakti Kumar Banerjee (Independent Director) - Chairman;
2. Director (Personnel) - Member; and
3. Director (Finance) - Member.

Our Company Secretary is the Secretary of the Shareholders'/Investors' Grievance Committee. The Shareholders'/Investors' Grievance Committee will be responsible for, among other things:

(a) Redressal of shareholders'/investors' complaints;
(b) Complaints regarding transfer or transmission of shares, debentures or any other securities;
(c) Complaints regarding non-receipt of declared dividends, balance sheets of our Company; and
(d) Carrying out any other function contained in the Listing Agreement, as and when amended from time to time.

The Shareholders'/Investors' Grievance Committee is required to meet periodically, as it deems fit. The quorum for the committee is the presence of two Directors. The Shareholders'/Investors' Grievance Committee has not met in fiscal 2010.

(c) Share Transfer Committee

Our Share Transfer Committee was constituted pursuant to board resolution dated November 24, 1994. Currently, the Share Transfer Committee comprises the following members:

1. Chairman cum Managing Director - Chairman;
2. Director (Operations) - Member;
3. Director (Personnel) - Member;
4. Director (Mining) - Member; and
5. Director (Finance) - Member.

Mr. C.S. Singhi, our Deputy General Manager, Company Secretary and Compliance Officer, is the Secretary of the Share Transfer Committee. The Share Transfer Committee will be responsible for, among other things:

(a) Transfers and transmission of shares;
(b) Approval for splitting/sub-division/consolidation of shares; and
(c) Issuance of new and/or duplicate share certificates.

The Share Transfer Committee is required to meet periodically, as it deems fit. There have been six meetings of our Share Transfer Committee in fiscal 2010.

(d) Remuneration Committee

Our Remuneration Committee was constituted pursuant to board resolution dated December 9, 2009 and its terms of reference include recommending the payment of performance related pay to the executives of our Company in terms of office memorandum (No. 2(70)/08-DPE(WC)-GL-XVI/08) dated November 26, 2008 issued by the DPE, Ministry of Heavy Industries and Public Enterprises. Currently, the Remuneration Committee comprises the following members:

1. Mr. Arun Kumar Mago (Independent Director) - Chairman;
2. Mr. Sakti Kumar Banerjee (Independent Director) - Member;
3. Mr. Santikam Hazarika (Independent Director) - Member;
4. Mr. Sanjiv Kumar Mittal (Government Nominee Director) - Member; and
5. Mr. Anupam Anand (Director - Personnel) Member

Our Remuneration Committee has not met in fiscal 2010.

Shareholding of Directors in our Company

Our Articles do not require our Directors to hold any qualification shares. None of our Directors hold any equity shares in our Company.

Interest of our Directors

All of our Directors may be deemed to be interested to the extent of remuneration and fees paid to them for services rendered as Directors of our Company and reimbursement of expenses payable to them, if any.

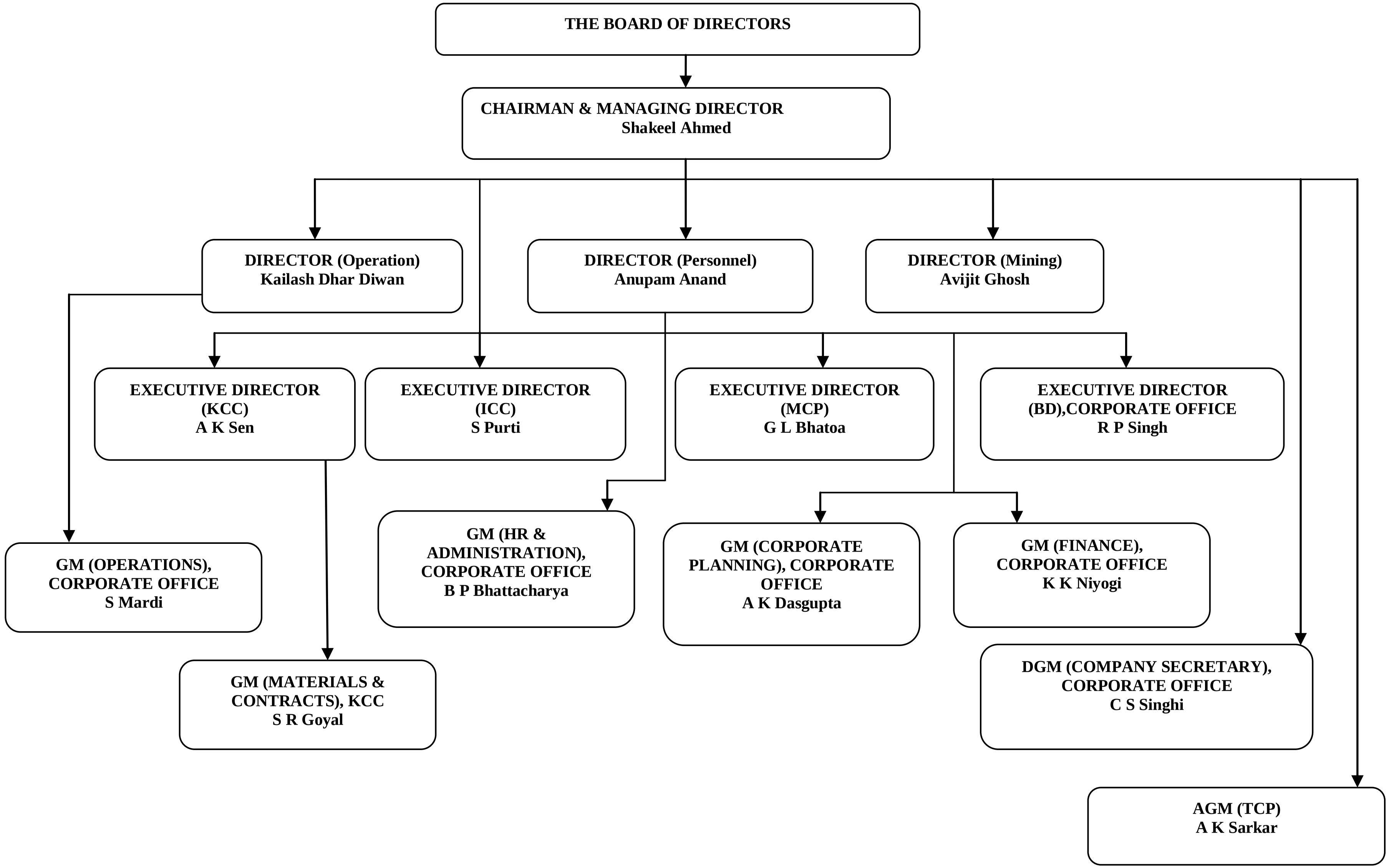
Our Directors have no interest in any property acquired by us within two years of the date of filing of this Draft Red Herring Prospectus. There are no service contracts entered into between the Directors and our Company providing the Directors benefits on termination of their employment with our Company.

Changes in our Board of Directors during the last three years

The changes in our Board of Directors in the last three years are as follows:

Name	Date of Change	Reason
Mr. Sujit Gulati	April 18, 2007	Resignation
Mr. D. Satapathy	July 31, 2009	Superannuation
Mr. Satish C. Gupta	July 31, 2009	Superannuation
Mr. M.K. Murthy	August 5, 2009	Resignation
Mr. Anupam Anand	August 5, 2009	Appointment
Mr. M. Samajpati	October 21, 2009	Resignation
Mr. R.C. Singla	December 31, 2009	Superannuation
Mr. Arun Kumar Mago	January 7, 2008	Appointment
Mr. Sakti Kumar Banerjee	January 7, 2008	Appointment
Mr. Michael Bastion	January 7, 2008	Appointment
Dr. Mukesh Khare	January 7, 2008	Appointment
Mr. Shantikam Hazarika	January 7, 2008	Appointment
Mr. Avijit Ghosh	June 1, 2010	Appointment

ORGANISATION STRUCTURE:



Key Management Personnel

All of our key managerial employees are permanent employees of our Company and none of them are related to each other or to any Director of our Company.

Mr. R.P. Singh, 59 years, is our Executive Director (Business Development). He holds a bachelor's degree in electrical engineering from MMM Engineering College, Gorakhpur, Uttar Pradesh and master's degree in business administration from the Indian Institute of Management, Ahmedabad. He has approximately 35 years of experience out of which he has worked for 26 years in the mining sector with expertise in marketing of non-ferrous metals and allied products. He joined our Company on September 26, 1984. He has previously worked with Rohit Mills Limited, Ahmedabad as an Assistant Sales Manager (Marketing) and the Saraspur Mills Limited, Ahmedabad as a Marketing Officer. His gross remuneration for fiscal 2010 was ₹ 1.30 million.

Mr. A.K. Sen, 53 years, is our Executive Director. He holds a bachelor's degree in mining engineering from Bengal Engineering College, Calcutta University. He has obtained the 1st Class Mines Manager Certificate of Competency (un-restricted) for Metalliferous Mines. He has 33 years of work experience, out of which he has worked for 30 years in the mining sector with expertise in planning and execution of production, safety of mechanized underground and open cast metal mines. He joined our Company on February 29, 2008 as General Manager (Mines) and was responsible for all the mining related activities of the mining units and other commercial matters. He has previously worked in Hutti Gold Mines Company Limited, Karnataka between 2002 to 2008 as the Deputy General Manager and was in charge of its mining division. His gross remuneration for fiscal 2010 was ₹ 1.05 million.

Mr. Seth Purty, 59 years, is our Executive Director (ICC). He holds a bachelor's degree in metallurgical engineering and bachelor's degree in sciences from RIT, Jamshedpur, Ranchi University. He has approximately 34 years of work experience, out of which he has worked for three years in the mining sector with expertise in copper smelting. He joined our Company on July 22, 1976. He is presently the head of the ICC unit. His gross remuneration for fiscal 2010 was ₹ 1.35 million.

Mr. G.L. Bhatoa, 59 years, is our Executive Director (MCP). He holds a bachelor's degree in mechanical engineering from Thapar Institute of Engineering and Technology, Punjab University. He has approximately 37 years of work experience, out of which he has worked for 30 years in the mining sector with an expertise in design, engineering, installation, commissioning, maintenance and operation of underground and open-pit mines at KCC and MPC units of our Company. Apart from this, he has been heading the maintenance and operation of smelter and acid fertilizer plants at KCC for approximately seven years. He joined our Company on October 1, 1973. Presently, he is heading MCP as its Executive Director and is responsible for, amongst other things, mining operations to produce Ore, plant operations to process Ore in Concentrator plant to produce metal in concentrates. His gross remuneration for fiscal 2010 was ₹ 1.35 million.

Mr. S. Mardi, 58 years, is our General Manager (Operations). He holds a bachelor's degree in mechanical engineering from Indian Institute of Technology, Kanpur. He has over 33 years of work experience, out of which he has mainly worked for copper smelting and refining process with an expertise in mechanical maintenance of production plants. He joined our Company on September 1, 1976. He is responsible for the coordination of all the activities of the production plants. His gross remuneration for fiscal 2010 was ₹ 1.34 million.

Mr. K.K. Niyogi, 59 years, is our General Manager (Finance). He holds a bachelor's degree in commerce from Calcutta University. He is also a Fellow Chartered Accountant of the Indian Institute of Chartered Accountants. He has approximately 35 years of work experience, out of which he has worked for 30 years in the mining sector with an expertise in finance and accounts. He joined our Company on April 30, 1980. He is responsible for finance and accounts. He has previously worked in the Central Mine Planning and Design Institute Limited as an accountant. His gross remuneration for fiscal 2010 was ₹ 1.36 million.

Mr. A.K. Sarkar, 59 years, is our Assistant General Manager (TCP). He holds a bachelor of science degree in engineering in metallurgy from Birsa Institute of Technology, Sindri, Ranchi University. He has approximately 35 years of work experience, out of which he has worked for 31 years in the mining sector with an expertise in operation of metallurgical plants areas. He joined our Company on August 3, 1979. He is presently the unit head at TCP. He has previously worked with Mcnally Bharat and Company as a technical assistant His gross remuneration for fiscal 2010 was ₹ 1.29 million.

Mr. Anjan Kumar Dasgupta, 57 years, is our General Manager (Corporate Planning). He holds a bachelor's degree in production engineering from Birsa Institute of Technology, Sindri, Ranchi University. He has approximately 31 years of work experience in our Company with an expertise in industrial engineering, project management, materials and contracts and corporate planning. He joined our Company on March 26, 1979. He has previously worked in Telco as a junior manager (industrial engineering). His gross remuneration for fiscal 2010 was ₹ 1.31 million.

Mr. C.S. Singhi, 47 years, is our Deputy General Manager, Company Secretary and Compliance Officer. He holds a bachelor's degree in commerce from Calcutta University and is a fellow member of the Institute of Company Secretaries of India. He has approximately 22 years of work experience including 15 years as a qualified company secretary in both public and private sector companies with expertise in the areas of company affairs. He joined our Company on July 1, 1996 and is responsible for the board, statutory and company matters. Prior to joining our Company, he worked with Tyroon Tea Company Limited as a company secretary. His gross remuneration for fiscal 2010 was ₹ 1.38 million.

Mr. S.R. Goyal, 59 years, is our General Manager (Materials and Contracts). He holds a bachelor's degree in electrical engineering from the Malaviya National Institute of Technology, Jaipur. He has over 38 years of experience in the mining sector with an expertise in electro-metallurgical plants and maintenance, materials and contracts management. He joined our Company on January 17, 1972. His gross remuneration for fiscal 2010 was ₹1.65 million.

Mr. B.P. Bhattacharya, 59 years, is our General Manager (Human Resource). He holds a bachelor's degree in science from Calcutta University, D.S.W (L.W), Calcutta University and is a graduate of law. He has approximately 36 years of work experience, out of which he has worked for 29 years in the mining sector with an expertise in human resource development. He joined our Company on April 20, 1981. Prior to joining our Company, he had worked with Britannia Engineering Company Limited, Titaghur; Kinnison Jute Mills Company Limited, Titaghur; Weaverly Jute Mills Company Limited, Jagatdal and Eastern Manufacturing Company Limited, Titaghur in the capacity of Labour/Welfare Officer. He is presently the head of human resources function of our Corporate Office. His gross remuneration for fiscal 2010 was ₹1.35 million.

All our key managerial personnel are liable to retire from the service of our Company on attaining the age of 60 years.

Shareholding of the key managerial personnel

Except as disclosed in this Draft Red Herring Prospectus, none of our key managerial personnel hold any Equity Shares. The following table details the shareholding of our key managerial personnel in our Company as on the date of filing of this Draft Red Herring Prospectus:

Name of the key managerial employee	No. of Equity Shares held
Mr. G.L. Bhatoa	100
Mr. R.P. Singh	5

Changes in our key managerial personnel during the last three years

The changes in our key managerial personnel during the last three years are as follows:

Name	Date of Appointment as a Key Managerial Personnel	Date of Cessation	Reason
Mr. O.P. Chugh	April 2, 2005	January 30, 2009	Resignation
Mr. B.K. Mendiratta	January 16, 2006	January 31, 2010	Superannuation
Mr. P. Kasiviswanadham	February 1, 2006	June 30, 2010	Superannuation
Mr. P.S. Bhattacharjee	June 7, 2006	August 31, 2009	Superannuation
Mr. P.K. Sinha	July 6, 2006	August 31, 2010	Superannuation
Mr. C.S. Singhi	August 1, 2007	Continuing	Promotion
Mr. S.R. Goyal	August 17, 2007	January 30, 2008	Released as GM (Incharge)
Mr. Seth Purty	January 31, 2008	Continuing	Promotion
Mr. A.K. Sen	February 29, 2008	Continuing	Appointment

Name	Date of Appointment as a Key Managerial Personnel	Date of Cessation	Reason
Mr. G.L. Bhatoa	June 14, 2008	Continuing	Promotion
Mr. S. R. Goyal	July 23, 2010	Continuing	Promotion
Mr. S. Mardi	July 23, 2010	Continuing	Promotion
Mr. K.K. Niyogi	July 23, 2010	Continuing	Promotion
Mr. Anjan Kumar Dasgupta	July 23, 2010	Continuing	Promotion
Mr. B.P. Bhattacharya	September 1, 2010	Continuing	Promotion

Interest of Key Managerial Personnel

Except as disclosed above, our key managerial personnel do not hold any Equity Shares. Such key managerial personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares. The key managerial personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment, incentive payable as per policies and reimbursement of expenses incurred by them during the ordinary course of business.

None of our key managerial personnel have been paid any consideration of any nature from our Company, other than their remuneration.

Bonus and profit sharing plans and payment or benefit to employees of our Company

Our Company does not have a bonus or profit sharing plan.

Our Company has entered into wage and benefits agreements dated January 6, 2010 with recognized unions, further to which we have revised pay scales and the terms of certain benefits, for a period of five years with effect from November 1, 2007.

Our Company has a Performance Reward Scheme for the non-executives on the rolls of our Company. The underlying objective of the Performance Reward Scheme is to motivate the non-executive employees to achieve higher production and productivity. The performance reward payable under the Performance Reward Scheme is linked to the achievement of certain production targets set for that particular year.

Except certain post retirement medical benefits and statutory benefits on termination of their employment in our Company or on superannuation, no officer of our Company is entitled to any benefit on termination of his employment in our Company or superannuation.

OUR PROMOTER AND GROUP COMPANIES

Our Promoter currently holds 99.59% of the pre-Issue paid-up equity share capital of our Company. As our Promoter is the President of India acting through the MoM, disclosure of our 'group companies' have not been provided.

DIVIDEND POLICY

Our Company has not declared any dividends on our Equity or Preference Shares during the last five years.

The declaration and payment of dividend on our Equity Shares will be recommended by our Board and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements, contractual obligations, restrictive covenants under our loan and financing arrangements and the overall financial condition of our Company and subject to order (no. F.No.7(5)/E-Coord/2004) dated September 24, 2004, of the Department of Expenditure, Ministry of Finance, GoI wherein all profit making public sector enterprises are required to declare a maximum dividend on equity of 20% or minimum dividend of 20% of post-tax profits, whichever is higher.

Future dividends will depend on our revenues, profits, cash flow, financial condition, capital requirements and other factors.

SECTION V - FINANCIAL STATEMENTS

Auditors' Report on
Standalone Financial Information of Hindustan Copper Limited

To
The Board of Directors
Hindustan Copper Limited
Kolkata

Dear Sirs,

1) We have examined the attached Standalone Financial Information of Hindustan Copper Limited as approved by the Board of Directors of the Company prepared in terms of the requirements of Paragraph B, Part II of Schedule II to the Companies Act, 1956 ("the Act") and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009,(the "ICDR Regulation") notified on 26th August 2009, the Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India and in terms of engagement agreed upon by us with the Company, in connection with the proposed issue of Equity Shares by the Company and the selling share holder, the Government of India, in Hindustan Copper Limited. The financial information has been prepared by the Company and approved by its Board of Directors.

2) These information have been extracted by the Management from the financial statements for the quarter ended 30thJune 2010 and the financial years ended 31st March 2010,2009,2008,2007 and 2006. Audit for the financial years ended 31st March 2008 and 2009 conducted by M/s. Ray & Co. & M/s K.B. Chandna & Co, audit for the financial year ended 31st March ,2007 was conducted by M/s K,B. Chandna & Co.& M/s. S.N. Mukherji & Co and audit for the financial year ended 31st March 2006 was conducted by M/s K.B. Chandna & Co.& M/s. M C Bhandari & Co and adopted by the Members of those respective years. Accordingly reliance has been placed on the financial information audited by them for the said years,

3) Without qualifying our report, we draw attention to:-

   a) Pending disputes before Hon' able Supreme Court on account of demand raised by Land Revenue Department MP towards Rural Infrastructure and Road Development Tax amounting to Rs 446.00 millions, no liability has been provided for in the accounts, however, the same is disclosed under "Contingent Liability".(Refer note 4 of annexure VB).

   b) Pending disputes before various courts on account of demand raised by Municipal Council, MCP towards Export Tax Rs 704.60 millions, no liability has been provided for in the accounts, however, the same is disclosed under "Contingent Liability".(Refer note 5 of annexure VB).

   c) Pending disputes before the Hon'ble High Court, Jabalpur on account of demand raised by MP State Electricity Board towards Interest on electricity tariff of Rs.1218.70 million. no liability has been provided for in the accounts, however, the same is disclosed under "Contingent Liability". (Refer note 6 of annexure VB)

4) In accordance with the requirements of Paragraph B of Part II of Schedule II of the Companies Act 1956, the SEBI Regulations and in terms of our engagement agreed upon by us with the Company, we further report that:

   (a) The Standalone Restated Summary Statement of Assets and Liabilities of the Company examined and reported upon by respective auditors as stated in para 2 above on which reliance has been placed by us where applicable, as set out in Annexure I to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in "Significant Accounting Policies"(Annexure-VA), "Notes on Adjustments made for Restated Financial Statements" (Annexure- IVA), and Other Notes on Restated Financial Statements.(Annexure VB)

(b) The Standalone Restated Summary Statement of Profit or Loss of the Company examined and reported upon by respective auditors as stated in para 2 above on which reliance has been placed by us where applicable, as set out in Annexure II to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in “Significant Accounting Policies“(Annexure-VA), “Notes on Adjustments made for Restated Financial Statements” (Annexure- IVA), and Other Notes on Restated Financial Statements (Annexure VB).

(c) The Standalone Restated Summary Statement of Cash Flow of the Company examined and reported upon by respective auditors as stated in para 2 above on which reliance has been placed by us where applicable, as set out in Annexure III to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in “Significant Accounting Policies“(Annexure-VA), “Notes on Adjustments made for Restated Financial statements” (Annexure- IVA), and Other Notes on Restated Financial Statements (Annexure VB).

5) Based on above and also as per the reliance placed on the reports submitted by the previous auditors as stated above for respective years, we are of the opinion that the restated financial information has been made after incorporating:

(i) Adjustments for the material amounts in the respective financial years to which they relate.

(ii) The extra-ordinary Income & Expenditure have been disclosed separately in Annexure II & IV respectively.

6) We have also examined the following standalone and other financial information set out in Annexures prepared by the management and approved by the Board of Directors of Company for the quarter ended 30th June 2010 and the Financial Years ended March 31,2010, 2009, 2008, 2007 and 2006. In respect of the years audited by the other auditors as mentioned in the para 2 above, the information has been included based upon the reports submitted by them which has been relied upon by us:

(i) Statement of Accounting Ratios included as restated in Annexure VI.

(ii) Statement of Capitalization as on 30-06-2010 included in Annexure VII.

(iii) Statement of Secured and Unsecured Loans as restated included in Annexure VIII

(iv) Statement of Tax Shelter included in Annexure IX

(v) Statement of Loans and Advances as restated included in Annexure X

(vi) Statement of Sundry Debtors as restated included in Annexure XI

(vii) Statement of Investments as restated included in Annexure XII

(viii) Statement of Other Income as restated included in Annexure XIII

(ix) Statement of Related Party Transactions included in Annexure XIV

(x) Statement of Contingent Liabilities included in Annexure XV

In our opinion the financial information contained in Annexure I to XV of this report read along with the Significant Accounting Policies, Notes and Changes in Significant Accounting Policies, (Refer Annexures) prepared after making adjustments and regrouping as considered appropriate have been prepared in accordance with Paragraph B, Part II of Schedule II of the Companies Act,1956 and the ICDR Regulations.

7) This report should not in any way be construed as a reissuance of any of our previous audit reports nor should this be construed as a new opinion on any of the financial statements referred to herein.

8) Our report is intended solely for use of the management and for inclusion in the offer document in connection with the proposed offering of equity shares by the company and the selling share holder of the Company, the Government of India,. Our report should not be used for any other purpose except with our prior written consent.

For RAY & CO.	**For AGARWAL ANIL& CO.**
FRN: 313124E	**FRN : 003222N**
Chartered Accountants.	**Chartered Accountants.**
S P BASU	**ANIL AGRAWAL**
Partner	**Partner**
(M. No. 50209)	**(M. No. 82103)**

Date: September 23, 2010
Kolkata

HINDUSTAN COPPER LIMITED							
SUMMARY OF STANDALONE STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED							
(₹ In Million)							**ANNEXURE- I**
	Particulars	**As at**	**As at**				
		30-06-2010	**31-03-2010**	**31-03-2009**	**31-03-2008**	**31-03-2007**	**31-03-2006**
	SOURCES OF FUNDS						
	Shareholders' Funds						
	Share Capital	4,626.09	4,626.09	4,626.09	3,841.09	9,489.50	9,089.50
	Share Money Awaiting allotment				785.00	285.00	400.00
	Reserves & Surplus	6,672.91	6,410.92	4,658.10	5,001.07	1,141.68	1,366.42
A	**Total (A)**	**11,299.00**	**11,037.01**	**9,284.19**	**9,627.16**	**10,916.18**	**10,855.92**
	Loan Funds						
	Secured Loans	7.54	0.53	23.03	1,134.83	125.00	1,923.13
	Unsecured Loans	0.00	0.00	337.34	0.00	2,036.30	1,000.05
B.	**Total (B)**	**7.54**	**0.53**	**360.37**	**1,134.83**	**2,161.30**	**2,923.18**
	TOTAL (A+B)	**11,306.54**	**11,037.54**	**9,644.56**	**10,761.99**	**13,077.48**	**13,779.10**
	APPLICATION OF FUNDS						
	Fixed Assets						
	Gross Block	7,537.05	7,603.51	7,313.62	6,657.04	6,672.99	6,586.94
	Less : Depreciation	5,353.65	5,407.21	5,216.60	5,002.90	4,914.66	4,761.32
C.	Net Block ©	**2,183.40**	**2,196.30**	**2,097.02**	**1,654.14**	**1,758.33**	**1,825.62**
	Discarded Fixed Assets (net of provision)	-	-	-	-	-	-
	Capital Work-in-Progress including Advance for Capital Expenditure	28.45	48.80	127.90	282.29	103.16	24.35
	Mine Development Expenditure	4,094.43	4,040.05	3,666.96	3,431.28	3,163.74	2,991.81
D.	**Total (D)**	**4,122.88**	**4,088.85**	**3,794.86**	**3,713.57**	**3,266.90**	**3,016.16**
E.	Investments	1,019.60	719.16	0.02	0.02	0.02	0.02
F.	Deferred Tax Assets (net)	515.18	571.98	535.88	628.53	705.48	900.20
	Current Assets, Loans and Advances						
	Inventories	2,581.25	2,532.62	2,602.56	3,861.20	4,081.21	3,719.85
	Sundry Debtors	623.63	1,547.52	1,599.48	500.17	420.68	444.90
	Cash and Bank Balances	2,512.37	1,733.59	2,994.80	5,288.40	4,348.60	1,303.33
	Other Current Assets	110.20	254.25	111.44	68.34	19.34	10.69
	Loans and Advances	2,254.01	1,997.33	2,205.41	1,165.24	266.63	229.50
G.	**Total (G)**	**8,081.46**	**8,065.31**	**9,513.69**	**10,883.35**	**9,136.46**	**5,708.27**
	Less: Current Liabilities and Provisions	4,615.98	4,604.06	6,296.91	6,117.62	6,469.96	6,049.50
H.	**Net Current Assets**	**3,465.48**	**3,461.25**	**3,216.78**	**4,765.73**	**2,666.50**	**(341.23)**
I.	Profit/(Loss) Account					4,680.25	8,378.33
	TOTAL (C+D+E+F+H+I)	**11,306.54**	**11,037.54**	**9,644.56**	**10,761.99**	**13,077.48**	**13,779.10**
	Net Worth						
	Share Capital	4,626.09	4,626.09	4,626.09	4,626.09	9,774.50	9,489.50
	Profit/(Loss) Account	3,982.44	3,720.45	1,967.34	2,310.03	(4,680.25)	(8,378.33)
	Other Reserves	2,690.47	2,690.47	2,690.76	2,691.04	1,141.68	1,366.42
	Total	**11,299.00**	**11,037.01**	**9,284.19**	**9,627.16**	**6,235.93**	**2,477.59**

Note:1) The above statement should be read with the notes on Adjustment made for Restated Financial Statements (Annexure IVA), Significant Accounting Policies (annexure VA) and Other Notes on Restated Financial Statements Annexure VB).

2) Reserve and Surplus comprises of General Reserve and Profit & Loss Account.

HINDUSTAN COPPER LIMITED						
SUMMARY OF STANDALONE STATEMENT OF PROFIT AND LOSS, AS RESTATED						
(₹ In Million)						**ANNEXURE- II**
	Three months Ended	**For the Year ended**				
	30-06-2010	**31-03-2010**	**31-03-2009**	**31-03-2008**	**31-03-2007**	**31-03-2006**
INCOME						
Gross Sales	2,487.75	14,298.48	13,491.00	18,397.91	17,996.37	10,537.59
Less: Discount	3.13	143.50	194.72	267.36	418.99	430.86
Less: Excise Duty	226.70	1,109.80	1,394.79	2,458.15	2,417.78	1,392.71
Net Sales	**2,257.92**	**13,045.18**	**11,901.49**	**15,672.40**	**15,159.60**	**8,714.02**
Internal Issue				22.36	10.28	6.52
Other Income	135.24	507.39	1,085.55	1,084.81	359.26	98.38
Grant-in-Aid				17.69	39.01	53.92
Increase/(Decrease) in Stock of Finished Goods, Semi-Finished and In process	75.95	254.46	(1,133.85)	429.72	725.88	(109.06)
Total (A)	**2,469.11**	**13,807.03**	**11,853.19**	**17,226.98**	**16,294.03**	**8,763.78**
EXPENDITURE						
Materials Spares & Components	285.07	5,049.94	4,995.98	6,944.82	6,335.23	3,161.72
Employees' Remuneration & benefits	702.02	2,874.46	2,146.19	2,134.85	1,576.32	1,274.56
Other Expenses of Manufacturing, Administration, Selling & Distribution	747.71	2,844.57	3,923.53	3,459.49	3,054.00	2,366.39
Excise Duty	0.00	0.00	0.00	4.62	45.13	(25.40)
VRS Expenses- grant-in-Aid				17.69	39.01	53.92
Amortisation of Mine Development Expenditure	171.33	631.49	549.00	660.49	624.66	424.95
Sub- total	**1,906.13**	**11,400.46**	**11,614.70**	**13,221.96**	**11,674.35**	**7,256.14**
Profit/(Loss) before Depren, Interest & Taxes	**562.98**	**2,406.57**	**238.49**	**4,005.02**	**4,619.68**	**1,507.64**
Depreciation	44.28	178.90	188.22	158.42	269.88	158.71
Interest	2.34	34.93	68.14	280.11	348.53	385.38
Provision Losses & Write Off	76.87	55.00	41.49	465.50	496.44	72.44
Prior Years' Net Debit/(Credit)	0.00	(20.71)	(114.22)	76.03	6.33	3.34
Profit/(Loss) before Tax & Extraordinary Items(B)	**439.49**	**2,158.45**	**54.86**	**3,024.96**	**3,498.50**	**887.77**
Provision for Tax:						
Income Tax- Current Year	120.70	647.70	59.80	480.00	210.70	0.00
-Deferred Tax	56.80	(36.10)	92.65	76.95	(34.76)	(59.20)
-Fringe Benefit	-	-	5.50	3.40	2.90	2.52
Total Tax (C)	**177.50**	**611.60**	**157.95**	**560.35**	**178.84**	**(56.68)**
Profit/(Loss) after Tax & before Extraordinary Items	**261.99**	**1,546.85**	**(103.09)**	**2,464.61**	**3,319.66**	**944.45**
Extraordinary Income						542.64
Extraordinary Expense					**(180.21)**	(428.24)
Net Profit/(Loss) After Extraordinary Items	**261.99**	**1,546.85**	**(103.09)**	**2,464.61**	**3,139.45**	**1,058.85**
Adjustments on Account of restatement:						
a) Changes in Accounting Policies						

HINDUSTAN COPPER LIMITED						
SUMMARY OF STANDALONE STATEMENT OF PROFIT AND LOSS, AS RESTATED						
(₹ In Million)						**ANNEXURE- II**
	Three months Ended	**For the Year ended**				
	30-06-2010	**31-03-2010**	**31-03-2009**	**31-03-2008**	**31-03-2007**	**31-03-2006**
b) Adjustments on account of prior period items	0.00	3.00	111.22	(73.89)	46.74	(7.72)
c) Arrear Salary & Wages	0.00	(330.63)	188.47	(66.81)	38.97	0.00
d) Extraordinary Expenses	0.00	0.00	0.00	0.00	(180.21)	(428.24)
e) Audit Qualifications	0.00	17.71	0.00	(324.80)	(556.94)	295.04
f) Current Year Tax impact	0.00	103.95	(59.80)	38.88	88.07	0.00
Total adjustments after Tax impact	**0.00**	**(205.97)**	**239.89**	**(426.62)**	**(563.37)**	**(140.92)**
Profit/ (Loss) after Tax but before Extraordinary items as Restated	**261.99**	**1,752.82**	**(342.98)**	**2,891.23**	**3,702.82**	**657.13**
Extraordinary Income as restated						542.64
Extraordinary expense as restated					0.00	0.00
Net Profit/(Loss) After Tax and Extraordinary Items as Restated	**261.99**	**1,752.82**	**(342.98)**	**2,891.23**	**3,702.82**	**1,199.77**
Opening Balance of P & L Account	3,720.45	1,967.34	2,310.03	(4,680.25)	(8,378.33)	(9,102.24)
Transfer from Special Reserve	0.00	0.29	0.29	0.31	0.32	0.34
Transfer to Capital Reserve					(5.06)	(476.20)
Capital Reduction				4,098.74		
Closing Balance of Profit/(Loss) Account	**3,982.44**	**3,720.45**	**1,967.34**	**2,310.03**	**(4,680.25)**	**(8,378.33)**

Note:1) The above statement should be read with the notes on Adjustment made for Restated Financial Statements (Annexure IVA), Significant Accounting Policies (annexure VA) and Other Notes on Restated Financial Statements Annexure VB).

2) The reconciliation between the Audited and Restated Profit and Loss Account is given in Notes on Adjustments made for Restated Financial Statements (Annexure IVA)

	HINDUSTAN COPPER LIMITED						
	SUMMARY OF STANDALONE STATEMENT OF CASH FLOW, AS RESTATED						
(₹ In Million)							**ANNEXURE- III**
		Three months	**For the Year ended**				
		Ended					
		30-06-2010	**31-03-2010**	**31-03-2009**	**31-03-2008**	**31-03-2007**	**31-03-2006**
A.	**Cash flow from Operating Activities:**						
	Profit before Tax & Extraordinary items	**439.49**	**2,158.45**	**54.86**	**3,024.96**	**3,498.50**	**887.77**
	Adjustments (See Annexure IV)	0.00	(309.92)	299.69	(465.50)	(651.44)	(140.92)
	Restated Profit before Tax	**439.49**	**2,468.37**	**(244.83)**	**3,490.46**	**4,149.94**	**1,028.69**
	Adjustment for:						
	Depreciation	44.28	178.90	188.19	156.82	271.48	158.74
	Interest on Deposit with Banks	(44.92)	(268.49)	(393.72)	(425.99)	(120.59)	(23.28)
	Interest - Others	2.34	34.93	68.15	280.11	348.53	385.39
	Increase in Provision for Bad & doubtful advances	61.46	46.68	(114.27)	343.38	451.81	43.62
	Profit on Fixed Assets	(0.26)	(7.65)	(16.84)	(98.52)	(20.10)	(2.58)
	Amortisation	171.33	631.49	549.00	660.49	624.66	424.95
	Total Adjustments	234.23	615.86	280.51	916.29	1,555.79	986.84
	Operating Profit before Working Capital	**673.72**	**3,084.23**	**35.68**	**4,406.75**	**5,705.73**	**2,015.53**
	Adjustments for changes in working Capital:						
	- Inventories	(32.73)	72.72	1,244.32	244.75	(362.63)	(1,491.97)
	- Receivables	920.21	52.19	(1,103.06)	(79.63)	33.48	(333.24)
	- Loan & Advances	(0.45)	882.91	(586.58)	(805.41)	(78.98)	(320.31)
	- Payables	(209.78)	(2,479.56)	261.52	(1,099.74)	(458.17)	2,547.45
	-Taxes Paid	(92.97)	(668.80)	(443.24)	(185.71)	(11.60)	(8.25)
	Net Cash flow from Operating Activities (A)	**1,258.00**	**943.69**	**(591.36)**	**2,481.01**	**4,827.83**	**2,409.21**
B.	**Cash flow from Investing Activities:**						
	Purchase of Fixed Assets	(31.37)	(269.07)	(512.55)	(313.16)	(255.07)	(145.43)
	Purchase of Investments	(300.44)	(719.14)				
	Interest on deposit with Banks	60.89	125.67	350.63	376.99	111.95	22.03
	Sale/Deduction of Fixed Assets	0.42	9.48	18.86	130.92	29.73	648.51
	Voluntary Retirement Expenditure				(17.69)	(39.01)	(53.92)
	Mine Development Expenditure	(213.42)	(956.36)	(712.05)	(897.88)	(770.76)	(629.07)
	Net Cash flow from Investing Activities(B)	**(483.92)**	**(1,809.42)**	**(855.11)**	**(720.82)**	**(923.16)**	**(157.88)**
C.	**Cash flow from Financing Activities:**						
	Share Money from Govt of India					285.00	
	Loan from Govt of India					250.00	250.00
	Loan from Bank	0.00	0.00	337.35	0.00	750.00	750.00
	Interest paid	(2.32)	(35.62)	(72.68)	(330.17)	(346.27)	(434.76)
	Maturity of Fixed Deposits				(0.05)		
	Redemption of Debentures / Bonds	0.00	0.00	0.00	(125.00)	(1,750.00)	(454.58)
	Repayment of loan from bank	0.00	(337.35)	(1,125.00)	(375.00)	0.00	0.00
	Net Cash flow from Financing Activities [C]	**(2.32)**	**(372.97)**	**(860.33)**	**(830.22)**	**(811.27)**	**110.66**
	Net Increase in Cash and Cash Equivalents (A+B+C)	**771.76**	**(1,238.70)**	**(2,306.80)**	**929.97**	**3,093.40**	**2,361.99**

HINDUSTAN COPPER LIMITED							
SUMMARY OF STANDALONE STATEMENT OF CASH FLOW, AS RESTATED							
(₹ In Million)							**ANNEXURE- III**
		Three months	**For the Year ended**				
		Ended					
		30-06-2010	**31-03-2010**	**31-03-2009**	**31-03-2008**	**31-03-2007**	**31-03-2006**
	Cash and Cash Equivalents at the beginning of the Year	1,733.07	2,971.77	5,278.57	4,348.60	1,255.20	(1,106.79)
	Cash and Cash Equivalents at the End of the Year	2,504.83	1,733.07	2,971.77	5,278.57	4,348.60	1,255.20
	Difference	**771.76**	**(1,238.70)**	**(2,306.80)**	**929.97**	**3,093.40**	**2,361.99**
	Components of Cash and Cash equivalents :						
	- Cash and Cheques in Hand	1.81	12.51	1.53	20.77	46.30	117.45
	Balance with Schedule Banks						
	- Balance in Current Account	80.61	216.87	182.21	490.62	327.95	1,078.80
	- Balance in Term Deposits	2,421.25	1,501.20	2,788.03	4,765.00	3,974.35	58.15
	- Balance in Margin Money	1.17	2.50	0.00	2.18	0.00	0.80
	Total	**2,504.84**	**1,733.08**	**2,971.77**	**5,278.57**	**4,348.60**	**1,255.20**

Note: The Cash Flow Statement has been prepared under indirect method as set out in Accounting standard 3 (AS 3) Cash Flow Statement issued by the Institute of Chartered Accountants of India.

	HINDUSTAN COPPER LIMITED						
	NOTES ON ADJUSTMENTS MADE FOR STANDALONE RESTATED FINANCIAL STATEMENTS						
(₹ In Million)							**ANNEXURE- IV**
1	**Adjustments on changes in Accounting Policies and Prior period items:**						
		Three months ended	**For the Year ended**				
		30-06-2010	**31-03-2010**	**31-03-2009**	**31-03-2008**	**31-03-2007**	**31-03-2006**
A.	**Profit after Tax as per Audited Statement of Accounts:**						
		261.99	1,546.85	(103.09)	2,464.61	3,139.45	1,058.85
	Adjustments on account of:						
B.	**Changes in Accounting Policies:**	0.00	0.00	0.00	0.00	0.00	0.00
	Sub Total	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
C.	**Prior Period Items**						
	a) Depreciation of Equipments			(0.03)	(1.60)	1.60	0.03
	b) Handling & Transportation				(0.69)	(1.31)	1.69
	c) Discounts			(1.24)	(22.91)	24.15	
	d) Interest			(1.34)	(20.54)	3.88	1.46
	e) Water Cess				(1.53)	1.30	0.32
	f) Stores & Spares		3.00	(3.00)	(4.22)	4.15	(1.00)
	g) Excise Duty					8.88	(8.90)
	h) Sales Tax/Entry Tax				(0.57)		1.03
	i) Salary & Wages				(2.54)	0.11	(0.07)
	j) Diversion Rent						(0.24)
	k) Repair & Maintenance			(0.01)	(0.05)	(1.04)	(1.45)
	l) Shortage of MIC						(1.02)
	m) Contract Labour						(0.21)
	n) Customs Duty						(0.31)
	o) Tailing Dam Expenses				(17.24)	17.24	
	p) TA/DA for Auditors					(0.01)	0.00
	q) Excavation					(8.42)	
	r) Security Expenses				(0.07)	0.00	0.01
	s) Bank Charges					0.26	(0.26)
	t) Insurance				(1.84)	(1.45)	1.45
	u) Railway Authority					(2.17)	
	v) Technical Knowhow					(0.12)	
	w) Sales of Cathode				0.39	(0.39)	
	x) VR expenses			116.37			
	y) Others			0.47	(0.48)	0.08	(0.25)
	Sub Total	**0.00**	**3.00**	**111.22**	**(73.89)**	**46.74**	**(7.72)**
D.	**Arrear Salary & Wages**						
	a)Charged in 2009-10		(330.63)	188.47	126.19	15.97	
	b)Charged in 2007-08				(193.00)	23.00	
	Sub Total	**0.00**	**(330.63)**	**188.47**	**(66.81)**	**38.97**	**0.00**
E.	**Extraordinary Items**						
	a) Fuel surcharge-Charged in 2005-06						(209.40)
	b) Water Cess- Charged in 2005-06						(80.00)
	c) Arrear Salary & Wages- Charged in 2005-06						(138.84)
	d) Arrear Salary & Wages- Charged in 2006-07					(180.21)	
	Sub Total	**0.00**	**0.00**	**0.00**	**0.00**	**(180.21)**	**(428.24)**

HINDUSTAN COPPER LIMITED							
NOTES ON ADJUSTMENTS MADE FOR STANDALONE RESTATED FINANCIAL STATEMENTS							
(₹ In Million)							**ANNEXURE- IV**
1	**Adjustments on changes in Accounting Policies and Prior period items:**						
		Three months ended	**For the Year ended**				
		30-06-2010	**31-03-2010**	**31-03-2009**	**31-03-2008**	**31-03-2007**	**31-03-2006**
F.	**Audit Qualifications**						
	a) Grant-in-aid		17.71				
	b) Provisions for Electricity duty made in 2007-08				(324.80)	19.20	19.20
	c) Provisions for Electricity duty made in 2006-07					(324.34)	24.04
	d) Provision for CWIP					(154.60)	154.60
	e) Provision for Advance Recoverable					(31.00)	31.00
	f) Provision for Asset of Closed Mine					(21.19)	21.19
	g) Provision for Claim Against Company					(25.74)	25.74
	h) Provision for diff. Water Cess					(19.27)	19.27
	Sub Total	**0.00**	**17.71**	**0.00**	**(324.80)**	**(556.94)**	**295.04**
G.	**Total adjustment (B+C+D+E+F))**	**0.00**	**(309.92)**	**299.69**	**(465.50)**	**(651.44)**	**(140.92)**
H.	**Tax Adjustments:**						
	a) Normal Tax impact of Adjustments	0.00	103.95	(59.80)	38.88	88.07	0.00
	b) Deferred Tax impact of the Adjustments						
	Sub Total	**0.00**	**103.95**	**(59.80)**	**38.88**	**88.07**	**0.00**
I.	**Total Adjustments (G+H)**	**0.00**	**(205.97)**	**239.89**	**(426.62)**	**(563.37)**	**(140.92)**
J.	**Net Adjusted Profits after Tax (A-I)**	**261.99**	**1,752.82**	**(342.98)**	**2,891.23**	**3,702.82**	**1,199.77**

ANNEXURE IVA

Adjustments to restated statement of profits and losses

A. Accounting Policy on “Voluntary Retirement Expenses” has been revised during the year 2009-10. The voluntary retirement expenses will be charged to revenue in the year of occurrence in accordance with AS 15 instead of amortizing over a period of 60 months as per earlier policy.

B. The following items of income/expenditure have been taken out from the year (s) of accountal to the respective year to which they pertain for the purpose of restatement:

1. Repair & Maintenance expenditure amounting to Rs 2.55 million accounted for in the year 2005-06 related to the year 1992-93 amounting to Rs 1.28 million and 2004-05 amounting to Rs 1.27 million taken back for adjustment against general reserve of 2004-05.

2. Contractor labour expenses amounting to Rs 0.21 million accounted for in the year 2005-06 related to the year 2004-05, taken back for adjustment against general reserve of 2004-05.

3. Custom duty amounting to Rs 0.31 million accounted for in the year 2005-06 is taken back to the year 2003-04 to which it pertains for adjustment against general reserve of 2004-05.

4. Excise duty amounting to Rs 0.02 million accounted for in the year 2005-06 is taken back to the year 2004-05 to which it pertains for adjustment in general reserve of 2004-05.

5. Diversion rate amounting to Rs 0.24 million accounted for in the year 2005-06 is taken back to the year 2004-05 to which it pertains for adjustment in general reserve of 2004-05.

6. Stores & spares amounting to Rs 1.07 million accounted for in the year 2005-06 is taken back to the year 2004-05 to which it pertains for adjustment in general reserve of 2004-05.

7. Handling & transportation charges amounting to Rs 0.31 million accounted for in the year 2005-06 is taken back to the year 2004-05 to which it pertains for adjustment in general reserve of 2004-05.

8. Income on account of Water cess credit amounting to Rs 0.09 million accounted for in the year 2005-06 is taken back to the year 2004-05 to which it pertains for adjustment in general reserve of 2004-05.

9. Refund of sales tax / entry tax amounting to Rs 1.03 million accounted for in the year 2005-06 is taken back to the year 2004-05 to which it pertains for adjustment in general reserve of 2004-05.

10. Interest income amounting to Rs 1.46 million accounted for in the year 2005-06 is taken back to the year 2004-05 to which it pertains for adjustment in general reserve of 2004-05.

11. TA/DA for auditors amounting to Rs 0.01 million accounted for in the year 2005-06 is taken back to the year 2004-05 to which it pertains for adjustment in general reserve of 2004-05.

12. Shortage of MIC at KCC amounting to Rs 1.02 million accounted for in the year 2005-06 is taken back to the year 2004-05 to which it pertains for adjustment in general reserve of 2004-05.

13. Others amounting to Rs 0.18 million accounted for in the year 2005-06 is taken back to the year 2004-05 to which it pertains for adjustment in general reserve of 2004-05.

14. Repair & Maintenance expenditure amounting to Rs 1.10 million accounted for in the year 2006-07 is taken back to the year 2005-06 to which it pertains.

15. Cenvat credit available to the company amounting to Rs 8.88 million accounted for in the year 2006-07 is taken back to the year 2005-06 to which the income pertains.

16. Stores & spares amounting to Rs 0.07 million accounted for in the year 2006-07 is taken back to

the year 2005-06 to which it pertains.

17. Handling & transportation charges amounting to Rs 2.00 million accounted for in the year 2006-07 is taken back to the year 2005-06 to which it pertains.

18. Water cess amounting to Rs 0.23 million accounted for in the year 2006-07 is taken back to the year 2005-06 to which it pertains.

19. Excavation expenditure at MCP amounting to Rs 8.42 million accounted for in the year 2006-07 is taken back to the year 1991-92 to which it pertains for adjustment against general reserve of 2004-05.

20. Depreciation amounting to Rs 0.03 million accounted for in the year 2006-07 is taken back to the year 2005-06 to which it pertains.

21. Security expenses amounting to Rs 0.01 million accounted for in the year 2006-07 is taken back to the year 2005-06 to which it pertains.

22. Excess salary paid in the year 2006-07 relates to the Year 2005-06 amounting to Rs 0.07 million is taken back to the year 2005-06 to which it pertains.

23. Technical knowhow expenditure amounting to Rs 0.12 million accounted for in the year 2006-07 is taken back to the year 2002-03 to which it pertains for adjustment against general reserve of 2004-05.

24. Refund of bank charges amounting to Rs 0.26 million accounted for in the year 2006-07 is taken back to the year 2005-06 to which it pertains.

25. TA / DA for auditor amounting to Rs 0.01 million accounted for in the year 2006-07 is taken back to the year 2005-06 to which it pertains.

26. Insurance amounting to Rs 1.45 million accounted for in the year 2006-07 is taken back to the year 2005-06 to which it pertains.

27. Payment to railway authority amounting to Rs 2.17 million accounted for in the year 2006-07 is related to 1998-99,1993-94, 2001 & 2003-04 is taken back for adjustment against general reserve of 2004-05.

28. Others income amounting to Rs 0.07 million accounted for in the year 2006-07 is taken back to the year 2005-06 to which it pertains.

29. Repair & Maintenance expenditure amounting to Rs 0.06 million accounted for in the year 2007-08 is taken back to the year 2006-07 to which it pertains.

30. Stores & spares consumption amounting to Rs 4.22 million accounted for in the year 2007-08 is taken back to the year 2006-07 to which it pertains.

31. Handling & transportation charges amounting to Rs 0.69 million accounted for in the year 2007-08 is taken back to the year 2006-07 to which it pertains.

32. Water cess amounting to Rs 1.53 million accounted for in the year 2007-08 is taken back to the year 2006-07 to which it pertains.

33. Depreciation for plant & machinery amounting to Rs 1.62 million accounted for in the year 2007-08 is taken back to the year 2006-07 to which it pertains.

34. Sales tax / entry tax amounting to Rs 0.57 million was related to the Year 2003-04 and accounted for in the year 2007-08 is taken back for adjustment against general reserve of 2004-05.

35. Security expenses amounting to Rs 0.07 million accounted for in the Year 2007-08 was related to

Year 2003-04 amounting to Rs 0.06 million and 2006-07 amounting to Rs 0.01 million is taken back for adjustment against general reserve of 2004-05 in respect of Year 2003-04 and to the year 2006-07 to which it pertains respectively.

36. Interest amounting to Rs 21.88 million Accounted for in the year 2007-08, pertains to the year 1992-93 amounting to Rs 18.00 million and for 2006-07 amounting to Rs 3.88 million are taken back for adjustment against General Reserve of 2004-05 for Rs 18.00 million and to the Year 2006-07 for Rs 3.88 to which it pertains..

37. Salary wages amounting to Rs 2.54 million accounted for in the year 2007-08 were related to the Year 1998-99 amounting to Rs 2.50 million and for the year 2006-07 amounting to Rs 0.04 million. Those are taken back for adjustment against general reserve of 2004-05 for Rs 2.50 million related to the year 1998-99 and for Rs 0.04 million related to the year 2006-07.

38. Tailing dam expenses amounting to Rs 17.24 million accounted for in the year 2007-08 is taken back to the year 2006-07 to which it pertains.

39. Sale of cathode amounting to Rs 0.39 million accounted for in the year 2007-08 is taken back to the year 2006-07 to which it pertains.

40. Discount for sale of copper amounting to Rs 24.15 million accounted for in the year 2007-08 is taken back in the year 2006-07 to which it pertains.

41. Insurance amounting to Rs 1.84 million accounted for in the year 2007-08 is taken back to the year 2004-05 to which it pertains for adjustment against general reserve of 2004-05.

42. Legal expenses(Grouped under others) amounting to Rs 0.01 million accounted for in the year 2007-08 is taken back to the year 2006-07 to which it pertains.

43. Repair maintenance expenses amounting to Rs 0.01 million accounted for in the year 2008-09 is taken back to the year 2007-08 to which it pertains.

44. Depreciation amounting to Rs 0.03 million accounted for in the year 2008-09 relates to 2006-07 for Rs 0.01 million taken back and balance Rs 0.02 million is taken back to the year 2007-08 to which it pertains.

45. Interest amounting to Rs 1.34 million accounted for in the year 2008-09 is taken back to the year 2007-08 to which it pertains.

46. The credit in Government Grant Account for Voluntary Retirement Scheme, amounting to Rs. 116.37 million has been written back as liability no longer required in the year 2008-09. This fund relates to the year 1994.95 and is taken back for adjustment against General Reserve of 2004-05.

47. GET stipend reimbursement by the Government amounting to Rs 0.47 million accounted for in the year 2008-09 is taken back as income in the year 2007-08 to which it pertains.

48. Discount for sale of copper product amounting to Rs 1.24 million accounted for in the year 2008-09 is taken back to the year 2007-08 to which it pertains.

49. Stores & spares consumption amounting to Rs 3.00 million credited in the year 2009-10 is taken back to the year 2008-09 to which it pertains.

50. Write back of undisbursed grant-in-aid (CSIR) amounting to Rs 17.71 million accounted for in the year 2009-10 to the credit of other income appearing since 1994 and is taken back as liability in the year 2009-10 since it was qualified by the auditors.

51. Pursuant to letter no. 10/4/2009-Met.III dated 22nd October 2009 regarding revision of pay scales for Executives of Board level and below Board level with effect from 1st January 2007 and a MOU signed between Management and Recognized Unions on 6th January 2010 regarding

Revision of Pay with effect from 1st November 2007, the Company paid and accounted for the dues to the employees during the year 2009-10 under 'Salary, Wages & Allowance' amounting to Rs.519.10 million. This amount relates to Financial Year 2009-10,2008-09,2007-08 & 2006-07 for Rs. 188.47 million, Rs. 188.47 million, Rs. 126.19 million & Rs. 15.97 million respectively and is taken back in the respective year which was shown under contingent liability in earlier years.

52. Pay revision of the employees of the Company has been made effective with the approval of the concerned Ministry w.e.f. 01.08.04 reckoning the base date from 01.01.1997 and 01.11.1997 for Executives and Non Executives respectively for the purpose of fixation of pay. The resultant liability amounting to Rs 180.21 million for the period 01.08.03 to 31.07.04 based upon approval of Ministry of Mines was accounted for during the year-ended 31St.March 2007 as an Extraordinary items. Further, a sum of Rs. 170.00 million has been accounted during the year 2007-08 as " Arrear Salary" under Employees Remuneration & Benefits" for the period 01.08.02 to 31.07.03. Both the amounts relate prior to 2005-06 and is taken back for adjustment against General Reserve of 2004-05.

53. Pursuant to the Office Memo No. 2(7) / 2005 DPE (WC) GL – III dated 26.02.2008 of Department of Public Enterprise and subsequent approval of Ministry of Mines vide Letter No.10(1)/2008-Met.III dated 21.05.2008 approving merger of 50% Basic Pay from existing Dearness Allowance w.e.f. 01.01.2007 for which Company has provided Rs. 115.00 million during the year 2007-08 inclusive of all other allowances having linkage to Basic Pay. Out of this amount Rs. 23.00 million relates to 2006-07 and is taken back to the year 2006-07 to which it pertains.

54. Pay revision of the employees of the Company has been made effective with the approval of the concerned Ministry w.e.f.01.08.04 reckoning the base date from 01.01.1997 and 01.11.1997 for Executives and Non Executives respectively for the purpose of fixation of pay. The resultant liability amounting to Rs 138.84 million for the period 01.08.04 to 31.03.05 has been accounted for in the Year 2005-06 as an "extraordinary item. This amount relates to prior 2005-06 and is taken back for adjustment against General Reserve of 2004-05.

55. Fuel Surcharge and Water Cess amounting to Rs. 209.40 million and Rs. 80.00 million respectively accounted for during the year 2005-06 as an Extraordinary items. Both the amounts relate to prior 2005-06 and is taken back for adjustment against General Reserve of 2004-05.

56. Pursuant to the qualification of the statutory auditor during 2005-06 regarding non provision of Rs. 154.60 million being the differential mount of written down value of pollution control plant and the market value has been provided in the accounts during 2005-06 and reversed in the next year since necessary depreciation has been provided in the subsequent years.

57. Pursuant to the qualification of the statutory auditor during 2005-06 regarding non provision of differential rate of electricity duty applicable for mines and plants for Rs. 324.43 million which has been provided in the accounts of 2005-06 to the extent of Rs. 24.04 million and the balance amount of Rs. 300.30 million relates prior to 2005-06 and has been adjusted against general reserve of 2004-05. Rs. 324.43 million has been reversed in 2006-07 since necessary adjustment has been made in that year.

58. Pursuant to the qualification of the statutory auditor during 2005-06 regarding non provision of the maintenance charges due from Government of Jharkhand on account of transfer of Mosaboni and Rakha townships including hospitals for Rs. 31.00 million has been charged to revenue during 2005-06 and reversed during 2006-07 since the amount has been adjusted subsequently.

59. Non provision of differential claim for water-cess as qualified by statutory auditor during the year 2005-06 has been provided in the accounts for Rs. 19.27 million and reversed in the next year since the amount is sub judice with Hon'ble High Court of Jharkhand. According to the management the amount is not payable and shown under contingent liability since 2006-07.

60. Pursuant to the qualification of the statutory auditor during 2005-06 regarding non provision of differential amount between book value (Rs. 69.44 million) and provisions (Rs. 48.25 million)

against closed mines at ICC including RCP, Rs. 21.19 million has been charged to revenue for the year 2005-06 and reversed in the year 2006-07 since the abovementioned assets are being used at Surda mines at present.

61. Pursuant to the qualification of the statutory auditor during 2005-06 regarding non provision of 25.74 million regarding claim from a supplier has been provided in the accounts during 2005-06 and reversed in 2006-07 since the same has been adjusted in the subsequent year.

62. Pursuant to the qualification of the statutory auditor during 2006-07 regarding non provision of electricity tariff payable to MPSEB amounting to Rs. 324.80 million upto 2006-07, Rs. 19.20 million each has been charged to revenue during 2005-06 and 2006-07 respectively and the balance amount of Rs. 286.40 million which relates prior to 2005-06 has been adjusted against general reserve of 2004-05. Earlier the amount of Rs. 324.80 million was charged to revenue in the year 2007-08, which has now been reversed, as the provision has been made in the relevant years.

ANNEXURE VA

SIGNIFICANT ACCOUNTING POLICIES FOR THE PERIOD ENDED JUN'10

1. BASIS OF ACCOUNTING :

The financial statements are prepared under historical cost convention from the books of account maintained on an accrual basis and in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India.

2. USE OF ESTIMATES :

Financial statements have been prepared based on in-house technical estimates in respect of the following :

- Allocation of service shaft expenses, underground mining expenditure between revenue and capital.
- Metal content in raw materials, WIP and finished goods.
- Credit of anode scrap generation in refinery plants.
- Mineable ore reserves in underground mines.
- Stripping ratio in open cast mines.

3. FIXED ASSETS :

3.1. Fixed assets are recorded at cost net of CENVAT and VAT credit wherever applicable less accumulated depreciation and impairment loss, if any.

3.2 Pending reconciliation/receipt of the final bills against capital items, capitalization is done on the basis of cost booked and depreciation is charged accordingly. Price differences, if any, are adjusted in the year of finalization of bills.

3.3 In respect of expenditure during construction of a new unit in a new location, all direct capital expenditure as well as all indirect expenditure incidental to construction are capitalized allocating to various items of fixed assets on an appropriate basis. Expansion programme involving construction concurrently run with normal production activities in an existing unit, all direct capital expenditure in relation to such expansion are capitalized but indirect expenditure are charged to revenue.

3.4 Expenses incurred for implementation of new projects are carried forward against respective project s till execution. Expenses rendered in fructuous on projects abandoned subsequently are provided in the Profit & Loss Account.

3.5 Physical verification of fixed assets is carried out once in every five years. Shortage/excess, if any, is provided for in the year of identification.

4. DEPRECIATION :

Depreciation on fixed assets is provided on straight line method at the rates prescribed in schedule XIV to the Companies Act, 1956. Depreciation on assets acquired prior to 1.04.93 is charged on derived rates by allocating the unamortized value over the remaining life arrived at on the basis of rates prescribed under the Schedule XIV to the Companies Act,1956. Depreciation in respect of plant & machinery and building of new project is charged from the date of commercial production.

5. GRANTS-IN-AID :

Fixed assets acquired out of funds provided by the Government by way of grants-in-aid are stated in the books at cost less depreciation and special reserve created for the same is apportioned over the life of the assets by transfer to profit and loss account.

6.IMPAIRMENT OF ASSETS :

The Company reviews the carrying amount of its fixed assets, whenever circumstances indicate that the carrying amount of the asset is less than the realizable value. The Company assesses recoverability of the carrying value of the assets by grouping assets of entire one plant as Cash Generating Unit (CGU). The Company then estimates the discounted future cash flows expected to result from CGU. If the estimated discounted future cash flow expected to result from the use of the asset are less than its carrying amount, the asset is deemed to be impaired. The amount of impairment is measured as the difference between the carrying value and fair market value.

7.MINE DEVELOPMENT EXPENDITURE :

7.1 In case of underground mines : The expenditure on development of a new mine in all cases and on subsequent development of a working mine in specified cases is capitalized and amortized on the basis of ore raised during the year and the mineable ore reserves estimated from time to time. The ore obtained during development activity is adjusted against such expenditure at its derived realizable value.

7.2 In case of working mines, **where development activities are going on simultaneously :** Expenses are apportioned between capital or revenue on the basis of in house technical estimates.

7.3 In respect of open cast mines : The expenditure on removal of waste and overburden, is capitalized and the same is amortized in relation to actual ore production during the year and the stripping ratio of the mine as determined by the company at the weighted average rate.

7.4. Expenditure incurred on exploration of new deposits is included in mine development expenditure. If the exploration activities are found to be not fruitful, the expenditure on such exploratory work included in mine development expenditure is written off in the year in which it is decided to abandon the project.

8.MAJOR OVERHAULING EXPENSES :

The expenditure attributable to major overhaul of smelter/refinery is charged to the Accounts in the year of incurrence.

9. INVENTORIES :

9.1 Stocks of raw materials, stores and spare parts, loose tools and materials-in-transit are valued at cost. Loose tools when issued are charged off to revenue.

9.2 Finished goods and work-in-process are valued at the lower of the net realizable value and weighted average cost to the unit. The cost is exclusive of financing cost, such as, interest, bank charges etc. The value of slag under work in process is taken at equivalent value to the extent credited to the process, where the said products have been generated. The reverts under work- in-process are valued at lower of cost (equivalent value of concentrates) and net realizable value.

9.3 The stock of anode slime arising from treatment and refining processes are stated at realizable value based on the year end London Metal Exchange price for gold and silver after making due adjustments of their physical recovery and the treatment and refining charges.

9.4. Liability for excise duty on finished goods in stock lying at works or warehouses is provided in the accounts and also considered in stock valuation.

9.5 The inventories out of inter-unit transfers at the close of the year are valued on the basis of cost or net realizable value whichever is lower to the transferor unit. No adjustment is made in respect of difference between the cost and transfer price for such transferred products in case of partly processed materials lying at various stages of production and finished stocks at the end of the year, since this is not practically ascertainable.

9.6 Imported materials are valued at weighted average cost. In the event where final price is not determined valuation is made on provisional cost. Variations are accounted for in the year of finalization.

9.7 Once in every three years provision is made in the accounts for non-moving stores and spares (other than insurance spares) which have not moved for more than five years.

9.8 Scraps are accounted for on realization.

10. SALES :

Sales are net of discounts other than cash discounts.

11. OTHER INCOME :

11.1 Claims :

Claims on account of liquidated damages and insurance are accounted for as and when these are realised and/or considered recoverable by the company.

11.2 Conversion charges :

Income from conversion of job work is accounted for on the basis of dispatches made .

11.3 Interest on L/C bills :

Interest up to the date of Balance Sheet on all outstanding bills is accounted for on accrual basis.

12. RETIREMENT BENEFITS :

12.1.Gratuity and Leave encashment:

Liabilities towards gratuity and leave encashment to employees as at the end of the year are provided for on the basis of actuarial valuation.

12.2. Deficit in Provident Fund:

Deficit, if any, on account of Provident Fund Trust is accounted for on the basis of accrued liability, as ascertainable on the basis of last accounts closed by the Provident Fund Trust.

13. BORROWING COST :

Interest/finance cost on loans specifically borrowed for new and expansion projects up to the start of commercial production is charged to the capital cost of the projects concerned. All other borrowing cost are charged to revenue.

14. ACCOUNTING FOR TAXES ON INCOME:

Income Tax Expense comprises current tax and deferred tax charge. Deferred Tax is recognized on timing differences, being the difference between Taxable Income and Accounting Income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax assets are recognized only if there is virtual certainty that sufficient future taxable income will be available against which deferred tax assets will be realized. Such balances of Deferred Tax Assets are reviewed as at each Balance Sheet Date to reassess the realisability thereof.

15. GENERAL :

15.1. Foreign Currency Transactions :

Transactions in foreign currencies are recognized at rates on the date of the transactions are settled. Year-end balances of receivables/payables are translated at applicable forward contract/year-end rates and resultant translation differences relating to fixed assets are adjusted against fixed assets and the balance is recognized in the Profit and Loss Account.

15.2 Contingent Liability :

Contingent Liabilities are disclosed in the Notes forming part of the accounts.

15.3 Events occurring after the Balance Sheet date :

Assets and Liabilities are adjusted for significant events occurring after the Balance Sheet date that provide additional evidences to assist the estimation of accounts relating to conditions existing at the Balance Sheet date.

15.4 Prior Period & Extra Ordinary Items:

(i) The nature and amount of prior period items (ii) extra-ordinary items are separately disclosed in the statement of Profit & Loss in a manner that their impact on the current Profit & Loss can be perceived.

15.5 Research and Development Expenditure :

Expenditure on research and development is charged off to Profit & Loss account in the year it is incurred. Expenditure on fixed assets in this regard is capitalized.

15.6 Mine Closure Expenditure :

Financial implications towards final mine closure plans under relevant Acts and Rules are technically estimated and the involvement , not being material, are charged off on actual incurrance.

16. Voluntary Retirement Expenses :

16.1. Paid out of own fund :

Voluntary Retirement expenditure incurred by the company is charged to revenue in the year of incurrence in accordance with AS-15.

16.2.Paid out of Government Grant :

Voluntary Retirement Expenditure is adjusted against Government Grant received for this purpose.

ANNEXURE VB

HINDUSTAN COPPER LIMITED

OTHER NOTES ON RESTATED FINANCIAL STATEMENTS

1. Trade Discount allowed to Customers was shown under " Other Expenses of Manufacturing, Administration, Selling & Distribution" during 2005-06 to 2007-08 has been regrouped and deducted from Sale to make Comparable with subsequent Years.

2. Expenses incurred on Voluntary Retirement scheme during 2006-07 & 2007-08 was shown under "Remuneration and benefits" has been disclosed under VRS-Expenses/Grant-in -aid in the Standalone Restatement.

3. There was a trade dispute with M/s Bhagawati Gases Ltd (BGL) in connection with an agreement to supply of gaseous oxygen at Khetri Copper Complex. The dispute was referred to arbitration. The claim of M/s BGL is for an amount of Rs 108.00 million including interest with a corresponding counter claim of Rs 53.40 million on the part of the company. The arbitral award has gone against the company. The company has filed an appeal before the Jhunjhunu Court, Rajasthan, and the same was admitted for hearing. There was no further development during the period under review. Out of the total claim of Rs 108.00 million of M/s BGL, the principal amount for Rs 68.80 million has been duly provided in the books of accounts for the period ended Jun'10. The balance amount of Rs 39.20 million has been disclosed under 'Contingent Liabilities'

4. Pursuant to the provision of M.P. Rural Infrastructure and Road Development Act 2005, the Land Revenue Department of M P has raised a demand for Rural Infrastructure and Road Development Tax amounting to Rs 446.00 million upto Dec-2009 which has been contested by the company before Hon'ble Supreme Court after an adverse judgment at Hon'ble High Court Jabalpur, M.P. Pending final judgment of Hon'ble Supreme Court, the amount has not been provided in the account however the amount has been considered under 'Contingent Liability'.

5. The Municipal Council has raised a demand on MCP/HCL amounting to Rs 704.60 million on account of Export Tax matter for the year from 2000-01 to 2005-06.The matter has been contested by the company before Hon'ble District Court, Balaghat and the same has been remanded to the Hon'ble Baihar Civil Court vide revised petition no. 6/2009 dt19.05.2010.The matter is pending for final decision before the court. Provisions for the above amount has not been made in the accounts, however, it has been included under 'Contingent Liability'.

6. There is a dispute with MP State Electricity Board regarding interest on electricity tariff amounting to Rs.1218.70 million payable at MCP which is pending for long time and the matter is presently referred back to Hon'ble High Court, Jabalpur by Hon'ble Supreme Court of India for reconsideration. The said amount has not been provided for as liability in the accounts but disclosed as a 'Contingent Liability'

7. In absence of lease agreement with the State Government in respect of certain leasehold lands, the amortization has been done for the ad hoc payment made so far. In case of certain freehold lands acquired through nationalization in accordance with Indian Copper Corporation (Acquisition of Undertaking) Act, 1972, title deeds, conveyance deed etc. is not under possession of the company.

8. In accordance with the guidelines of AS-28 on "Impairment of Assets" issued by the Institute of Chartered Accountants of India, the Company has assessed the recoverable value of its Cash Generating Units during F.Y.2009-10. Due to economic consideration, the Company suspended KCC Smelter, Refinery and Sulphuric Acid Plant from December 2008 and during the year the revaluation of Smelter, Refinery and Sulphuric Acid Plant has been conducted on recoverable value basis as on 31.03.2010 by a registered valuer. The written down value of such plants are lower than the recoverable value assessed by the said valuer. However, the Company will assess the recoverable value of the existing assets at the year end during F.Y. 2010-11. Any shortfall between the book value and the realizable value will be duly accounted for at the end of the financial year.

9. The title deeds are yet to be executed in respect of office flat at SCOPE Complex, Delhi and Jaipur

office having book value of Rs 9.00 million as on 30.06 2010. (Previous year Rs. 9.10 million).

10. The Company entered into derivative contract in the nature of forward contract for sale with an intention to hedge sale of copper in the Commodity Exchange Market to minimize LME price fluctuation. The company incurs a net loss of Rs 4.70 million and Rs.23.40 million during the quarter ended June 2010 and year ended March 2010 respectively without having any open contract at the end of the period /year which is shown under Miscellaneous Expenses.

11. At ICC, Pollution Control Plant under Package I & III amounting to Rs 210.00 million have not been capitalized for want of completion of trial / guarantee run as per terms of the contract. As a matter of prudence, a provision amounting to Rs 203.80 million upto 2009-10 has been made in the accounts to take care of efflux of time. Since the Plant has not been capitalized till now, a further provision against Capital WIP of Rs.1.60 million has been made in the period ended Jun'10.

12. The balances under the heads Sundry Creditors, Claims Recoverable, Loans, Advances and some of the Sundry Debtors are subject to confirmations.

13. None of the creditors has been reported as registered under Micro, Small and Medium Enterprise Development Act 2006 since 2007-08.

14. The Company has closed / suspended many of its mining operations located at MSB group of mines (year of closer 1997 to 2002) RCP(2001), CCP(2002), DCP (1994) and Fertilizer Plant at Khetri in (2001) due to their uneconomic operations

15. Sales for the period include FOB value of Export Sale as follows :

Rs. in Million

	June 2010	Mar. 2010	Mar. 2009	Mar 2008	Mar. 2007	Mar 2006
Export sales	190.80	361.00	744.20	754.60	781.98	418.33

16**. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS:**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The maximum amount of Gratuity has been increased from Rs.0.35 million to Rs.1.00 million for executives from 01.04.2007 and for Staff from 01.11.2007 respectively. The scheme is funded through Life Insurance Corporation of India, SBI Life Insurance Ltd and Birla Sun Life Asset Management Co. Ltd. Provision has been made based on actuarial valuation (AS 15 Revised) as follows :-

Rs. In million

June 2010	Mar. 2010	Mar. 2009	Mar 2008	Mar. 2007	Mar 2006
64.40	401.00	141.80	325.99	318.55	160.20

17 An agreement was entered with a foreign enterprise for re-commissioning and operating & maintaining Surda Mines and Mosaboni Concentrate Plant to supply and deliver entire production of copper concentrate at an agreed price to Moubhandar Workshop at ICC unit. ICC received 3129.30 MT of metal in concentrate from December'07 to March'09. The accumulated Mine Development Expenses of said mines as on 2002-03 for Rs 47.60 million was provided in the accounts due to cessation of production. Since the commercial production has started, the provisions for Mine Development Expenses for Rs. 47.60 million made earlier has been reversed during the year 2008-09 as provision no longer required and written back. For information, the estimated net realizable value at a discounted cash flow of 10% amounts to Rs.316.30 million for 7 years tenure under the above mentioned agreement. The said estimated net realizable value is more than the amount written back during the year 2008-09 which is in accordance with the guideline of Accounting Standard 28 of Institute of Chartered Accountants of India.

18. The Company in the earlier years received Government Grant for separation of employees under Voluntary Retirement Scheme (VRS) for downsizing manpower strength due to unprecedented fall in LME price of copper. The Company utilized the Government Grant in phases after recovering the amount due for gratuity from Life Insurance Corporation (LIC) out of gratuity fund for the employees opted for VRS. Since the above-mentioned grant includes gratuity payable to employees opted for VRS, the fund received from LIC remains undisbursed in grant account. The shortfall in grant fund account with LIC due to premature retirement was made good in the subsequent years by debiting Profit & Loss Account based on actuarial valuation of existing employees at the end of the each year. As a result the credit in government grant account amounting to Rs.116.40 million is represented by payment of shortfall in Gratuity Fund Account, has been written back as liability no longer required during 2008-09.

19. Liabilities appearing in respect of old sundry creditors have been reviewed by a reputed firm of Chartered Accountants during the year. After detailed study a sum of Rs 119.60 million was found to be arising from wrong adjustment / unidentified sundry creditors. The above amount has been written back during the year 2008-09 as liability no longer required.

20. Based on the recommendations of Board for Reconstruction of Public Sector Enterprises, financial restructuring proposal has been approved by the Government of India, Ministry of Mines vide letter No. 1(19)/2004-Met.III dated 30.07.2007 approving (i) Reduction of face value of Equity Shares from Rs 10/- to Rs 5/- each, (ii) Waiver of 7.5% Non Cumulative Redeemable Preference Shares amounting to Rs 1807.32 million and their adjustment against the accumulated loss to enable the Company to pursue its growth agenda and (iii) Conversion of Non-Plan Loan of Rs 500.00 million into Equity Shares of the company.

    Pursuant to the above sanction, during the year 2007-08, the Company has reduced the accumulated loss as on 31.03.2007 to the tune of Rs 4098.74 million against total amount available for reduction of loss for Rs 5648.41 million arising out of reduction of face value of shares for Rs 3841.09 million and waiver of 7.5% Non Cumulative Redeemable Preference Shares for Rs 1807.32 million respectively and balance of Rs 1549.67 million has been transferred to Capital Reserve Account. Non-Plan Loan of Rs 500.00 million has been transferred to Share Money Awaiting Allotment.

21. Pursuant to the gazette Notification No.289 and 290 dated 7.6.2005 in respect of transfer of assets of Mosaboni and Rakha township including hospital at a consideration for Rs.641.46 million which was adjusted against company’s liability towards JSEB and Government of Jharkhand on account of electricity and water cess respectively. Profit arises out of the said transfer for Rs.542.64 million taken into Profit & Loss account during 2005-06.

HINDUSTAN COPPER LIMITED							
STANDALONE STATEMENT OF ACCOUNTING RATIOS INCLUDED AS RESTATED							
(₹ In Million)							**ANNEXURE- VI**
		3 months ended	**Year ended**				
		30-06-2010	**31-03-2010**	**31-03-2009**	**31-03-2008**	**31-03-2007**	**31-03-2006**
1	(A) Restated Profit after Tax but before Extraordinary items, as restated, as per Annexure II	261.99	1,752.82	(342.98)	2,891.23	3,702.82	657.13
2	(B) Net Worth as per Annexure I	11,299.00	11,037.01	9,284.19	9,627.16	6,235.93	2,477.59
3	© No. of Equity Shares outstanding at the end of the Year	925,218,000	925,218,000	925,218,000	768,218,000	768,218,000	728,218,000
4	(D) Weighted average number of shares outstanding during the year (Basic)	925,218,000	925,218,000	855,535,808	768,218,000	741,697,452	728,218,000
5	(E) Weighted average number of shares outstanding during the year (Diluted)	925,218,000	925,218,000	925,218,000	892,431,115	779,882,384	768,218,000
6	Earning per Share (Basic)(Rs) (A/D)	0.28	1.89	(0.40)	3.76	4.99	0.90
7	Earning per Share (Diluted)(Rs) (A/E)	0.28	1.89	(0.37)	3.24	4.75	0.86
8	Return on Net Worth (%) (A/B)	2%	16%	-4%	30%	59%	27%
9	Net Asset Value per Share (Rs) (B/C)	12.21	11.93	10.03	12.53	8.12	3.40
Note: Face value of Share has been reduced from Rs. 10.00 each to Rs. 5.00 each w.e.f. 31st. March 2008.							

HINDUSTAN COPPER LIMITED		
STANDALONE STATEMENT OF CAPITALISATION AS ON 30-06-2010		
(₹ In Million)		**ANNEXURE- VII**
	Pre-issue as at 30-06-2010	**Post Issue**
Debt:		
- Short-term debt	7.54	
- Long-term debt	-	
Total Debt	7.54	
Shareholders' Funds:		
- Share Capital	4626.09	
- Reserve and Surplus	6,672.91	
- Misc. Expenditure not Written off	-	
Total Shareholders' Funds	11299.00	
Debt/Equity Ratio	0.00	
Long-term Debt/Equity	-	

HINDUSTAN COPPER LIMITED							
SUMMARY OF STANDALONE STATEMENT OF SECURED AND UNSECURED LOANS, AS RESTATED							
(₹ In Million)							**ANNEXURE- VIII**
		3 months ended	**As at**				
		30-06-2010	**31-03-2010**	**31-03-2009**	**31-03-2008**	**31-03-2007**	**31-03-2006**
A	**Secured Loans**						
	Cash Credit/ Working Capital Loans	7.54	0.53	23.03	9.83	-	48.13
	Debentures	-	-	-	-	125.00	375.00
	10.65% Bonds						1500.00
	7.50% Corporate Term Loans				1125.00		
	Total Secured Loans	**7.54**	**0.53**	**23.03**	**1134.83**	**125.00**	**1923.13**
B	**Unsecured Loans**						
	14.50% Govt of India Loan	-	-	-	-	536.25	250.00
	7.50% Corporate Term Loans					1500.00	750.00
	Short term Loan from Bank			337.34			
	Fixed Deposits	-	-	-	-	0.05	0.05
	Total Unsecured Loans	**0.00**	**0.00**	**337.34**	**0.00**	**2036.30**	**1000.05**

HINDUSTAN COPPER LIMITED						
STANDALONE STATEMENT OF TAX SHELTERS						
(₹ In Million)						**ANNEXURE- IX**
	Particulars	**30-06-2010**	**31-03-2010**	**31-03-2009**	**31-03-2008**	**31-03-2007**	**31-03-2006**
A	(i) Profit before Tax as per Audited Accounts	439.49	2,158.45	54.86	3,024.96	3,318.29	1,002.16
	(ii) Less: Adjustments	0.00	(309.92)	299.69	(465.50)	(651.44)	(140.92)
	(iii) Profit before Tax, as restated(i+ii)	439.49	2,468.37	(244.83)	3,490.46	3,969.73	1,143.08
	Tax Rate	33.22%	33.99%	11.22%	33.99%	11.22%	33.99%
	Tax at notional rate on profits	146.00	839.00	0.00	1,186.41	445.40	0.00
B	Less: Permanent Differences:						
	i) Brought forward depreciation for the purpose of MAT/ITAX		87.91		1,340.75	1,440.60	1,408.33
	ii)Adj of FBT			5.50			
	iii) Donations						5.07
C	Less: Timing Differences						
	i)Diff. between Tax & Book Depreciation	4.21	27.77	103.30	(85.71)		(93.37)
	ii)Gratuity funded	213.20	610.00				
	iii)W/back of prov disallowed earlier			155.75			
	iv) Disallowed U/s 43B				387.51	0.00	
	v) Profit/(Loss) on Sale of Assets			16.85	98.52		2.58
	vi) Development Expenditure						
D.	**TOTAL OF (B+C)**	217.41	725.68	281.40	1,741.07	1,440.60	1,322.61
E.	Add : (i)Total of disallowances under section 40 /43B of IT. Act		244.21	88.94	33.00		107.09
	(ii) Disallowed provisions	141.27	224.48	41.49	296.61	133.70	72.44
F.	Taxable Income/(Loss) [A(iii)-D+(E(i)+E(ii)]	363.35	2,211.38	(395.80)	2,079.00	2,662.83	(0.00)
G.	Tax as per Normal Provisions	120.70	751.65	0.00	706.65	298.77	0.00
H.	Less MAT credit u/s 115JAA	0.00	0.00	0.00	187.77	0.00	0.00
I.	Net Tax as per IT Act	120.70	751.65	0.00	518.88	298.77	0.00

HINDUSTAN COPPER LIMITED						
STANDALONE STATEMENT OF LOANS AND ADVANCES AS RESTATED						
(₹ In Million)						**Annexure - X**
Particulars	**As at**	**As at**				
	30-06-2010	**31-03-2010**	**31-03-2009**	**31-03-2008**	**31-03-2007**	**31-03-2006**
Loans & Advances						
Loans	1.20	1.29	1.70	13.57	14.40	15.50
Advances Recoverable in cash or in kind for value to be received	2637.88	2433.62	1261.59	249.53	213.96	233.50
Claims Recoverable	248.58	109.48	72.22	257.50	242.83	218.52
Deposits	99.58	156.46	615.96	1086.53	572.10	477.72
Balance with Customs, Port Trust etc.	120.57	185.48	1148.96	468.98	46.10	56.47
TOTAL	3107.81	2886.33	3100.43	2076.11	1089.39	1001.71
Less: Provision for Doubtful Advances and Claims	853.80	889.00	895.02	910.87	822.76	772.21
TOTAL	**2254.01**	**1997.33**	**2205.41**	**1165.24**	**266.63**	**229.50**
Particulars of Loans & Advances						
- Considered Good- Secured	1.20	0.95	1.70	2.38	3.16	4.08
- Unsecured	2252.81	1996.38	2203.71	1162.86	263.47	225.42
- considered doubtful	853.80	889.00	895.02	910.87	822.76	772.21

HINDUSTAN COPPER LIMITED						
STANDALONE STATEMENT OF SUNDRY DEBTORS AS RESTATED						
(₹ In Million)						**Annexure – XI**
Particulars	**As at**	**As at**				
	30-06-2010	**31-03-2010**	**31-03-2009**	**31-03-2008**	**31-03-2007**	**31-03-2006**
Debts outstanding for a period exceeding six months	54.28	41.48	39.21	38.85	54.33	44.72
Other Debts	611.09	1544.11	1598.57	495.87	400.76	443.85
Total	**665.37**	**1585.59**	**1637.78**	**534.72**	**455.09**	**488.57**
Less: Provision for Doubtful Debts(C)	41.74	38.07	38.30	34.55	34.41	43.67
Total	**623.63**	**1547.52**	**1599.48**	**500.17**	**420.68**	**444.90**
Particulars of Debts:						
Unsecured- Considered Good	623.63	1547.52	1599.48	500.17	420.68	444.90
- Considered doubtful	41.74	38.07	38.30	34.55	34.41	43.67

HINDUSTAN COPPER LIMITED						
STATEMENT OF INVESTMENTS AS RESTATED						
(₹ In Million)						**Annexure - XII**
Particulars	**As at**	**As at**				
	30-06-2010	**31-03-2010**	**31-03-2009**	**31-03-2008**	**31-03-2007**	**31-03-2006**
Non-trade & Unquoted at Cost						
5% Debentures in Woodland Hospital & Medical Research Centre Ltd.	0.02	0.02	0.02	0.02	0.02	0.02
UTI Treasury Advantage Fund	-	173.30	-	-	-	-
UTI Fixed Income Monthly Fund	-	100.01	-	-	-	-
UTI Fixed Income Quarterly Fund	-	30.00	-	-	-	-
LIC Savings Plus Fund	-	352.83	-	-	-	-
SBI Debt Fund Series - 90 Days	-	13.00	-	-	-	-
SBI Debt Fund Series - 370 Days	90.00	50.00	-	-	-	-
UTI Fixed Income Interval Fund	235.37	-	-	-	-	-
UTI Fixed Term Income Mutual Fund	174.56	-	-	-	-	-
UTI Short Term Income Fund	100.06	-	-	-	-	-
UTI Dynamic Bond Fund	20.00	-	-	-	-	-
UTI Liquid Cash Plan	30.00	-	-	-	-	-
LIC MF Liquid Fund	369.59	-	-	-	-	-
Total	**1019.60**	**719.16**	**0.02**	**0.02**	**0.02**	**0.02**

HINDUSTAN COPPER LIMITED						
STANDALONE DETAILS OF ITEM OF OTHER INCOME WHICH EXCEEDS 10 PERCENT OF TOTAL INCOME						
(₹ In Million)						**Annexure - XIII**
Particulars	**PERIOD ENDED**	**YEAR ENDED**				
	30-06-2010	**31-03-2010**	**31-03-2009**	**31-03-2008**	**31-03-2007**	**31-03-2006**
Sale of Scrap	8.28	45.41	47.28	21.75	120.63	20.33
Profit on sale of Fixed Assets(net)	0.26	7.65	16.84	98.52	20.10	2.58
Profit on sale of Stores(net)	1.12	5.14	1.67	0.00	-0.05	0.02
Interest on Loans, Advances, Deposits etc.	33.96	201.17	342.21	383.10	93.84	8.19
Interest Received from Customers	11.38	67.32	51.51	42.89	26.75	15.09
Claims	3.05	4.60	5.92	3.78	1.05	0.94
Provisions written back	15.41	8.32	155.75	122.13	44.64	28.82
Conversion Charges	3.48	47.49	59.19	45.69	10.23	0.41
Gain in foreign exchange variation	0.00	0.00	0.00	287.96	0.00	0.00
Dividend	7.63	2.22	0.00	0.00	0.00	0.00
Miscellaneous Income	50.67	118.07	405.18	78.99	42.07	22.00
TOTAL	**135.24**	**507.39**	**1085.55**	**1084.81**	**359.26**	**98.38**
Note: None of the items of other income exceeds 10% of the total income of the Company. However figures are provided for comparative purpose.						

HINDUSTAN COPPER LIMITED							
STANDALONE STATEMENT OF RELATED PARTY TRANSACTIONS							
List of Related Parties with whom transactions have taken place and their relationships :							
					Annexure - XIV		
(₹ In Million)							
PARTICULARS	**KEY MANAGEMENT PERSONNEL**	**30.06.2010**	**2009-10**	**2008-09**	**2007-08**	**2006-07**	**2005-06**
Total	Sri Shakeel Ahmed, CMD	0.32	0.60	-	-	-	-
Remuneration	Sri Satish C Gupta, CMD (upto 31.07.09)	-	0.46	0.97	0.81	0.71	0.33
Received	Sri M Samajpati, D(F) (upto 21.10.09)	-	0.63	1.06	0.68	0.61	0.56
	Sri P Swarup, D(OP) (upto 31.01.07)	-	-	-	-	0.90	0.53
	Sri D Satapathy, D(P) (upto 31.07.09)	-	0.72	1.00	0.75	0.71	0.26
	Sri K D Diwan, D(OP)	0.36	2.01	0.94	0.39	-	-
	Sri R C Singla, D(M) (upto 31.12.09)	-	1.87	0.09	-	-	-
	Sri Anupam Anand, D(P)	0.30	0.87	-	-	-	-
	Sri Avijit Ghosh, D(M) (from 01 06 2010)	0.10	-	-	-	-	-

HINDUSTAN COPPER LIMITED							
STANDALONE SUMMARY OF CONTINGENT LIABILITIES							
(₹ In Million)							**Annexure - XV**
Sl No.	**Particulars**	**As at**	**As at**				
		30-06-2010	**31-03-2010**	**31-03-2009**	**31-03-2008**	**31-03-2007**	**31-03-2006**
1	Estimated amount of capital commitments	61.10	104.80	324.00	210.10	629.84	269.40
2	Other money for which the company is contingently liable :						
	i) Arrear Salary & Allowances	-	60.40	0.00	0.00	0.00	0.00
	ii) Sales Tax	60.20	58.10	54.10	41.56	42.94	34.76
	iii) Excise Duty	814.10	784.90	764.10	816.62	1345.80	1622.16
	iv) Others	2946.70	2569.50	2730.50	2037.14	2402.44	2421.64

FINANCIAL INDEBTEDNESS

Set forth below is a brief summary of our current significant financing arrangements. As on the date of this Draft Red Herring Prospectus, our Company has not drawn down any amounts for these facilities.

A. Secured Loans

State Bank of India, Punjab National Bank, United Bank of India, Indian Overseas Bank, State Bank of Hyderabad, Syndicate Bank and State Bank of Bikaner & Jaipur ("**Consortium**") entered into a *inter se* agreement dated November 22, 2007 for sanctioning working capital facilities to our Company. Our Company and the Consortium entered into a joint deed of hypothecation on November 22, 2007 in relation to creating security for such working capital facilities. Syndicate Bank ceased to be a member of the Consortium pursuant to July 30, 2008. The details of the facilities provided by each member of the Consortium are provided below:

Lender	Details	Nature of Facility	Interest rate	Security
State Bank of India	Sanction letter dated December 9, 2009	(i) Fund based working capital loan including cash credit, working capital demand loan, export packing credit and packing credit in foreign currency of ₹ 951.50 million and (ii) non-fund based working capital including letter of credit, bank guarantee, letter of credit capex and foreign currency /derivatives of ₹ 2,920.00 million.	For cash credit: at State Bank Advance rate ("**SBAR**"). For pre-shipment credit: 3% below SBAR For export packing credit and packing credit in foreign currency: 3.5% above six months London Interbank Offered Rate ("**LIBOR**")	(i) For cash credit: first charge on our Company's raw materials, stock-in-trade, finished goods, stores and spares, export/domestic receivables, present and future on *pari passu* basis with other consortium members. (ii) For letter of credit: merchandise under letter of credit and indemnity of our Company, and extension of charge over assets mentioned in (i). (iii) For bank guarantee: counter guarantee of our Company and extension of charge over assets mentioned in (i).
State Bank of Bikaner & Jaipur	Sanction letter dated February 10, 2010	(i) Working capital limit of ₹ 300 million; (ii) letter of credit of ₹ 325 million and (iii) bank guarantee ₹ 17.00 million	0.50% below Benchmark Prime Lending Rate ("**BPLR**")	(i) For working capital: first charge by way of hypothecation of our Company's raw materials, stock-in process, finished goods, semi finished goods, stores, spares and book-debts and other current assets on *pari passu* basis among consortium banks. (ii) For letter of credit: demand draft/invoices and documents of title to goods covering procurement of domestic/imports of raw materials, consumable spares, stores, spare parts and machinery items for routine maintenance, repairs etc., extension of charge over assets as mentioned in (i), application and indemnity letter and documents under usance letter of credit will be delivered against the trust receipt as prescribed.
State Bank of Hyderabad	Sanction letter dated December 19, 2008 and extension letter dated July 30,	(i) Cash credit limit of ₹ 80 million; (ii) letter of credit of ₹ 390 million; (iii) bank guarantee of ₹ 9 million;	(i) For cash credit: 0.75% below State Bank of Hyderabad Prime Lending Rate.	(i) For cash credit: hypothecation of our Company's entire present and future current assets including raw materials, work in

Lender	Details	Nature of Facility	Interest rate	Security
	2010	and (iv) bill discounting limit of ₹ 900 million.		progress, finished goods, consumables stores and spares, book debts and other current assets. (ii) For bank guarantee: counter indemnity from the borrower in respect of every bank guarantee and extension of charge over assets as mentioned in (i).
Punjab National Bank	Sanction letter dated October 20, 2008 and extension letter dated June 30, 2010	(i) Inland bill discount (letter of credit) of ₹ 500 million; (ii) cash credit of ₹ 84.50 million; (iii) inland/foreign letter of credit of ₹ 230 million; and (iv) letter of guarantee of 4 million.	For cash credit: SBAR For Inland Bill Discount: BPLR less 0.25%	(i) For cash credit: hypothecation of our Company's entire present and future current assets including raw materials, work in process, finished goods, consumables, stores/spares, book-debts and other current assets ranking *pari passu* with the charges created/to be created in favour of other consortium member(s). (ii) Inland/foreign letter of credit: Deposit Payment/ Deposit Acceptance bills accompanied by full sets of bills of lading including chartered party bill of lading. Air consignment notes and other related papers covering consignments of raw materials, stores/spares, capital goods for the utilization of our Company and extension of charge over assets as mentioned in (i). (iii) For letter of guarantee: counter indemnity from our Company and extension of charge over assets as mentioned in (i). (iv) For Inland Bill Discount: bills drawn by our Company against letters of credit of approved banks.
Indian Overseas Bank	Sanction letter dated June 5, 2009 and extension letter dated July 30, 2010	(i) Cash credit/working capital demand loan of ₹ 215 million; (ii) inland usance bill discount of ₹ 250 million; (iii) letter of credit (inland/foreign) of ₹ 560 million; (iv) letter of credit for capital goods of ₹ 90 million; and (v) letter of guarantee of ₹ 12 million.	(i) For cash credit/working capital demand loan: BPLR less 0.50% (ii) inland usance bill discount: BPLR less 3%	(i) For cash credit: hypothecation of inventory and book debts and other currents on *pari passu* with consortium member banks. (ii) For inland usage bill discount: Accepted hundies/documents of title goods. (iii) For letter of credit for capital goods: documents of title to goods, accepted hundies and merchandise covered under the letter of credit. (iv) For letter of guarantee: counter guarantee of our Company and extension of charge over assets as mentioned in (i).
United Bank of India	Sanction letter dated November 26, 2009	(i) Cash credit limit of ₹ 219 million; (ii) non fund based letter of credit (I&F)	For cash credit: BPLR less 0.50%	(i) For cash credit: first charge on entire inventories, receivables and other current

Lender	Details	Nature of Facility	Interest rate	Security
		of ₹ 460 million; (iii) non fund based letter of credit (capital goods) of ₹ 60 million; and (iv) letter of guarantee of ₹ 7.50 million		assets of our Company, both present and future, ranking *pari passu* with other consortium banks. (ii) For letters of credit: hypothecation of goods procured under letters of credit until payment of bills and extension of charge over assets as mentioned in (i). (iii) for Letter of guarantee: counter guarantee of our Company and extension of charge over assets as mentioned in (i).

The interest rates for the above mentioned facilities range between 11% to 11.75% per annum. Under the terms of the above-mentioned secured loans, we have undertaken to provide a written notice to our lenders in the event of:

(i) Effect any change in our capital structure;
(ii) Formulate any scheme of amalgamation or reconstruction;
(iii) Undertake any new project, implement any scheme of expansion or acquire fixed assets except those indicated in the funds flow statement submitted from time to time;
(iv) Invest by way of share capital in or lend or advance funds to or place deposits with any other concern (including group companies); normal trade credit or security deposits in the normal course of business or advances to employees can, however, be extended;
(v) Enter into borrowing arrangement either secured or unsecured with any other bank, financial institution, company or otherwise or accept deposits apart from the arrangement indicated in the funds flow statements submitted from time to time;
(vi) Undertake any guarantee obligation on behalf of any other company (including group companies);
(vii) Declare dividends for any year out of the profits relating to that year or of the previous years;
(viii) Create any charge, lien or encumbrance over its undertaking or any part thereof in favour of any financial institution, bank, company firm or persons;
(ix) Sell, assign, mortgage or otherwise dispose of any of the fixed assets charged;
(x) Enter into any contractual obligation of a long-term nature or affecting our Company financially to a significant extent;
(xi) Change the practice with regard to remuneration of directors by means of ordinary remuneration or commission, scale of sitting fees etc.
(xii) Undertake any trading activity other than the sale of products arising out of its own manufacturing operations;
(xiii) Permit any transfer of the controlling interest or make any drastic change in the management set-up;
(xiv) Repay monies brought in by the promoter/directors/principal shareholders and their friends and relatives by way of deposits/loans/advances. Further, the rate of interest, if any, payable on such deposits/loans/advances should be lower than the rate of interest charged on its term loan and payment of such interest will be subject by regular repayment of installments under term loans granted/deferred payment guarantees executed by the bank or other repayment obligations if any due from our Company to the bank.

Further, our Company has also undertaken:

(i) not to induct on its Board a person whose name appears in the willful defaulters list of Reserve Bank of India/Credit Information Bureau (India) Limited.

Our Company received a letter dated August 21, 2010 from State Bank of India enclosing the minutes of the Consortium meeting dated July 14, 2010 where the Consortium provided its consent to this Issue and the consequent change in capital structure.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our Company's financial condition and results of operations together with our restated financial statements which appear in this Draft Red Herring Prospectus. Unless otherwise stated, the financial information used in this section is derived from our audited restated financial statements as on and for the three month period ended June 30, 2010; and the audited restated financial statements as on and for the fiscal years ended March 31, 2010, 2009 and 2008. Our audited restated financial statements have been derived from our audited financial statements. The Company has no subsidiaries and our fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal year are to the twelve-month period ended March 31 of that year. Our Company has gone through three restructurings, in 1999, 2002 and 2008, respectively.

Our historical financial statements as well as the following discussion may be of limited value to a prospective investor in evaluating our prospects or deciding whether to purchase our Equity Shares. We currently operate three copper ore mining complexes – KCC at Khetrinagar in Jhunjhunu district of the State of Rajasthan, ICC at Ghatsila in Purbi Singhbhum district of the State of Jharkhand and MCP at Malanjkhand in Balaghat district of the State of Madhya Pradesh, each of which consists of several copper ore mines and their own beneficiation plants, and one copper extrusion plant in Taloja in the State of Maharashtra –TCP. Each of KCC and ICC also has its own smelting and refining facilities, of which the KCC facilities are currently non-operational. We plan to expand from our current production level of approximately 3.21 million MTPA to an expected mining capacity of at least 12.41 MTPA by the end of fiscal 2017. This expansion plan includes (i) expanding our existing mines, namely the Malanjkhand mine of MCP, the Khetri mine and Kolihan mine of KCC as well as the Surda mine of ICC, (ii) reopening some of our mines that were closed in the past and renewing our mining leases, namely the Kendadih mine and Rakha mine of ICC and (iii) establishing new mines, namely the Banwas mine at KCC and the Chapri-Sideshwar mine at ICC.

The audit report for our audited financial statements on and for the year ended March 31, 2010, is qualified in two instances: (i) the balances under "Sundry Creditors, Claims Recoverable, Loans, Advances" and the "Sundry Debtors" remain as per their book balance because these amounts cannot be quantified at this stage; and (ii) we have credited the ₹ 17.71 million remaining balance of the Grant-in-Aid we received from the GoI from time to time for reimbursement to the Council of Scientific & Industrial Research, Bhubaneswar, which has remained undisbursed since 1994, to other income, but the auditors have not received any documentary evidence for same. The effect of these qualifications on the profit as well as assets and liabilities of the Company could not be ascertained for want of details in respect of (i) above and the profit has been over stated to the extent of ₹17.71 million as regard (ii) above. The qualification in respect of (i) above was also present for our audited financial statements and our audited restated financial statements as on and for the three months ended June 30, 2010.

In addition, in their audit report to our audited restated financial statements, our auditors have drawn our attention to (a) a contingent liability related to our pending disputes before the Honorable Supreme Court on account of demand against us raised by the Land Revenue Department MP towards Rural Infrastructure and Road Development Tax, amounting to ₹446.00 million; (b) a contingent liability related to our pending disputes before various courts on account of demand raised by the Municipal Council, MCP towards Export Tax of ₹ 704.60 million; and (c) a contingent liability related to our pending disputes before the Honorable High Court, Jabalpur on account of demand raised by MP State Electricity Board towards Interest on electricity tariff of ₹ 1,218.70 million.

*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 the section "**Risk Factors**" on page xiii.*

OVERVIEW

We are the only operating copper ore producing mining company in India. We are also the only vertically integrated producer of primary refined copper in India (*Source: Annual Report (2009-10), Ministry of Mines* ("**MoM**"), *Government of India* ("**GoI**")). India has a large imbalance between its copper smelting/refining capacity and its copper ore mining capacity. The refined copper production capacity in India for fiscal 2010 was more than 1 million tonnes of copper, requiring approximately 100 million tonnes of copper ore (assuming a copper content of 1%). The copper ore production in India for fiscal 2010 was approximately 3.21 million tonnes. As we are the only operating copper ore producing mining company in India and have access to over two-thirds of India's copper ore reserves, this presents an attractive growth opportunity for us.

Our principal activities include mining of copper ore, concentration of copper ore into copper concentrate through a beneficiation process and also smelting, refining and extruding of the copper concentrate into refined copper in downstream saleable products. Other than selling refined copper products principally in the form of continuous cast wire rods, wire bars and copper cathodes, we also sell surplus copper concentrate. In addition, we sell by-products generated through the copper manufacturing process including anode slime containing gold and silver and sulphuric acid. Our principal operations include three copper ore mining complexes – the Khetri Copper Complex ("**KCC**") at Khetrinagar in Jhunjhunu district, Rajasthan, the Indian Copper Complex ("**ICC**") at Ghatsila in East Singhbhum district, Jharkhand and the Malanjkhand Copper Project ("**MCP**") at Malanjkhand in Balaghat district, Madhya Pradesh – each of which consists of one or more copper ore mines and their own beneficiation plants. Each of KCC and ICC also has its own smelting and refining facilities, of which the KCC facilities have been shut down for economic reasons. We also have a copper extrusion plant at Taloja in Maharashtra, TCP.

As on April 1, 2010, we have access to over two-thirds of the copper ore reserves in India, with an average of 1.05% copper content. IMC-SRGC has reviewed and classified our mineral reserves and resources in accordance with the Australasian Joint Ore Reserves Committee's Code for Reporting of Mineral Resources and Ore Reserves (the "**JORC Code**"). IMC-SRGC has assessed our copper reserves and resources as follows:

Copper Reserves

Copper Reserves Summary as on April 1, 2010[1]						
Group of Mines	Proved		Probable		Total	
	Tn (Mn tonne)	Gr (%Cu)	Tn (Mn tonne)	Gr (%Cu)	Tn (Mn tonne)	Gr (%Cu)
KCC	25.98	1.01	18.27	1.30	44.25	1.13
ICC	58.07	1.20	63.55	1.27	121.61	1.24
MCP	103.90	0.88	141.76	0.99	245.66	0.95
Grand Total	187.95	1.00	223.58	1.10	411.53	1.05

[1]*See "**Industry Overview**" on page 54] for a discussion on copper reserves and copper resources.*

Copper Resources

Copper Resources Summary as on April 1, 2010[1]								
	Measured		Indicated		Measured + Indicated		Inferred	
Group of Mines	Tn (Mn tonne)	Gr (%Cu)	Tn (Mn tonne)	Gr (%Cu)	Tn (Mn tonne)	Gr (%Cu)	Tn (Mn tonne)	Gr (%Cu)
KCC	25.19	1.22	23.94	1.42	49.13	1.32	45.74	1.27
ICC	74.07	1.08	84.87	1.06	158.93	1.07	37.92	1.05
MCP	160.21	0.95	107.71	1.00	267.92	0.97	63.67	0.95
Grand Total	259.47	1.01	216.51	1.07	475.98	1.04	147.33	1.08

[1]*See "**Industry Overview**" on page 54] for a discussion on copper reserves and copper resources.*

As on April 1, 2010 our total copper resources including measured, indicated and inferred resources stand at 623.31 million tonnes with average grade of 1.05%.

Set forth below is a chart of our Company's key production and sales volumes for each of the last three fiscal years and the three month period ended June 30, 2010.

Copper Production and Sales

	Fiscal						Three months ended June 30,	
	2010		2009		2008		2010	
(In thousand tonnes)	Production	Sales	Production	Sales	Production	Sales	Production	Sales
Copper ore	3,205	Nil	2,983	Nil	3,245	Nil	852.15	Nil
Copper concentrate[1]	28.202	10.134	27.589	3.540	31.378	Nil	8.392	2.468
Refined copper products:								
Continuous cast rods	29.711	29.475	33.410	33.336	42.536	42.378	3.299	3.587
Cathode	17.516	1.241	30.036	2.359	44.734	3.006	3.140	0.064
By-products:								
Anode Slime	0.025	0.025	0.068	0.080	0.081	0.075	0.00316	0.014
Sulphuric Acid	9.934	9.233	27.316	23.819	41.990	42.187	0.970	0.679

[1]*Copper concentrate figures are given as tonnage of metal in copper concentrate as per the industry practice*

We expect that copper concentrate, rather than refined copper products, will be our primary product in the future. We plan to expand our current production level of approximately 3.21 MTPA to an expected mining capacity of at least 12.41 MTPA by the end of fiscal 2017. This expansion plan includes (i) expanding our existing mines, namely the Malanjkhand mine of MCP, the Khetri mine and Kolihan mine of KCC as well as the Surda mine of ICC, (ii) reopening some of our mines that were closed in the past and renewing our mining leases, namely the Kendadih mine and Rakha mine of ICC and (iii) establishing new mines, namely the Banwas mine at KCC and the Chapri-Sideshwar mine at ICC. In addition, for long term growth prospects, we have applied for certain additional mining leases ("**MLs**"), prospecting licenses ("**PLs**") and reconnaissance permits ("**RPs**") in the States of Jharkhand, Madhya Pradesh, Haryana and Rajasthan. We have also received a notification dated November 7, 2000 from the MoM, that the area falling under Patwari Circle Nos. 35, 36, 37 and 38 of Baihar Taluka, District Balaghat, Madhya Pradesh has been reserved for undertaking prospecting or mining operations by our Company.

We have started processing of low grade sulphide ore (average copper content of 0.3% or less) due to buoyancy in copper prices and are working on a research & development project to exploit low grade sulphide ores through bio-leaching technology at MCP.

We also plan to seek alternative revenue sources from waste material such as waste rock and copper tailings generated from our mining operations at MCP and KCC. We believe we can market and sell waste rock generated through our mining operations at MCP and KCC, as well as market and sell copper tailings produced from our mining operations as micro-nutrients, to diversify our income stream. These new products are expected to provide additional sources of income to our Company without significant increases in our operating cost.

Our Company was incorporated in 1967. We are a public company controlled by the GoI, with our registered office located in Kolkata. Our Company was conferred "*Mini Ratna – Category I*" status by the GoI in 2008, which provides, among other things, greater financial autonomy to our Board of Directors.

For fiscal 2010, and the three month period ended June 30, 2010, sales of refined copper products accounted for approximately 75% and 58% of our revenue, respectively, whereas sale of copper concentrate accounted for approximately 22% and 33% of our revenue, respectively. For fiscal 2010, and the three month period ended June 30, 2010, we had consolidated total revenues of ₹ 13,807.0 million and ₹ 2,469.1 million, profit before tax of ₹ 2,158.4 million and ₹ 439.5 million and profit after tax of ₹ 1,546.8 million and ₹ 262.0 million, respectively.

2008 Restructuring

Our Company has gone through three restructurings, in 1999, 2002 and 2008, respectively. In the third restructuring approved by the MoM on April 16, 2008, our paid-up equity share capital was reduced from ₹ 7,682.18 million to ₹ 3,841.09 million, and our entire preference share capital amounting to ₹ 1,807.32 million was waived. The paid-up equity share capital was reduced by way of canceling equity share capital of the Company of ₹ 384,10,90,000, by canceling ₹ 5 per equity share in each and every issued equity share of the Company.

DESCRIPTION OF SELECTED INCOME STATEMENT LINE ITEMS

Revenue

Our total income currently comprises:

- sales of copper concentrate and refined copper;
- sales of by-products, including anode slime containing gold and silver, copper sulphate, sulphuric acid;
- other income;
- internal issue, which represents the cost of the products which are consumed internally (e.g. sulphuric acid produced at ICC is internally consumed by our refining plant at ICC;
- grant-in-aid, which is the amount received from the GoI as a grant for the separation of employees who opted for voluntary retirement. The same amount is also considered in our income statement as an expense; and
- increase/decrease in stock of finished goods, which is the difference between our "closing stock" lying at our plants or shipping/depot areas at the end of the period and the "opening stock" of the same at the beginning of the next period.

Sales of Copper Concentrate, Refined Copper and By-Products

Our operations can be broadly divided into two categories: (i) copper ore mining, which includes copper concentrate production, and (ii) refined copper production. Currently, we sell (i) copper concentrates, (ii) refined copper products principally in the form of copper cathodes and continuous cast wire rods, and (iii) other by products generated through the copper manufacturing process, including anode slime containing gold and silver, copper sulphate and sulphuric acid. We sell our copper concentrate pursuant to global tenders (i.e. auction) resulting in short term contracts, at prices which are based on the LME monthly average copper prices. Copper concentrate prices are quotes as LME price minus TcRc charges. Therefore, the winning bidder is the one who quotes the smallest TcRc charge. We sell our refined copper products off-the-shelf at a price equal to an average LME copper cash settlement price over a certain period, plus a premium that we set on a monthly basis. Our customers pick the period over which the average LME copper cash settlement price is based – weekly, fortnightly or monthly. For our by-products, we sell our anode slime through the global tendering/auctioning process, based on monthly average LME price for gold and silver content in anode slime. For copper sulphate and sulphuric acid, we sell it off-the-shelf and set our prices on a monthly basis. See "***Industry Overview—Global Copper Pricing***" on page 58] for more information. In the past we have sold a small quantity of our refined copper products in the export market. As we expand our current production level of approximately 3.21 MTPA to an expected mining capacity of at least 12.41 MTPA by the end of fiscal 2017, we expect to derive income primarily from the sale of copper concentrate to copper refiners in India and internationally. We also intend to increase the proportion of copper concentrate we sell in the future under long term contracts after our expansion. On the other hand, sales based on short term contracts will allow us to capture better market rates and respond to the fluctuations in copper concentrate demands, including responding to price increases and shortages. Sales based on short term contracts may, however, create additional variability in our revenues and could expose our business to risks of market fluctuations in the demand for and price of copper concentrate.

Pricing

Price of copper concentrate is quoted in terms of the metal contained in the concentrate and referred to as copper metal-in-concentrate prices. Volume of copper concentrate sold is also quoted in terms of the metal contained in the concentrate sold.

Globally, copper is traded on the LME and most industry participants, from miners to traders to refiners, base their prices on the LME price of copper. The price of copper concentrate is generally determined by the LME price for copper minus the amounts charged to treat and refine the copper. The treatment charge reflects the smelting process and is normally expressed in US dollars per dry metric tonne of concentrate material. The copper refining charge reflects the electrolytic refining process and is normally expressed in US cents per pound of payable copper. In many cases, the charge is established as an individual, combined value called the treatment charges and refining charges ("**Tc/Rcs**"), expressed in US cents per pound of payable copper. Tc/Rcs are generally negotiated bi-annually between mining and refining companies and are dependent on the oversupply or deficit of copper concentrates in the market, not by the real cost for carrying out the refining processes. If there is an oversupply of concentrates as compared with global smelting capacity, smelters will demand higher Tc/Rcs, and vice versa. We currently sell our copper concentrate based on LME monthly average prices and our refined copper products based on LME cash settlement price based on its weekly, fortnightly or monthly average copper prices.

By-products like anode slime is sold through a global tendering/auctioning process, based on monthly average LME price for gold and silver content in anode slime. Prices of sulphuric acid are linked to the cost of imported sulphur, with some potential premium, depending upon market conditions. Copper sulphate is sold on the basis of its copper content, and its price is tied to the LME copper price. For both copper sulphate and sulphuric acid, we sell it off-the-shelf and set our prices on a monthly basis

During fiscals 2010, 2009 and 2008, we sold approximately 36%, 13% and 0%, respectively, of the copper concentrate we produced on a "global tender" basis and we sold approximately 99.20%, 99.78% and 99.63%, respectively, of the refined copper products we produced on the LME cash settlement price based on its weekly, fortnightly or monthly average copper prices. A large portion of the copper concentrate we produced are further refined into refined copper products. During the three month period ended June 30, 2010, we sold 29% of the copper concentrate we produced on a "global tender" basis and all of our refined copper products produced were sold on the LME cash settlement price based on its weekly, fortnightly or monthly average copper prices.

The average price we received for sales of copper concentrate and refined copper products for the different periods are as follows:

Year ended	Copper metal-in-concentrate average net price /per ton (In ₹)*	Refined copper products average net price /per ton (In ₹)*
March 31, 2008	N/A**	338,588
March 31, 2009	168,493	296,374
March 31, 2010	280,165	316,759
June 30, 2010***	288,071	369,692

* *Net of all duties – excise duties and other sales tax.*

** *We internally consumed all our copper concentrate production and therefore did not sell any copper concentrate in fiscal 2008*

*** *For three-month period ended June 30, 2010*

Other Income

Our other income consists primarily of interest on loans, advances and deposits; interest received from customers; conversion charges and miscellaneous income. Interest on loans and advances is the interest received on loans provided to employees for purchase of house, land car and so on. Interest on deposits is the interest received on deposits with the respective state electricity boards. Interest received from customers is the interest on the amount due for our products calculated from the time of placing the order to the time of making the payment. Conversion charges include the income we earn when we toll and extrude for third parties their copper cathodes into wire rods. Miscellaneous income covers income we receive from various sources, including rent, electricity charges and vehicle charges recovered from employees and others, on behalf of whom we make payments for such items and then subsequently recover from them, penalties and liquidated damages from contractors for default in performance of contractual obligations and others.

Expenditures

Operating expenditures

Expenditures for our mines and extrusion plant primarily consist of the fixed costs associated with operating our copper mines and extrusion plant (mainly materials spares and components, labor costs, manufacturing and administrative expenses, depreciation and taxes) and variable costs comprising of costs of energy, water and other consumables.

Expenses related to and incurred during the development of a copper mine, largely with respect to removal of rock, soil and other materials during the process of digging the mine, are capitalized and shown as "mine development expenditure" on our balance sheet as an asset. The mine development expenditure is subsequently amortized on the basis of the quantity of ore produced from that mine. Capital work-in-progress relates to expenses incurred in setting up our plants and machineries prior to the start of operations at these plants. It includes expenses incurred in relation to our stores, spares, contractual expenses, employees, depreciation, interest and administrative expenses. These expenses are capitalized and shown as “capital work-in-progress” on our balance sheet as an asset and is subsequently depreciated each year pursuant to the rates prescribed in the Company’s Act.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations and financial condition have been and will continue to be affected by a number of factors, including those set forth in ***“Risk Factors***” on page xiii] and the following factors, some of which may not be within our control and/or may not be indicative of future results of operations.

LME Price for Copper and TcRc Charges

We sell our copper concentrate on a “global tender” basis and our refined copper products on an off-the-shelf basis. The prices we sell our copper concentrate at and the prices we charge for our copper products are based on the LME price for copper.

The average selling price of our copper concentrate, as presented in copper metal-in-concentrate, was approximately ₹ 280,165 per tonne for fiscal 2010 and ₹ 288,071 for the three months ended June 30, 2010. The average selling price of our refined copper products was approximately ₹ 316,759 per tonne for fiscal 2010 and ₹ 369,692 for the three months ended June 30, 2010.

We sell our copper concentrate based on the LME prices minus the prevailing TcRc charges. We sell our refined copper products at a premium to LME price for the relevant quotation period, which is affected by global demand and supply of refined copper and prevailing freight costs. We price refined copper at the landed cost of imported metal that reflects LME, regional premiums, import duties and current exchange rates.

LME copper prices have been volatile in the past. Sharp declines in the LME copper price have caused us to suspend mining, smelting and refining operations in the past and were largely responsible or us undergoing government restructuring three times in the past 15 years. Although we hedge a small part of our exposures of our copper business to LME price fluctuations, there is no assurance that these hedging activities will adequately protect us from price fluctuations. In fact, currently available hedging products in India only provide a coverage duration of no more than six months. Consequently, our revenue and results of operation have been and will continue to be subject to the effects of fluctuations in the LME copper prices. We expect this volatility for the LME copper prices to continue to affect our profitability.

Production volume/Sales volume

We generate most of our revenue by (i) mining and selling copper concentrate to our customers; and (ii) refining our copper concentrate into refined copper products and selling the refined copper products. We produced and sold 10,134 tonnes of copper metal-in-concentrate and 30,716 tones of refined copper products in fiscal 2010. We produced and sold 2,468 tones of copper metal-in-concentrate and 3,651 tones of refined copper products for the three months ended June 30, 2010.

With the large imbalance between copper concentrate production in India and the refining capacity within India, we believe that our copper concentrate sales volume will be largely dependent upon our production capacity. We plan to expand from our current production level of approximately 3.21 MTPA to an expected mining capacity of at least 12.41 MTPA by the end of fiscal 2017. Our refined copper products sales volume will be largely dependent upon the capacity of our refining plant at ICC. The following table sets forth our actual production and sales in terms of tonnage, for the periods indicated:

(In metric tonnes)	Three Months Ended June 30, 2010	Fiscal Year 2010	2009	2008
Production				
Copper Metal-in-Concentrate	8,392	28,202	27,589	31,378
Refined Copper – Cathode	3,140	17,516	30,036	44,734
Refined Copper – Wire Rod	3,299	29,711	33,410	42,536
Sales				
Copper Metal-in-Concentrate	2,468	10,134	3,540	-
Refined Copper – Cathode	64	1,241	2,359	3,006
Refined Copper – Wire Rod	3,587	29,475	33,336	42,378

Production Cost/Cost of Sales

An important factor that affects our profitability is our production costs/cost of sales. Our cost of sales is comprised of our materials spares and components, employees' remuneration and benefits, other expenses of manufacturing, administration, selling and distribution, mining royalties and amortization of mine development expenditures.

Our average total cost of product sold per ton for copper metal-in-concentrate was ₹ 0.1378 million, ₹ 0.14056 million, ₹ 0.1300 million and ₹ 0.1010 million, for the three months ended June 30, 2010 and for fiscal 2010, 2009 and 2008, respectively.

Our average total cost of product sold per ton for refined copper products was ₹ 0.257 million, ₹ 0.258 million, ₹ 0.277 million and ₹ 0.241 million, for the three months ended June 30, 2010 and for fiscal 2010, 2009 and 2008, respectively. The key factors impacting our production costs for copper concentrate include variations in production volume, and the cost of power, fuel and labor. The key factors impacting our production costs for refined copper products include variations in production volume, and the cost of power, fuel and labor.

Duties and Taxes

Our operations in India are subject to various applicable duties, incentives, royalties and taxes and as a result, are significantly affected by changes in import duties, export incentives and taxes. The pricing of copper concentrate as well as refined copper products in India are determined with reference to landed cost of imports and customs duties would influence our average selling prices and hence our profitability.

Import Duties

The import of refined copper products in India currently attracts a basic duty of 5.0%. The customs duty on imported refined copper products was reduced in stages from 35.0% in February 2002 to the current level of 5.0%. The basic import duty on copper concentrate was also brought down from 5.0% to 2.0% effective January 22, 2007. Imports in India also attract an additional surcharge of 3.0% of the applicable duties.

Though the import duty rates have been reduced substantially over the years, the Government of India may reduce import duties even further and the timing and extent of such reductions cannot be predicted. Any such reduction will have a direct impact on domestic pricing and profitability of our operations.

Taxes and Royalties

Our results of operations are affected by the income tax we pay on our profits and, to a lesser extent, on dividend distributions. Income tax on Indian companies is currently charged at a statutory rate of 33.22%, including a surcharge of 7.50% and education cess of 2.0% and higher education cess of 1.0%. The Indian corporate tax rate and surcharges thereon were at 33.99%, 33.99% and 33.66%, respectively, for the financial years 2010, 2009, and 2008, respectively.

We are also subject to other government royalties and taxes. We pay royalties on the copper ore we mine to the respective local State Government based upon volume of production in the particular State. The Government of India can change the amount of the royalty, but cannot do so more than once every three years. Presently, we pay a royalty of 4.50% of the value of the metal contained in the ore mined, based on LME prices.

Capacity Expansion

One of our key strategies is to expand our copper mining capacity. We are in the process of expanding our mining capacities from approximately 3.21 MTPA to approximately 12.41 MTPA by the end of fiscal 2017. This expansion plan includes (i) expanding our existing mines, namely the Malanjkhand mine of MCP, the Khetri mine and Kolihan mine of KCC as well as the Surda mine of ICC, (ii) reopening some of our mines that were closed in the past and renewing our mining leases, namely the Kendadih mine and Rakha mine of ICC and (iii) establishing new mines, namely the Banwas mine at KCC and the Chapri-Sideshwar mine at ICC. Upon completion of these expansion projects, we expect that copper concentrate, rather than refined copper products, will be our primary product. Accordingly, we expect to derive our revenue primarily from the sale of copper concentrate. After the completion of our expansion plans, we expect to benefit from increased economies of scale and improved efficiency, which will have a positive impact on our gross margins. However, these expansions is also expected to increase our depreciation and mine development expenditure amortization expenses and may also increase our interest expense should we need to finance these expansion initiatives with debt. The completion dates for these expansion projects are estimates and may be subject to delay as a result of a number of factors, many of which are out of our control. See "***Risk Factors***" on page xiii.

CRITICAL ACCOUNTING POLICIES

Our financial statements have been prepared in accordance with Indian GAAP. The financial statements are prepared on an accrual basis as a going concern under historical cost convention to comply with the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act. Our significant accounting policies are set forth in Annexure VA to our restated audited financial statements beginning on page 137. Indian GAAP requires that we adopt accounting policies and make estimates that our Directors believe are most appropriate in the circumstances for the purposes of giving a true and fair view of our results of operations and the understanding of our financial condition and results of operations. In particular, our financial statements have been prepared based on in-house estimates of the following:

- Allocation of service shaft expenses, underground mining expenditure between revenue and capital.
- Metal content in raw materials, WIP and finished goods.
- Credit of anode scrap generation in refinery plants.
- Mineable ore reserves in underground mines.
- Stripping ratio in open cast mines.

The preparation of our financial statements requires us to make difficult and subjective judgment in selecting the appropriate estimates and assumptions that affect the amounts reported in our financial statements. By their nature, these judgments are subject to an inherent degree of uncertainty. These judgments are based on our historical experience, terms of existing contracts, our observance of trends in the industry and information available from other outside sources, as appropriate. There can be no assurance that our judgments will prove correct or that actual results reported in future periods will not differ from our expectations reflected in our accounting treatment of certain items.

While we believe that all aspects of our financial statements should be studied and understood in assessing our current and expected financial condition and results, we believe that the following critical accounting policies warrant additional attention:

Fixed Assets

Fixed assets are recorded at cost net of Central Value Added Tax (CENVAT) and Value Added Tax (VAT) credit wherever applicable less accumulated depreciation and impairment loss, if any. For capital items, pending reconciliation/receipt of the final bills, capitalization is done on the basis of cost booked and depreciation is charged accordingly. Price differences, if any, are adjusted in the year of finalization of bills.

In respect of expenditure during construction of a new mine in a new location, all direct capital expenditure as well as all indirect expenditure incidental to construction are capitalized allocating to various items of fixed assets on an appropriate basis. Expansion program involving construction concurrently run with normal production activities in an existing mine, all direct capital expenditure in relation to such expansion are

capitalized but indirect expenditure are charged to revenue.
Expenses incurred for implementation of new projects are carried forward against respective projects until execution. Expenses on projects that are abandoned subsequently are charged to our Profit and Loss statement in the year the project was abandoned.

Physical verification of fixed assets is carried out once in every five years. Shortage/excess, if any, is provided for in our financial statements in the year of identification.

Depreciation

Depreciation on fixed assets is taken pursuant to a straight line method at the rates prescribed in schedule XIV to the Companies Act, 1956. Depreciation on assets acquired prior to April 1, 1993, is charged on derived rates by allocating the unamortized value of the asset over its remaining life, which is derived on the basis of rates prescribed under Schedule XIV to the Companies Act,1956. Depreciation in respect of plant and machinery and buildings of new projects are charged from the date of commercial production.

Grants-In-Aid

Fixed assets acquired out of funds provided by the Government by way of grants-in-aid are stated in the books at cost less depreciation and special reserve created for the same is apportioned over the life of the assets by transfer to profit and loss account.

Impairment Of Assets

We review the carrying amount of our fixed assets, whenever circumstances indicate that the carrying amount of the asset is less than the realizable value. We assess recoverability of the carrying value of the assets by grouping assets of the entire plant as a Cash Generating Unit (CGU). We then estimate the discounted future cash flows expected to result from that CGU. If the estimated discounted future cash flow expected to result from the use of the asset is less than its carrying amount, the asset is deemed to be impaired. The amount of impairment is measured as the difference between the carrying value and fair market value.

Mine Development Expenditure

In case of underground mines, the expenditure on development of a new mine in all cases and on subsequent development of a working mine in specified cases is capitalized and amortized on the basis of ore raised during the year and the mineable ore reserves estimated from time to time. The ore obtained during development activity is adjusted against such expenditure at its derived realizable value. In case of working mines, where development activities are going on simultaneously, expenses are apportioned between capital or revenue on the basis of in-house technical estimates.

For open cast mines, the expenditure on removal of waste and overburden is capitalized and the same is amortized in relation to actual ore production during the year and the stripping ratio of the mine as determined by us at the weighted average rate.

Expenditure incurred on exploration of new deposits is included in mine development expenditure. If the exploration activities are found to not be fruitful, the expenditure on such exploratory work included in mine development expenditure is written off in the year in which the Company decided to abandon the project.

Major Overhauling Expenses

The expenditure attributable to major overhaul of smelter/refinery taken as a charge in the year of incurrence.

Inventories

Stocks of raw materials, stores and spare parts, loose tools and materials-in-transit are valued at cost. Loose tools when issued are charged off to revenue.

Finished goods and work-in-process are valued at the lower of the net realizable value and weighted average cost to the unit. The cost is exclusive of financing cost, such as, interest, bank charges . . . etc. The value of slag under work in process is taken at the equivalent value to the extent credited to the process, where the said products have been generated. The reverts under work- in-process are valued at lower of cost (equivalent value of concentrates) and net realizable value. Revert is the metal which is remaining at the surface of a ladle at the time of pouring the liquid metal into converter/Anode Furnace.

The stock of anode slime arising from treatment and refining processes are stated at realizable value, based on the year end LME price for gold and silver after making due adjustments of their physical recovery and the treatment and refining charges.

Liability for excise duty on finished goods in stock lying at our plants or warehouses is provided for in our accounts and also considered in stock valuation.

The inventories out of inter-unit transfers at the close of the year are valued on the basis of cost or net realizable value, whichever is lower to the transferor unit. No adjustment is made in respect of the difference between the cost and transfer price for such transferred products in the case of partly processed materials lying at various stages of production and finished stocks at the end of the year, since this is not practically ascertainable.

Imported materials are valued at weighted average cost. In the event where final price is not determined, valuation is made on provisional cost basis. Variations are accounted for in the year of finalization of the cost.

Once every three years, provision is made in the accounts for non-moving stores and spares (other than insurance spares) which have not moved for more than five years. Scraps are accounted for on realization.

Sales

Sales are net of discounts other than cash discounts.

Other Income

Claims on account of liquidated damages and insurance are accounted for as and when they are realized and/or considered recoverable by the Company.

Income from our converting cathode into continuous cast wire rods for third parties is accounted for on the basis of dispatches made.

Interest up to the Balance Sheet date on all outstanding bills is accounted for on accrual basis.

Retirement Benefits

Liabilities towards gratuity and leave encashment to employees as at the end of the year are provided for on the basis of actuarial valuation.

Deficit, if any, on account of Provident Fund Trust is accounted for on the basis of accrued liability, as ascertainable on the basis of last accounts closed by the Provident Fund Trust.

Borrowing Cost

Interest/finance cost on loans specifically borrowed for new and expansion projects up to the start of commercial production is charged to the capital cost of the projects concerned. All other borrowing cost are charged to revenue.

Accounting For Taxes On Income

Income tax expense comprises current tax and deferred tax charges. Deferred tax is recognized on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized only if there is virtual certainty that sufficient future taxable income will be available against which deferred tax assets will be realized. Such balances of deferred tax assets are reviewed as on each Balance Sheet Date to reassess the realizability thereof.

Foreign Currency Transactions

Transactions in foreign currencies are recognized at exchange rates on the date the transactions are settled. Year-end balances of receivables/payables are translated at applicable forward contract/year-end rates and resultant translation differences relating to fixed assets are adjusted against fixed assets and the balance is recognized in the Profit and Loss Account.

Research and Development Expenditure

Expenditure on research and development is charged off to Profit and Loss account in the year it is incurred. Expenditure on fixed assets in this regard is capitalized.

Mine Closure Expenditure

Financial implications towards final mine closure plans under relevant Acts and Rules are technically estimated and the involvement, not being material, are charged off on actual incurrence.

Voluntary Retirement Expenses

Voluntary retirement expenditure incurred by the Company is charged to revenue in the year of incurrence in accordance with AS-15. Voluntary retirement expenditure is adjusted against government grants received with regards to voluntary retirement expenses.

RESULTS OF OPERATIONS

The following table sets forth selected information from our results of operations as a percentage of total income for the periods presented:

	Three Month Period Ended June 30, 2010		**Fiscal Year**					
			2010		**2009**		**2008**	
	Amount	**Percentage of Total Income**	**Amount**	**Percentage of Total Income**	**Amount**	**Percentage of Total Income**	**Amount**	**Percentage of Total Income**
	(₹ in million)	**(%)**	**(₹ in million)**	**(%)**	**(₹ in million)**	**(%)**	**(₹ in million)**	**(%)**
INCOME								
Gross Sales	2,487.75	100.75	14,298.48	103.56	13,491.00	113.82	18,397.91	106.80
Less: Discount	3.13	0.13	143.5	1.04	194.72	1.64	267.36	1.55
Less: Excise Duty	226.7	9.18	1,109.8	8.04	1,394.79	11.77	2,458.15	14.27
Net Sales	**2,257.92**	**91.45**	**13,045.18**	**94.48**	**11,901.49**	**100.46**	**15,672.40**	**90.98**
Internal Issue	—	—	—	—	—	—	22.36	0.13
Other Income	135.24	5.48	507.39	3.67	1,085.55	9.16	1,084.81	6.30
Grant-In-Aid	—	—	—	—	—	—	17.69	0.10
Increase/(Decrease) in Stock of Finished Goods, Semi-Finished and In process	75.95	3.08	254.46	1.84	(1,133.85)	(9.57)	429.72	2.49
Total Income	**2,469.11**	**100.00**	**13,807.03**	**100.00**	**11,853.19**	**100.00**	**17,226.98**	**100.00**
EXPENDITURE								
Materials Spares & Components	285.07	11.55	5,049.94	36.58	4,995.98	42.15	6,944.82	40.31
Employees' Remuneration & benefits	702.02	28.43	2,874.46	20.82	2,146.19	18.11	2,134.85	12.39
Other Expenses of Manufacturing, Administration, Selling & Distribution	747.71	30.28	2,844.57	20.60	3,923.53	33.10	3,459.49	20.08
Excise Duty	—	—	—	—	—	—	4.62	0.03
VRS Expenses – Grant-In-Aid	—	—	—	—	—	—	17.69	0.10
Amortization of Mine Development Expenditure	171.33	6.94	631.49	4.57	549.00	4.63	660.49	3.83
Total Expenditure before Interest, Depreciation and Tax	**1,906.13**	**77.20**	**11,400.46**	**82.57**	**11,614.70**	**97.99**	**13,221.96**	**76.75**
Profit before Depreciation, Interest & Tax	**562.98**	**22.80**	**2,406.57**	**17.43**	**238.49**	**2.01**	**4,005.02**	**23.25**

	Three Month Period Ended June 30,		Fiscal Year					
	2010		2010		2009		2008	
	Amount	Percentage of Total Income	Amount	Percentage of Total Income	Amount	Percentage of Total Income	Amount	Percentage of Total Income
	(₹ in million)	(%)	(₹ in million)	(%)	(₹ in million)	(%)	(₹ in million)	(%)
Depreciation	44.28	1.79	178.90	1.30	188.22	1.59	158.42	0.92
Interest	2.34	0.09	34.93	0.25	68.14	0.57	280.11	1.63
Provision Losses & Write Off	76.87	3.11	55.00	0.40	41.49	0.35	465.50	2.70
Prior Years' Net Debit/(Credit)	—	—	(20.71)	(0.15)	(114.22)	(0.96)	76.03	0.44
Profit before Tax & Extraordinary Items	**439.49**	**17.80**	**2,158.45**	**15.63**	**54.86**	**0.46**	**3,024.96**	**17.56**
Provision for Tax:								
Income Tax- Current Year	120.70	4.89	647.70	4.69	59.80	0.50	480.00	2.79
-Deferred Tax	56.80	2.30	(36.10)	(0.26)	92.65	0.78	76.95	0.45
-Fringe Benefit	—	—	—	—	5.50	0.05	3.40	0.02
Total Tax	**177.50**	**7.19**	**611.60**	**4.43**	**157.95**	**1.33**	**560.35**	**3.25**
Profit/(Loss) after Tax & before Extraordinary Items	**261.99**	**10.61**	**1,546.85**	**11.20**	**(103.09)**	**(0.87)**	**2,464.61**	**14.31**
Extraordinary Income	—	—	—	—	—	—	—	—
Extraordinary Expense	—	—	—	—	—	—	—	—
Net Profit/(Loss) After Extraordinary Items	**261.99**	**10.61**	**1,546.85**	**11.20**	**(103.09)**	**(0.87)**	**2,464.61**	**14.31**
Total Adjustment After Tax Impact	—	—	(205.97)	(1.49)	239.89	2.02	(426.62)	2.48
NET PROFIT/(LOSS) AS RESTATED	**261.99**	**10.61**	**1,752.82**	**12.70**	**(342.98)**	**(2.89)**	**2,891.23**	**16.78**

Results for the three month period ended June 30, 2010

Our results of operations for the three month period ended June 30, 2010 were primarily driven by the following key factors:

- increase in the LME copper price;
- increase in our production of copper concentrate; and
- decrease in our production of refined copper products due to breakdown of the ICC smelter.

Income

Our total income, comprising of net sales, other income and increase in stock of finished goods was ₹ 2,469.11 million for the three month period ended June 30, 2010.

Net Sales

Our net sales for the three month period ended June 30, 2010 was ₹ 2,257.92 million, comprising of gross income from sales of our products in the amount of ₹ 2,487.75 million less discount in the amount of ₹ 3.13 million and excise duty in the amount of ₹ 226.7 million. Discounts are offered to customers on the basis of total quantity purchased in a month and vary from period to period depending upon the mix of customers and the total quantity sold. Excise duty is a tax on production and is levied on the basic selling price. It is a separate charge in the invoice over and above the basic selling price. We collect the excise duty from our customers and deposit it to the Central Excise Department. Our net sales for the three month period ended June 30, 2010, comprised 91.45% of our total income. Our net sales for this period was negatively impacted by the stoppage of work due to a breakdown of our smelter plant at ICC resulting from a fire in the ICC transformer, which impacted our operations at the ICC smelter plan for a month.

Other Income

Other income was ₹ 135.24 million for the three month period ended June 30, 2010, primarily derived from interest on loans, advances and deposits, dividend income from investments and miscellaneous income. This amount also included certain provisions that were taken as charges in prior years that were reversed and hence, they were written back and taken as an income item. One situation was the selling of a discarded asset, which required the reversion of the charge originally taken when we discarded the asset.

Expenditure

Our total expenditure before interest, depreciation and tax for the three month period ended June 30, 2010 was ₹ 1,906.13 million, comprising of spares and components costs, personnel costs, manufacturing and other costs and amortization costs. As a percentage of total income, total expenditure before interest, depreciation and tax was 77.20% for the three month period ended June 30, 2010. Since we sell most of our products based on LME prices, there is not a lot of correlation between our total income and the cost basis for our products.

The breakdown of total expenditure before interest, depreciation and tax is summarized below:

Material, Spares and Components Costs

Material, spares and components costs were ₹ 285.07 million for the three month period ended June 30, 2010, primarily comprising of the stores and spares consumption and raw materials consumption. As a percentage of total income, materials, spares and components costs was 11.55% for the three month period ended June 30, 2010.

Employees' Remuneration and Benefits

Personnel costs were ₹ 702.02 million for the three month period ended June 30, 2010, comprising of the salary of staff and wages of workers, including employee related expenses. As a percentage of total income, personnel costs were 28.43% for the three month period ended June 30, 2010.

Other Expenses of Manufacturing, Administration, Selling & Distribution

Manufacturing and other costs were ₹ 747.71 million for the three month period ended June 30, 2010, comprising of power and fuel costs, selling expenses, distribution expenses, insurance expenses, communication expenses, traveling and conveyance expenses, legal and consultancy fees and other overhead costs. We entered into derivative contract in the nature of forward contract for sale with an intention to hedge sale of copper in the Commodity Exchange Market to minimize LME price fluctuation. We incurred a net loss of Rs 4.70 million during the three month ended June 30, 2010, without having any open contract at the end of the period. As a percentage of total income, manufacturing and other costs were 30.28% for the three month period ended June 30, 2010.

Amortization Costs

Amortization costs were ₹ 171.33 million for the three month period ended June 30, 2010, primarily comprising of amortization costs for our operating mines. As a percentage of total income, amortization costs was 6.94% for the three month period ended June 30, 2010.

Depreciation

Depreciation was ₹ 44.28 million for the three month period ended June 30, 2010, primarily comprising of depreciation expense for our mining equipment and plant and machineries. As a percentage of total income, depreciation expense was 1.79% for the three month period ended June 30, 2010.

Interest

Interest were ₹ 2.34 million for the three month period ended June 30, 2010, comprising wholly of interest on working capital bank loans. As a percentage of total income, interest were 0.09% for the three month period ended June 30, 2010.

Provision for Losses & Write-Off

Our provision for losses and write-off was ₹ 76.87 million for the three month period ended June 30, 2010, primarily comprising of arbitration award against the Company amounting to ₹ 68.80 million. As a percentage of total income, provision for losses and write-off were 3.11% for the three month period ended June 30, 2010.

Profit before Tax & Extraordinary Items

As a result of the foregoing, profit before taxation was ₹ 439.49 million for the three month period ended June 30, 2010, which was 17.80% of total income for this period.

Provision for Tax

The provision for tax was ₹ 177.50 million for the three month period ended June 30, 2010. The primary components of our tax liabilities for the three month period ended June 30, 2010 were current tax (the provision for which is made based on the estimated taxable income for the relevant period in accordance with the Income Tax Act, 1961) of ₹ 120.70 million and deferred tax (which reflects the deferred tax liability on account of timing differences between the accounting profits and taxable profits for the relevant period) of ₹ 56.80 million.

Net Profit/(Loss) Before Restatement

As a result of the foregoing, the net profit after tax was ₹ 261.99 million for the three month period ended June 30, 2010. As a percentage of total income, net profit after tax was 10.61% for the three month period ended June 30, 2010.

Comparison of fiscal 2010 and fiscal 2009

Our results of operations for fiscal 2010 were primarily driven by the following key factors:

- beginning of global economic recovery;
- increase in LME copper price; and
- increase in our production/sales volumes.

Income

Our total income increased 16.48% to ₹ 13,807.03 million in fiscal 2010 from ₹ 11,853.19 million in fiscal 2009. The reason for the increase is summarized below:

Net Sales

Net sales increased by 9.61% to ₹ 13,045.18 million in fiscal 2010 from ₹ 11,901.49 million in fiscal 2009, as a result of an increase in gross sales of products, a change in our product mix sold with an increase in copper concentrate sold and a decrease in discount and excise duty. The increase in gross sales was primarily due to higher LME copper prices. Due to an increase in LME prices, the average price for our copper metal-in-concentrate sold increased by 66% to ₹ 280,165 per tonne in fiscal 2010 from ₹ 168,493 per tonne in fiscal 2009. The table below sets forth the change in our product mix sold:

Sales Quantity	Fiscal 2010 (In Tonnes)	Fiscal 2009 (In Tonnes)
Copper Metal-In-Concentrate	10,134	3,540
Refined Copper – Cathode	1,241	2,359
Refined Copper – Wire Rod	29,475	33,336
Refined Copper – Wire Bars	-	19
Anode Slime	25	80
Sulphuric Acid	9,233	23,819
Total	50,108	63,153

The decrease in discounts was due to a change in our sales policy and a change in the mix of customers, resulting in customers buying smaller quantities at a time and therefore receiving less discount. The reduction in excise duty was primarily due to the reduction in rate of excise duty from 10.30% in fiscal 2009 to 8.24% in fiscal 2010 and a decrease in volume of production.

Other Income

Other income decreased by 53.26% to ₹ 507.39 million in fiscal 2010 from ₹ 1,085.55 million in fiscal 2009.

This decline was mainly due to a substantial decrease in the amount of income received from loans, advances and deposits resulting from a decrease in the total outstanding loans to our employees and a decrease of our miscellaneous income. The decrease in our miscellaneous income was mainly due to a relatively large write back of provisions in fiscal 2009 which did not happen in fiscal 2010. One such large write back was for old sundry creditors, to the extent of ₹ 119.60 million in fiscal 2009. The below table provides details of the write-back provisions:

(₹ in million)

Details of Write Back of Provisions	Fiscal 2010	Fiscal 2009
Sales of discarded assets	1.10	49.00
Mine development expenses of Surda Mine	-	47.61
ICC managed school (teacher salary)	-	47.94
Others	7.22	11.20
Total	8.32	155.75

Expenditure

The total expenditure before interest, tax and depreciation decreased slightly by 1.88% to ₹ 11,400,46 million in fiscal 2010 from ₹ 11,614.70 million in fiscal 2009. As a percentage of total income, our total expenditure before interest, tax and depreciation decreased to 82.57% for fiscal 2010 from 97.99% for fiscal 2009. Since we sell most of our products based on LME prices, there is not a lot of correlation between our total income and the cost basis for our products. The reasons for the decrease are summarized below:

Material, Spares and Components Costs

Material, spares and components costs increased by 1.08% to ₹ 5,049.94 million in fiscal 2010 from ₹ 4,995.98 million in fiscal 2009, primarily as a result of increase in ore production and an increase in consumption of purchased cathode. We purchase cathode to manufacture wire rods and identify the cost of such purchases as "consumption of purchased cathode". Consumption of purchased cathode in fiscal 2010 was 13,455 tonnes, as compared to 5,516 tonnes consumed in fiscal 2009. As a percentage of total income, the spares and components costs decreased to 36.58% in fiscal 2010 from 42.15% in fiscal 2009.

(₹ in million)

Details of Material, Spares & Components	Fiscal 2010	Fiscal 2009
Raw materials consumed	4,251.35	4,067.16
Stores and spares consumed	798.58	928.82
Total	5,049.93	4,995.98

Employees' Remuneration and Benefits

Personnel costs increased by 33.93% to ₹ 2,874.46 million in fiscal 2010 from ₹ 2,146.19 million in fiscal 2009, primarily due to increase in provision for arrear salary and wages and increase in actuarial valuation of gratuity and leave encashment. Arrear salary and wages provided for in fiscal 2010 was ₹ 519.10 million. Actuarial valuation of gratuity and leave encashment was ₹ 401.00 million in fiscal 2010 as compared to ₹141.80 million in fiscal 2009. As a percentage of total income, the personnel costs increased to 20.82% in fiscal 2010 from 18.11% in fiscal 2009.

Other Expenses of Manufacturing, Administration, Selling & Distribution

Our manufacturing and other costs decreased by 27.50% to ₹ 2,844.57 million in fiscal 2010 from ₹ 3,923.53 million in fiscal 2009, primarily due to a reduction in energy costs and other manufacturing expenses, including having no major overhauling expenses in fiscal 2010, and also because of a substantial reduction in our tolling operations. This reduction in tolling operations was because we had quite a bit of surplus quantity of revert and slack concentrates, a type of by-products, during fiscal 2009 which we processed into copper cathodes. This excess quantity was not available in fiscal 2010 and therefore, we did not have as much tolling operations in fiscal 2010. We also entered into derivative contracts for sale of copper on the Commodity Exchange Market, in the nature of forward contracts, to hedge our exposure to LME price fluctuations. We incurred a net loss of Rs 23.40 million during fiscal 2010 on these derivative contracts, without having any open contracts at the end of the period. We incurred a net loss of Rs 7.34 million during fiscal 2009 on these derivative contracts, without having any open contracts at the end of the period. These losses are included in the "Other Expenses of

Manufacturing, Administration, Selling & Distribution” line item as “Others”. As a percentage of total income, our manufacturing and other costs decreased to 20.60% in fiscal 2010 from 33.10% in fiscal 2009. The table below provides further details on our other manufacturing expenses:

(₹ in million)

Details of Other Manufacturing Expenses	Fiscal 2010	Fiscal 2009
Power & Fuel	1,230.93	1,744.14
Repair & Maintenance	254.73	239.31
Royalty & Cess	373.39	262.48
Handling & Transportation	354.42	356.90
Tolling Charges	10.77	174.88
Major Overhauling Expenses	-	131.31
Loss on Exchange Fluctuations	-	163.89
Others	620.33	850.62
Total	2,844.57	3,923.53

Amortization Costs

Amortization costs increased by 15.03% to ₹ 631.49 million in fiscal 2010 from ₹ 549.00 million in fiscal 2009, primarily due to an increase in ore production, as we take amortization charges based on the amount of ore produced from each mine. Amortization as a percentage of total income decreased slightly to 4.57% in fiscal 2010 from 4.63% in fiscal 2009.

Depreciation

Depreciation decreased by 4.95% to ₹ 178.90 million in fiscal 2010 from ₹ 188.22 million in fiscal 2009. The decrease in depreciation was due to the cessation in providing for depreciation expense on certain old machinery, since they had attained a written down value of 5% of the original cost. Depreciation as a percentage of total income decreased slightly to 1.30% in fiscal 2010 from 1.59% in fiscal 2009.

Interest

Interest decreased by 48.74% to ₹ 34.93 million in fiscal 2010 from ₹ 68.14 million in fiscal 2009, primarily due to the repayment of the short-term bank loan in the amount of ₹ 337.34 million and a decrease in working capital loans. Furthermore, we pay interest on letters of credit when we import copper concentrate, which is listed as “Others” in the table below. Since we did not import copper concentrate in fiscal 2010, we did not pay any interest on letters of credit during that year. As a percentage of total income, interest decreased to 0.25% in fiscal 2010 from 0.57% in fiscal 2009. The below table provides further details on the breakdown of our interest expense:

(₹ in million)

Details of Interest Expense	Fiscal 2010	Fiscal 2009
Cash credit	2.16	9.15
7.50% corporate term loan	-	8.53
Others (including interest on imported concentrate)	32.77	50.47
Total	34.93	68.15

Provision for Losses & Write-off

Provision for losses & write-off increased by 32.56% to ₹ 55.00 million in fiscal 2010 from ₹ 41.49 million in fiscal 2009, primarily due to increases in write-off for our loss of fixed assets and capital work-in-progress and for our non-moving stores and spares, off-set by decreases in write-off for doubtful debt, advances and claims, for finished stock and work in progress and for stores discrepancies. The following table provides further details on the changes for our provision for losses and write-offs:

(₹ in million)

Details of Provision for Losses & Write-Off	Fiscal 2010	Fiscal 2009
Stores discrepancies	4.03	13.21
Doubtful debts, advances & claims	1.67	15.54
Loss of fixed assets and capital work-in-progress	26.45	0.81
Non-moving stores & spares	22.85	1.06

Details of Provision for Losses & Write-Off	Fiscal 2010	Fiscal 2009
Finished stock & work in progress	-	10.87
Total	55.00	41.49

Prior Years' Net Debit/(Credit)

Certain of our income or expenditures are not provided for in the year when they were accrued or incurred due to error or omission. When discovered, these income or expenditures would be provided for in the then current year as "prior years' net debit/(credit)". Our prior years' net debit/(credit) increased 81.87% to ₹ (20.71) million in fiscal 2010 from ₹ (114.22) million in fiscal 2009 mainly due to the write back for grant-in-aid for VRS which we took in fiscal 2009 with no corresponding charge in fiscal 2010. The following table provides further details on the changes for our prior years' net debit/(credit):

(₹ in million)

Details of Prior Years' Net Debit/(Credit)	Fiscal 2010	Fiscal 2009
Expenditure – rebate/discount & others	-	2.70
Income – write back grant-in-aid for VRS	-	(116.40)
Income – write back of grant-in-aid for scientific research	(17.71)	-
Income – others	(3.00)	(0.52)
Total	(20.71)	(114.22)

Profit before Tax & Extraordinary Items

As a result of the foregoing, profit before taxation increased by 3,834.47% to ₹ 2,158.45 million in fiscal 2010 to ₹ 54.86 million in fiscal 2009. As a percentage of total income, profit before tax increased to 15.63% in fiscal 2010 from 0.46% in fiscal 2009.

Provision for Tax

The provision for tax liabilities increased by 287.21% to ₹ 611.60 million in fiscal 2010 from ₹ 157.95 million in fiscal 2009, as a result of an increase in provision for current income tax (the provision is made based on the estimated taxable income for the relevant period in accordance with Income Tax Act, 1961) and a decrease in deferred tax (which reflects the deferred tax liability on account of timing differences between the book profits and taxable profits for the relevant period). Provision for current tax increased by 983.11% to ₹ 647.70 million in fiscal 2010 from ₹ 59.80 million in fiscal 2009, primarily due to an increase in our profit before tax in fiscal 2010. Provision for deferred tax was ₹ 92.65 million in fiscal 2009 as compared to a benefit of ₹ 36.10 million in fiscal 2010, and was primarily due to timing differences between our recording this provision pursuant to the Companies Act, but pay for such deferred tax according to the Income Tax Act. Further details on the provision for tax is set forth in the below table:

(₹ in million)

Details of Provision for Tax	Fiscal 2010	Fiscal 2009
Difference between provision made in accounts and as per Income Tax Act	(34.50)	49.20
Difference between Written Down Value (WDV) in accounts and as per Income Tax Act	(1.60)	43.45
Total	(36.10)	92.65

Net Profit/(Loss) Before Restatement

As a result of the foregoing and primarily due to a substantial increase in our total income and profit before tax, net profit after tax was ₹ 1,546.85 million in fiscal 2010 as compared to a loss of ₹ 103.09 million in fiscal 2009.

Comparison of fiscal 2009 and fiscal 2008

Our results of operations for fiscal 2009 were primarily driven by the following key factors:

- the global economic downturn;
- decrease in LME copper price; and

- decrease in our production/sales volumes in fiscal 2009, mainly due to (i) the loss of production in the form of low volume of ore milled and low ore grade for 1.5 months at our MCP complex resulting from water shortages; and (ii) decrease in copper cathode production due to the shut down of our KCC smelter in December 2008.

Income

Our total income decreased by 31.19% to ₹ 11,853.19 million in fiscal 2009 from ₹ 17,226.98 million in fiscal 2008. The reason for the decrease is summarized below:

Net Sales

Net sales decreased by 24.06% to ₹ 11,901.49 million in fiscal 2009 from ₹ 15,672.40 million in fiscal 2008, primarily due to a decrease in gross sales of products and a decrease in excise duty. The reduction in excise duty was primarily due to reduction in sales value. The decrease in gross sales was primarily due to lower LME copper prices, as well as decreased production and sales volumes of refined copper products as a result of closure of our KCC smelter and refinery in December 2008 with the corresponding reduction in supply of copper cathodes to our TCP plant for extrusion into wire rods. Due to a decrease in LME copper prices, the average price of our refined copper products decreased by 12.47% to ₹ 296,374 per tonne in fiscal 2009 from ₹ 338,588 per tonne in fiscal 2008. The table below sets forth the change in our product mix sold:

Sales Quantity	**Fiscal 2009 (In Tonnes)**	**Fiscal 2008 (In Tonnes)**
Copper Metal-In-Concentrate	3,540	-
Refined Copper – Cathode	2,359	3,006
Refined Copper – Wire Rod	33,336	42,378
Refined Copper – Wire Bars	19	-
Anode Slime	80	75
Sulphuric Acid	23,819	42,187
Total	63,153	87,646

Other Income

Other income increased slightly by 0.07% to ₹ 1,085.55 million in fiscal 2009 from ₹ 1,084.81 million in fiscal 2008. Our liability in foreign currency at the end of fiscal 2007 was booked at the US dollar/Rupee exchange rate in effect on March 31, 2007. When this same liability was paid during fiscal 2008, Rupee was substantially stronger and the amount of Rupee required to pay our foreign currency liability was reduced. Therefore, we booked the difference as "gain in foreign exchange variation" in fiscal 2008; a similar event did not occur in fiscal 2009. Our miscellaneous income increased substantially from fiscal 2008 to fiscal 2009 due to writing back certain charges taken in prior periods for old sundry creditors, which were determined to no longer be liabilities. This write back in fiscal 2009 amounted to ₹ 119.60 million.

Expenditure

The total expenditure before interest, tax and depreciation decreased by 12.16% to ₹ 11,614.70 million in fiscal 2009 from ₹ 13,221.96 million in fiscal 2008. As a percentage of total income, our total expenditure before interest, tax and depreciation increased to 97.99% for fiscal 2009 from 76.75% for fiscal 2008. Since we sell most of our products based on LME prices, there is not a lot of correlation between our total income and the cost basis for our products. The reasons for the decreased in total expenditure are summarized below:

Material, Spares and Components Costs

Spares and components costs decreased by 28.06% to ₹ 4,995.98 million in fiscal 2009 from ₹ 6944.82 million in fiscal 2008, primarily as a result of a decrease in raw materials consumed, off set by a slight increase in the stores and spares consumed. Raw materials consumption decreased from fiscal 2008 to fiscal 2009 due to our consuming less purchased copper concentrate. In fiscal 2009, we consumed 35,317 tonnes of purchased copper concentrate. In fiscal 2008, we consumed 65,617 tonnes of purchased copper concentrate. As a percentage of total income, the materials, spares and components costs increased to 42.15% in fiscal 2009 from 40.31% in fiscal 2008. The table below provides further information regarding our materials, spares and components.

(₹ in million)

Details of Material, Spares & Components	Fiscal 2009	Fiscal 2008
Raw materials consumed	4,067.16	6,127.22
Stores and spares consumed	928.82	817.60
Total	4,995.98	6,944.82

Employees' Remuneration and Benefits

Personnel costs increased slightly by 0.53% to ₹ 2,146.19 million in fiscal 2009 from ₹ 2,134.85 million in fiscal 2008. Our personnel costs are largely fixed in nature and does not depend on our production volume. As a percentage of total income, personnel costs increased to 18.11% in fiscal 2009 from 12.39% in fiscal 2008.

Other Expenses of Manufacturing, Administration, Selling & Distribution and Excise Duty

Our manufacturing and other costs increased by 13.41% to ₹ 3,923.53 million in fiscal 2009 from ₹ 3,459.49 million in fiscal 2008, primarily due to the major overhauling expenses for maintenance done once every three years at our ICC facilities. As a percentage of total income, manufacturing and other costs increased to 33.10% in fiscal 2009 from 20.08% in fiscal 2008.

We also recorded excise duty of ₹ 4.62 million during fiscal 2008, which is excise duty charged on our closing stock of finished goods lying at our plants. Since fiscal 2008, we have taken a provision for excise duty on closing stock of finished goods as a separate line item.

Amortization Costs

Amortization costs decreased by 16.88% to ₹ 549.00 million in fiscal 2009 from ₹ 660.49 million in fiscal 2008, primarily due to a reduction in the amount of copper ore produced. As a percentage of total income, amortization costs increased to 4.63% in fiscal 2009 from 3.84% in fiscal 2008.

Depreciation

Depreciation increased by 18.81% to ₹ 188.22 million in fiscal 2009 from ₹ 158.42 million in fiscal 2008. The increase in depreciation was primarily due to new capitalization of assets. Depreciation as a percentage of total income increased to 1.59% in fiscal 2009 from 0.92% in fiscal 2008.

Interest

Interest decreased by 75.67% to ₹ 68.14 million in fiscal 2009 from ₹ 280.11 million in fiscal 2008, primarily due to a decrease in interest as a result of the repayment of the corporate loan in the amount of ₹ 1,125.00 million in May 2008. We also repaid a debenture in the amount of ₹ 125.00 million in September 2007. As a percentage of total income, interest decreased to 0.57% in fiscal 2009 from 1.63% in fiscal 2008. The below table provides further details on the breakdown of our interest expense:

(₹ in million)

Details of Interest Expense	Fiscal 2009	Fiscal 2008
Cash credit	9.14	2.52
7.50% corporate term loan	8.53	101.94
14.50% GoI loan	-	22.80
14% debentures	-	8.66
Others (including interest on imported concentrate)	50.47	144.19
Total	68.14	280.11

Provision for Losses & Write-off

Provision for losses & write-off decreased by 91.09% to ₹ 41.49 million in fiscal 2009 from ₹ 465.50 million in fiscal 2008, primarily due to our taking a very large provision in fiscal 2008 in our "doubtful debts, advances and claims," which was not repeated in fiscal 2009. This large provision was mainly due to a disputed electricity duties charge. The following table provides further details on the changes for our provision for losses and write-offs:

(₹ in million)

Details of Provision for Losses & Write-Off	Fiscal 2009	Fiscal 2008
Stores discrepancies	13.21	0.15
Doubtful debts, advances & claims	15.54	418.73
Loss of fixed assets and capital work-in-progress	0.81	10.92
Non-moving stores & spares	1.06	34.49
Finished stock & work in progress	10.87	-
Mining Leases	-	1.21
Total	41.49	465.50

Prior Years' Net Debit/ (Credit)

Certain of our income or expenditures are not provided for in the year when they were accrued or incurred due to error or omission. When discovered, these income or expenditures would be provided for in the then current year as "prior years' net debit/(credit)". Our prior years' net debit/(credit) decreased to ₹ (114.22) million in fiscal 2009 from ₹ 76.03 million in fiscal 2008 mainly due to the write back for grant-in-aid for VRS which we took in fiscal 2009 with no corresponding charge in fiscal 2008, off set by a charge for rebate/discount & others we took in fiscal 2008, which was not repeated in fiscal 2009. The following table provides further details on the changes for our prior years' net debit/(credit):

(₹ in million)

Details of Prior Years' Net Debit/(Credit)	Fiscal 2009	Fiscal 2008
Expenditure – rebate/discount & others	2.70	76.29
Income – write back grant-in-aid for VRS	(116.40)	-
Income – write back of grant-in-aid for scientific research	-	-
Income – others	(0.52)	(0.27)
Total	(114.22)	76.03

Profit before Tax & Extraordinary Items

As a result of the foregoing, profit before taxation decreased by 98.19% to ₹ 54.86 million in fiscal 2009 from ₹ 3,024.96 million in fiscal 2008.

Provision for Tax

The provision for tax liabilities decreased by 71.81% to 157.95 million in fiscal 2009 from ₹ 560.35 million in fiscal 2008, as a result of a decrease in provision for current income tax (the provision is made based on the estimated taxable income for the relevant period in accordance with Income Tax Act, 1961), partially off-set by an increase in deferred tax (which reflects the deferred tax liability on account of timing differences between the book profits and taxable profits for the relevant period). Provision for current tax decreased by 87.54% to ₹ 59.80 million in fiscal 2009 from ₹ 480.00 million in fiscal 2008, primarily due to a decrease in our profit before tax in fiscal 2009. Provision for deferred tax increased by 20.40% to ₹ 92.65 million in fiscal 2009 from ₹ 76.95 million in fiscal 2008, primarily due to timing differences between our recording this provision pursuant to the Companies Act, but pay for such deferred tax according to the Income Tax Act. We also had accumulated unabsorbed depreciation, denoting the amount that we were not able to take tax benefit on for depreciation provided in the earlier years, during fiscal 2009. Further, we had accumulated business losses, denoting the amount that we were not able to take tax benefit on for losses suffered in the earlier years. Further details on the provision for deferred tax is set forth in the below table:

(₹ in million)

Details of Provision for Tax	Fiscal 2009	Fiscal 2008
Difference between provision made in accounts and as per Income Tax Act	49.20	(844.78)
Difference between Written Down Value (WDV) in accounts and as per Income Tax Act	43.45	(25.25)
Accumulated unabsorbed depreciation	-	399.83
Accumulated business loss	-	1,664.09
Profits for fiscal 2007	-	(1,116.94)
Total	92.65	76.95

Net Profit/(Loss) Before Restatement

As a result of the foregoing and primarily due to a substantial decrease in our profit before tax, we had a net loss of ₹103.09 million in fiscal 2009 as compared to a net profit after tax of ₹ 2,464.61 million in fiscal 2008.

EFFECT OF RESTATEMENT

The Company's audited restated financial information as on and for the three month period ended June 30, 2010; as on and for the fiscal years ended March 31, 2010, 2009 and 2008 have been presented in compliance with paragraph B(1) of Part II of Schedule II to the Companies Act, Indian GAAP and the SEBI Regulations. The effect of such restatement is that the Company's financial statements have been restated to conform to methods used in preparing the Company's latest financial statements, as well as to conform to any changes in accounting policies and estimates. The principal adjustments to the Company's financial statements, including on account of changes in accounting policies and estimates, are described below:

Material Adjustments

	For three month period ended June 30,	For Fiscal Year Ended March 31,		
	2010	**2010**	**2009**	**2008**
Profit after Tax as per Audited Statement of Accounts	261.99	1,546.85	(103.09)	2,464.61
Prior Period Items	-	3.00	111.22	(73.89)
Arrear Salary & Wages	-	(330.63)	188.47	(66.81)
Audit Qualifications	-	17.71	-	(324.80)
Tax Adjustment	-	103.95	(59.80)	38.88
Total Adjustments after Tax Impact*	-	(205.97)	239.89	(426.62)
Profit/(Loss) after Tax as Restated	**261.99**	1,752.82	(342.98)	2,891.23

* *Adjustment is net of tax impact at the appropriate tax rate applicable.*

Adjustments represent expenses and income restated to the respective years to which they relate, irrespective of the year in which the event triggering the profit or loss occurred.

Prior Period Items – represents errors and omissions in prior periods that were discovered and adjusted in the period when discovered. These include voluntary retirement expenses, discounts and interests. Accounting Policy on "Voluntary Retirement Expenses" has been revised during the year 2009-10. The voluntary retirement expenses will be charged to revenue in the year or occurrence in accordance with AS 15 instead of amortizing over a period of 60 months as per earlier policy.

Arrear Salary & Wages – in the past, the Department of Public Enterprises ("DPE") has required government enterprises to implement salary increases for employees below executive level as determined by the respective boards and management of the relevant government enterprises within a certain guideline set by the DPE. The salary of our employees were increased in this manner in 2007 by an average of 21%. Certain of the salary and wages due were not finalized until fiscal 2010 and therefore, we had to take certain adjustments when these salary were finalized.

Audit Qualifications – during the course of the audit of our financial statements, our auditors have taken certain qualifications. If we are not able to convince our auditors to remove the qualification, then we are required to take the qualification as a provision in the subsequent year.

Tax Adjustment – refers to the normal and deferred tax impact of the adjustments taken.

LIQUIDITY AND CAPITAL RESOURCES

Our business, in particular our copper mining operations, is capital intensive. Our primary liquidity needs have been to finance our operations, development of our operating mines and working capital needs. Our planned expansion projects also will require a high level of expenditure once they commence. We have historically funded our capital expenditures through internal cash flows. In the future, we expect to fund our planned expansion projects through a combination of internal cash flows, equity and debt financings.

Cash Flows

The table below summarizes the Company's audited restated cash flows for the periods presented:

(₹ *in million)*

	Three month period ended June 30, 2010	Fiscal 2010	Fiscal 2009	Fiscal 2008
Net cash provided by/(used in) operating activities	1,258.00	943.69	(591.36)	2,481.01
Net cash provided by/(used in) investing activities	(483.92)	(1,809.42)	(855.11)	(720.82)
Net cash provided by/(used in) financing activities	(2.32)	(372.97)	(860.33)	(830.22)
Net increase/(decrease) in cash and cash equivalents	771,76	(1,238.70)	(2,306.80)	929.97
Closing Cash and Cash Equivalents	2,504.83	1,733.07	2,971.77	5,278.57

Cash Flows from Operating Activities

Our net cash provided by operating activities in the three month period ended June 30, 2010 was ₹ 1,258.00 million, primarily due to cash generated from operations before working capital changes of ₹ 673.72 million and a decrease in trade and other receivables of ₹ 920.21 million, off-set by a decrease in trade and other payables of ₹ 209.78 million, an increase in inventories of ₹ 32.73 million, an increase in loans and advances of ₹ 0.45 million and direct tax paid of ₹ 92.97 million. The decrease in trade and other receivables was primarily due to discounting of letters of credit prior to their maturity in the three months ended June 30, 2010, and other small receivables, which was off-set against receivables. The decrease in trade and other payables was primarily due to timely payments to creditors due to availability of liquid funds.

Our net cash provided by operating activities in fiscal 2010 was ₹ 943.69 million, primarily due to cash generated from operations before working capital changes of ₹ 3,084.23 million, a decrease in loans and advances of ₹ 882.91 million, a decrease in inventories of ₹ 72.72 million and a decrease in trade and other receivables of ₹ 52.19 million, off-set by a decrease in trade and other payables of ₹ 2,479.56 million and direct tax paid of ₹ 668.80 million. The decrease in loans and advances was primarily due to net repayments by our employees of loans and advances made to them. The decrease in trade and other payables was primarily due to timely payments to creditors due to availability of liquid funds.

Our net cash provided by operating activities in fiscal 2009 was ₹ 591.36 million, primarily due to cash generated from operations before working capital changes of ₹ 35.68 million, an increase in trade and other receivables of ₹ 1,103.06 million, an increase in loans and other advances of ₹ 586.58 million and direct tax paid of ₹ 443.24 million, off set by a decrease in inventories of ₹ 1,244.32 million and an increase in trade payables and others of ₹ 261.52 million. The increase in trade and other receivables and the increase in loans and other advances was primarily due to separate disclosure of advances received from customers under current liabilities due to changes in our internal accounting procedures for implementation of enterprise resource planning system. The decrease in inventories was primarily due to stoppage of operation of our KCC smelter, refinery and acid plant from December 2008.

Our net cash provided by operating activities in fiscal 2008 was ₹ 2,481.01 million, primarily due to cash generated from operations before working capital changes of ₹ 4,406.75 million and a decrease in inventories of ₹ 244.75 million, off-set by an increase in loans and advances of ₹ 805.41 million, a decrease in trade and other payables of ₹ 1,099.74 million, an increase in trade and other receivables of ₹ 79.63 million and direct tax paid of ₹ 185.71 million. The increase in loans and advances was primarily due to advance tax paid to income tax authorities. The decrease in trade and other payables was primarily due to timely payments to creditors due to availability of liquid funds.

Cash Flows from Investing Activities

Our cash flow used in investing activities represents capital expenditure for our business operations comprising plants and equipment, capital expenditure for mine development and purchase of investments, off-set in each period by disposal of fixed assets, sales of investments and interest income.

Net cash used in investing activities in the three month period ended June 30, 2010 was ₹ 483.92 million, primarily due to purchases of marketable investments of ₹ 300.44 million and expenditures incurred on mine development of ₹ 213.24 million, primarily for MCP, and purchase of fixed assets for our business operations of ₹ 31.37 million, off-set by interest income of ₹ 60.89 million received on our bank deposits and disposal of fixed assets of Rs 0.42 million.

Net cash used in investing activities in fiscal 2010 was ₹ 1,809.42 million, primarily due to purchase of marketable investments of ₹ 719.14 million, expenditure incurred on our mine development of ₹ 956.36 million, primarily for MCP, and purchases of fixed assets for our business operations of ₹ 269.07 million, off-set by interest income of ₹ 125.67 million received on our bank deposits and disposal of fixed assets of ₹ 9.48 million.

Net cash used in investing activities in fiscal 2009 was ₹ 855.11 million, primarily due to expenditure incurred on our mine development of ₹ 712.05 million, mainly for MCP, and purchases of fixed assets for our business operations of ₹ 512.55 million, off-set by interest income of ₹ 350.63 million received on our bank deposits and disposal of fixed assets of ₹ 18.86 million.

Net cash used in investing activities in fiscal 2008 was ₹ 720.82 million, primarily due to expenditure on mine development of ₹ 897.88 million, mainly for MCP, and purchases of fixed assets for our business operations of ₹ 313.16 million, off-set by interest income of ₹ 376.99 million received on our bank deposits and disposal of fixed assets of ₹ 130.92 million.

Cash Flows from Financing Activities

We derive our cash inflow from financing activities principally from the proceeds from bank borrowings. Our cash outflow from financing activities relates primarily to our repayment of principal and interest on our bank loans and our redemption of debenture.

Net cash used in financing activities for the three month period ended June 30, 2010 was ₹ 2.32 million, comprising wholly of payment of interest on our working capital loans. As on June 30, 2010, we had total outstanding secured and unsecured loans of ₹ 7.54 million, consisting wholly of secured working capital loans.

Net cash used in financing activities in fiscal 2010 was ₹ 372.97 million, comprising wholly of repayment of short term bank loan in the amount of ₹ 337.35 million in September 2009 and payment of interest on the short-term bank loan and working capital loans of ₹ 35.62 million. As on March 31, 2010, we had total outstanding secured and unsecured loans of ₹ 0.53 million, consisting wholly of secured working capital loans.

Net cash used in financing activities in fiscal 2009 was ₹ 860.33 million, consisting of repayment of corporate term loans of ₹ 1,125 million and payment of interest of ₹ 72.68 million on our bank loans and working capital loans, off-set by proceeds from short-term bank loan of ₹ 337.35 million. As on March 31, 2009, we had total outstanding secured and unsecured loans of ₹ 360.37 million, consisting of secured working capital loans in the amount of 23.03 million and unsecured short-term bank loan in the amount of ₹ 337.34 million. The proceeds from the short-term bank loan in the amount of ₹ 337.35 million was primarily used for our working capital requirements.

Net cash used in financing activities in fiscal 2008 was ₹ 830.22 million, primarily as a result of repayment of bank borrowings of ₹ 375.00 million, redemption of debenture of ₹ 125.00 million and payment of interest on our bank loans, debenture and working capital loans of ₹ 330.17 million. As on March 31, 2008, we had total outstanding secured and unsecured loans of ₹ 1,134.83 million, consisting of secured corporate term loans in the amount of ₹ 1,125.00 million and secured working capital loans of ₹ 9.83 million. The proceeds from the secured corporate term loans was primarily used for redemption of our high interest bearing secured bonds.

Working Capital

Cash in the form of bank deposits, current account balances and cash on hand represent our cash and cash equivalents. As on June 30, 2010, our cash and cash equivalents were ₹ 2,512.37 million. Total cash and cash equivalents plus our secured cash credit/working capital loans borrowings gives us our total cash and bank balances of ₹ 2,504.84 million as on June 30, 2010. We use and expect to use bank loans to meet our working capital requirements as and when needed.

Indebtedness

As on June 30, 2010, we had total outstanding secured and unsecured loans of ₹ 7.54 million, consisting wholly of secured working capital loans. As on March 31, 2010, we had total outstanding secured and unsecured loans of ₹ 0.53 million, consisting wholly of secured working capital loans.

Our secured working capital loans are secured by a charge on our current assets and fixed assets comprising plant and machinery, land and other assets. For further details on our unsecured and secured loans, including the debt covenants that we are bound by, see "***Financial Indebtedness***" on page 169.

Capital Expenditure and Mine Development Expenditure

The following table sets forth our historical capital expenditure and mine development expenditure for the periods presented:

	Three Month Period Ended June 30, 2010		Fiscal Year					
			2010		2009		2008	
	(₹ in million)	(% of Total Income)	(₹ in million)	(% of Total Income)	(₹ in million)	(% of Total Income)	(₹ in million)	(% of Total Income)
Capital Expenditure								
Replacement of Existing Plant & Machinery	168.40	6.82	804.50	5.83	599.10	5.05	372.20	2.16
Mine Development								
Mine Development Expenditure	225.70	9.14	1,035.46	7.50	826.82	6.98	995.56	5.78
Total	394.1	15.96	1,839.96	13.33	1,425.92	12.03	1,367.76	7.94

As on September 30, 2010, we had not spent any amount on our expansion plan. With respect to the expansion of the Malanjkhand mine, the amounts that will be spent by us are set forth in "***Objects of the Issue***" on page 42.

For details on our mine expansion plan, see "***Our Business – Expansion of Existing Mines***". We cannot assure you that our copper mining and refining business will not change in a manner that would consume our available capital resources more rapidly than anticipated, particularly as we continue to evaluate our mine expansion plan. We will be required to raise additional capital to complete our expansion plan. We will require even higher levels of additional capital if we procure rights to develop additional projects in the future. We will seek to obtain additional funding through additional issuances of equity and/or debt securities or by securing new loans.

Contractual Obligations and Capital Commitments

Contractual Obligations

The following table summarizes our contractual obligations in respect of secured and unsecured loans as on June 30, 2010 to make future payments:

(₹in million)

As on June 30, 2010					
Payment Due by Period					
	Total	Less than 1 year	1-3 years	3 -5 years	More than 5 years
Secured and Unsecured Loans					
Secured Loans	7.54	7.54	-	-	-
Unsecured Loans	-	-	-	-	-

Capital Commitments

We had outstanding capital commitments of ₹ 61.10 million, relating to orders placed for machinery, which were not provided for in our restated financial statements as on June 30, 2010.

Contingent Liabilities and other Off-Balance Sheet Arrangements

We have contingent liabilities in the following amounts, as disclosed in our restated financial statements:

(₹ in million)

Details	As on June 30, 2010
Sales Tax (1)	60.20
Excise Duty (2)	814.10
Others (3)	2946.70

(1) We are involved in certain sales tax proceedings pending at various forum including the sales tax tribunal and before the Deputy Commissioner of Commercial Taxes, for various assessment years, involving a total contingent liability of approximately ₹ 60.20 million (as on June 30, 2010) including penalty demand, not including amounts deposited under protest.

(2) We are involved in certain excise tax proceedings pending at various forum including the CESTAT, for various assessment years, involving a total contingent liability of approximately ₹ 814.10 million (as on June 30, 2010) including penalty demand, not including amounts deposited under protest.

(3) These contingent liabilities include (i) claims against us under the Rajasthan Finance Act, 2006, involving total claim of approximately ₹ 168.17 million, excluding amounts deposited by us under protest; (ii) other tax related/statutory proceedings against us in relation to various assessment years, involving a total demand of approximately ₹ 2,414.24 million, along with interest, excluding sums deposited by us under protest; (iii) approximately 67 civil suits filed against us, involving a total claim of approximately ₹ 56.71 million, along with interest and costs, including in relation to contractual disputes, money suits, recovery suits for dues and claims against insurance companies; and (iv) approximately 11 arbitration proceedings against us, involving a total claim of approximately ₹ 182.06 million and US$0.11 million, primarily in relation to work orders awarded by us to third party contractors.

Transactions with Associates and Related Parties

From time to time, we enter into transactions with related parties in the ordinary course of our business. For details regarding our related party transactions, see "***Financial Statements — Statement of Related Party Disclosures***" on page 167. Most of these related party transactions relate to remuneration to our directors.

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

We are exposed to risk from changes in commodity prices (especially LME price fluctuations of copper and to a lesser extent, gold and silver), interest rates and foreign currency exchange rates in the normal course of our business. The following discussion and analysis, which constitute 'forward-looking statements' summarizes our exposure to various market risks.

Commodity Price Risk

Our revenue, profits and cash flows are significantly impacted by changes in the LME price of copper and to a lesser extent, gold and silver. We enter into commodity hedging contracts to hedge a small part of our exposures of our copper business to LME copper price fluctuations. The principal objectives of such hedging activity are to reduce volatility of future cash flows and to increase predictability of future revenues. However, there is no assurance that these hedging activities will adequately protect us from price fluctuations. In fact, currently available hedging products in India only provide a coverage duration of no more than six months.

Interest Rate Risk

As on June 30, 2010, we had ₹ 7.54 million in secured working capital loans outstanding, all of which was subject to floating interest rates. Floating rate debt exposes us to market risk as a result of changes in interest rates. We expect to undertake debt obligations to support capital expenditures, working capital, and general corporate purposes, as and when required. Upward fluctuations in interest rates increase the cost of new debt and interest cost of outstanding variable rate borrowings and therefore increase the project cost. In addition, an increase in interest rates may adversely affect our ability to service long-term debt and to finance development of new projects, all of which may in turn adversely affect our results of operations.

Foreign Currency Exchange Rate Risk

Although most of our sales are made to domestic customers denominated in Rupees, our products are priced based on the LME copper price, which is quoted in U.S. Dollars. Accordingly, we are exposed to fluctuations in exchange rates of Rupee against U.S. Dollar. See "***Risk Factors - Fluctuation in exchange rates of Rupees and U.S. Dollars could affect our financial condition and results of operations***" on page xxxiii. Our presentation currency is also the Indian Rupee. Furthermore, we produce and sell commodities that are typically priced by reference to U.S. Dollar prices, while a majority of our costs for our Indian operations are incurred in Rupees. An appreciation of the Rupee against the U.S. Dollar tends to result in a decrease in our revenues relative to our costs. While we use forward and option contracts to hedge our risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions in our copper concentrate sales, changes in exchange rates may have an adverse effect on our results of operations and financial condition.

Known Trends or Uncertainties

Other than as described in this Draft Red Herring Prospectus, particularly in the sections "***Risk Factors***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages xiii and 172, respectively, to our knowledge, there are no trends or uncertainties that have or had or are expected to have a material adverse impact on the Company's income from continuing operations.

Unusual or Infrequent Events or Transactions

Other than as described in this Draft Red Herring Prospectus, to our knowledge, there have been no events or transactions that may be described as 'unusual' or 'infrequent'.

Seasonality of Business

Our revenues and results may be affected by seasonal factors. For example, inclement weather, such as the monsoons, may delay or disrupt the development of our projects, including our planned expansion projects, undergoing construction at such times.

Competitive Conditions

As we are currently the only primary copper producer with indigenous mining capabilities in India, we believe that we do not and will not encounter intense competition in our production and sales of copper concentrate within India. However, we face and will continue to face intense competition from domestic refiners and imports in respect of our refined copper products. For further details regarding our competitive conditions and our main competitors, see "***Risk Factors** – **Any increase in competition in the refined copper markets could result in lower prices or sales volumes of refined copper produced by us, which may cause our profitability to suffer***." and "***Business - Competition***" on pages xxxiii and 103, respectively.

Future Relationship between Costs and Income

Other than as described in "***Risk Factors***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages xiii and 172, respectively, to our knowledge, there are no known factors that will have a material adverse impact on our operations and finances.

Significant Dependence on a Single or Few Customers

We sell our copper concentrate mainly to two refined copper producers in India. In the future, we expect to continue to depend on these two customers for the sale of our copper concentrate. See "***Risk Factors***" on page xiii.

STOCK MARKET DATA FOR EQUITY SHARES OF OUR COMPANY

Our Company's Equity Shares are listed on the Stock Exchanges. Stock market data has been given separately for each of these Stock Exchanges. Whilst reviewing the information below, it should be noted that the equity shares of our Company were reduced to face value of ₹ 5 from face value ₹ 10 each pursuant to shareholder approval dated August 16, 2007. For information on delisting approvals and applications, see "***Government and Other Approvals***" on page 214.

The closing price of the Equity Shares on March 22, 2010, the working day immediately after the day on which the resolution of the Board of Directors approved this Issue, was ₹ 525.45 and ₹ 524.90 on the BSE and the NSE, respectively.

The high and low closing prices recorded on the BSE and NSE for the preceding three years and the number of Equity Shares traded on the days the high and low prices were recorded are stated below.

BSE

Year ending March 31	High (₹)	Date of High	Volume on date of high (no. of shares)	Low (₹)	Date of Low	Volume on date of low (no. of shares)	Average price for the year (₹)
2008	644.75	19-Nov-07	64,600	80.10	2-Apr-07	6,100	235.02
2009	374.65	23-Apr-08	83,795	70.20	2-Dec-08	10,510	170.33
2010	656.95	20-Jan-10	4,534,321	111.00	1-Apr-09	44,767	303.45

Source: www.bseindia.com

NSE

Year ending March 31	High (₹)	Date of High	Volume on date of high (no. of shares)	Low (₹)	Date of Low	Volume on date of low (no. of shares)	Average price for the year (₹)
2008	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2009	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2010	658.00	20-Jan-10	5,605,926	320.00	8-Jan-10	529,014	526.57

Source: www.nseindia.com

The total number of days of trading during the past six months from March 1, 2010 to August 31, 2010 is 128. The average volume of Equity Shares traded in the BSE and the NSE were 420,146 Equity Shares per day and 587,314 Equity Shares per day, respectively. The high and low prices and volume of Equity Shares traded on the respective dates during the last six months is as follows:

BSE

Month, Year	High (₹)	Date of High*	Volume on date of high (no. of shares)	Low (₹)	Date of low*	Volume on date of low (no. of shares)	Volume of trade on monthly basis
August 2010	473.80	3-Aug-10	541,015	391.50	31-Aug-10	54997	2,750,979
July 2010	498.45	2-Jul-10	544,266	449.20	30-Jul-10	71,042	4,301,934
June 2010	537.70	15-Jun-10	3,997,306	426.00	21-Jun-10	277,738	17,414,357
May 2010	515.00	6-May-10	878,126	390.05	25-May-10	80,790	5,816,796
April 2010	554.80	5-Apr-10	751,652	489.00	28-Apr-10	152,905	6,613,386
March 2010	567.70	18-Mar-10	3,108,461	442.65	16-Mar-10	295,892	16,881,280

** In the event the high and low price of the Equity Shares are the same on more than one day, the day on which there has been higher volume of trading has been considered for the purposes of this section.*

Source: www.bseindia.com

NSE

Month, Year	High (₹)	Date of High*	Volume on date of high (no. of shares)	Low (₹)	Date of low*	Volume on date of low (no. of shares)	Volume of trade on monthly basis
Aug 2010	473.70	3-Aug-10	646,887	390.50	31-Aug-10	98,582	3,556,311
July 2010	498.00	2-Jul-10	878,448	448.05	30-Jul-10	101,406	6,173,453
June 2010	537.00	15-Jun-10	6,675,450	421.15	7-Jun-10	791,063	26,709,451
May 2010	513.90	6-May-10	1,121,925	324.00	26-May-10	142,254	7,399,997
April 2010	555.00	5-Apr-10	1,069,517	488.00	28-Apr-10	194,040	8,843,532
March 2010	571.00	18-Mar-10	4,846,545	442.05	16-Mar-10	287,450	22,493,535

** In the event the high and low price of the Equity Shares are the same on more than one day, the day on which there has been higher volume of trading has been considered for the purposes of this section.*
Source: www.nseindia.com

SECTION VI - LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as described below, there are no outstanding litigation, suits, criminal or civil prosecutions, proceedings or tax liabilities against our Company and our Directors and there are no defaults, overdues to banks/financial institutions, defaults against banks/financial institutions, defaults in or dues payable to holders of any debentures, bonds and fixed deposits or arrears of preference shares issued by our Company defaults in creation of full security as per 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). No disciplinary action has been taken by the SEBI or any stock exchanges against our Company and Directors.

The amounts involved in the proceedings described below have been disclosed, to the extent such claims are ascertainable.

Contingent liabilities not provided for

We have certain contingent liabilities not provided for in the following amounts, as disclosed in our audited restated financial statements. For more information, see "***Financial Statements-Annexure XV- Standalone Summary of Contingent Liabilities***" on page 168.

A. Litigation involving our Company

i. Litigation against our Company

Criminal proceedings

There are five criminal cases against our Company, the details of which are set forth below.

1. The Sub Divisional Magistrate, Khetri issued a notice (No. 07/2175-76) dated December 14, 2007 under section 133 of the Cr.P.C., alleging that we had not complied with applicable safety norms in the transportation and disposal of acidic soil at KCC, resulting in bodily harm and injury to several villagers and causing public nuisance in the area. The Sub Divisional Magistrate asked us to explain why proceedings under the Cr.P.C. should not be initiated against us. We filed a reply dated December 20, 2007.

2. The State of Madhya Pradesh filed a criminal case (945 of 2005) against Ram Bihari Sahu, a night guard at MCP, in the District Court, Baihar, in relation to an accident caused by a gun shot fired by him while on patrol.

3. The State of Madhya Pradesh filed a criminal case (630 of 2008) against our employees Ganpat Singh Pandre and Makarim Ansari in the District Court, Baihar, in relation to a road accident caused while driving while transporting materials for our Company.

4. The State of Madhya Pradesh filed a criminal case (536 of 2008) against our employee Bhupendra Singh Meravi, in the District Court, Baihar, in relation to an accidental death caused by him while driving our Company's jeep.

5. S.K. Karanjia, a former employee, filed an application dated August 20, 2003 in the High Court at Kolkata for restoration of a writ petition (Co. No. 16039(W) of 1988) which he had filed against us in the High Court at Kolkata, which was dismissed by the High Court at Kolkata, by order dated April 11, 2002. The writ petition was filed against the sanction accorded by our Chairman-cum-Managing Director at the time, to prosecute Mr. Karanjia on the chargesheet submitted by the CBI in the Court of the Special Judge at Ranchi, in a criminal conspiracy causing loss of approximately ₹ 2 million to us.

Also see "***Risk Factors***" on page xiii.

Motor accident claims

There are four motor accident claims against our Company, filed in relation to certain motor accidents that occurred while our Company's drivers were on duty, where the total claim against us is approximately ₹ 0.55 million.

Statutory notices

Our Company has received three statutory notices, the details of which are below.

(i) Our Company received a letter dated May 22, 2009 from the office of the Regional Director (Eastern Region), Ministry of Corporate Affairs ("**MCA**"), GoI which was copied to our then Chairman and Managing Director, Director (Finance), Director (Personnel), Director (Mines), Director (Operations) who is still continuing and Company Secretary who is still continuing regarding an inspection under section 209A of the Companies Act in course of which certain irregularities were observed, briefly described below:

- Contravention of section 97 read with section 94: Our Company held substantial sums as share application money pending allotment for fiscal 2003 to 2004 which along with our existing issue share capital exceeded our authorised share capital.
- Contravention of section 193: It was noted that in the minutes of certain board and shareholder meetings between fiscal 2001 and fiscal 2008, loose leaf minutes were not bound or pages were not initialled or dated.
- Contravention of section 94 read with schedule X: Records were not shown whether our Company had paid the correct applicable registration fee for the amendments in 2003 and 2004 in our Memorandum of Association ("**MoA**") for increasing our authorised share capital.
- Contravention of section 292A read with schedule X: It was observed that in certain audit committee meetings held between January 24, 2006 and October 30, 2007, the auditors or internal auditors were not invited to the meetings, the chairman of the meeting did not participate in the annual general meetings and there were no discussions on the weakness of the internal control systems as reported by the statutory auditors in their reports annexed to the balance sheets for fiscal 2006 to 2008.
- Contravention of section 211(3A) read with Accounting Standard ("**AS**") 17: It was observed that our Company failed to comply with AS 17 by not reporting the accounts in primary and secondary segment reporting formats i.e., business segment and geographical segment.
- Contravention of section 209 read with section 211: It was observed that our Company does not separately show profit/loss on account of fluctuation in London Metal Exchange ("**LME**") prices in our profit and loss account on our balance sheet.
- Contravention of section 211(3B)(a) to (c) read with AS 6, AS 2and AS 29: It was observed that our Company's financial statements did not disclose that it had followed Accounting Policy No. 4 in preference to AS 6, that our Company has not complied with AS 2 regarding the grouping of machinery spares of capital nature as part of 'fixed assets' and has instead considered it as 'inventory' charged to stores and spares consumed, and that the sum shown as 'deposits to the accounts' being in the nature of 'contingent assets' should have been fully charged off which has not been done.
- Contravention of section 217(3): It was observed that our financial results for fiscal 2006 to 2008 had contained certain adverse remarks by our statutory auditors, in respect of which our Board had failed to provide explanations or information to the auditors.
- Contravention of section 211 read with paragraph 3(ii)(a)(2) of part II of schedule VI: It was observed that for fiscal 2006 to 2008, our Company was not preparing its profit and loss account in terms of part II of Schedule VI to the Companies Act, as our financial results for these years did not disclose purchases made and opening and closing stocks giving breakup in respect of each class of goods traded in by our Company, indicating the quantities.
- Non compliance with clause 49 of the equity listing agreement: It was observed that for fiscal 2006 to 2008, our Company did not have any independent directors or a minimum of 50% non-executive directors for fiscal 2006 and 2007 and up to January 6, 2008, as a result of which the audit committee was not duly constituted. Further, our Audit Committee failed to hold the minimum number of meetings and failed to obtain CEO/CFO certification for fiscal 2006, 2007 and 2008.
- Contravention of section 205C: It was observed that our Company did not have details of the dates when public deposits became due for the first time during fiscal 2006, 2007 and 2008, and we were requested to also furnish proof of compliance with the requirement to transfer matured deposits to the Investor Education and Protection Fund ("**IPEF**") or explanations for any delay in this regard.

We responded with certain clarifications on June 12, 2009. There has been no further communication from the MCA as on the date of this Draft Red Herring Prospectus.

(ii) The MCA has intimated SEBI regarding our non-compliance with clause 49 of the equity listing agreement by our Company. SEBI by letter (No. CFD/DIL/CG/SK/RA/19515/2010) dated September 13, 2010 has intimated the BSE of the same further to which our Company received a letter (No. DCS/COMP/SD/208/2010-11) dated September 16, 2010 from the Assistant General Manager, BSE, seeking detailed clarification from our Company regarding such non-compliance of clause 49 of the equity listing agreement within three days from the receipt of this letter. Our Company is in the process of replying to the BSE.

(iii) The MCA has intimated SEBI regarding our non-compliance with clause 49 of the equity listing agreement by our Company. SEBI has intimated the NSE of the same further to which our Company received a letter (No. NSE/LIST/147236-T) dated September 20, 2010 from the Vice President, NSE seeking detailed clarification from our Company regarding non-compliance of clause 49 of the equity listing agreement. Our Company is in the process of replying to the NSE.

RTI Applications

Presently, there are four RTI applications being processed by our PIO, and one RTI application before our FAA. No RTI applications are presently pending before the Central Information Commission. The amounts involved in these matters are not ascertainable.

Income Tax Proceedings

There are three income tax proceedings against us, where the total amount in dispute is approximately ₹ 5,180.80 million. The details are set forth below.

1. *Assessment year 2002-2003*

The Assessing Officer passed an order dated March 29, 2005 disallowing deduction of voluntary retirement scheme ("**VRS**") expenses of ₹ 4,229.30 million by us. We filed an appeal dated May 3, 2005 before the Commissioner of Income Tax (Appeals) ("**CIT (A)**"), who by order dated April 15, 2008 partially allowed the deduction to us to the extent of ₹ 4,229.30 million. The income tax department filed an appeal (No. 1252/Kol/2008) before the Income Tax Appellate Tribunal ("**ITAT**").

2. *Assessment year 2003-2004*

The Assessing Officer passed an order dated December 23, 2008 disallowing deduction of VRS and shutdown expenses of ₹ 951.80 million by us. We filed an appeal dated February 6, 2009 before the CIT (A).

3. *Assessment year 2006-2007*

The Assessing Officer passed an order dated December 26, 2008 stating that we had not added back provisions while calculating book profit of ₹ 72.50 million. We filed an appeal dated February 6, 2009 before the CIT (A).

Claims under the Rajasthan Finance Act, 2006

There are certain claims against us under the Rajasthan Finance Act, 2006, involving a total claim of approximately ₹ 168.17 million against us, excluding amounts deposited by us under protest. The details are set forth below.

1. *Assessment Years 2006-07 and 2007-08*

We received a demand notice dated February 27, 2007 from the Sub-Registrar, Khetri, for assessment year 2006-07 under sections 47 and 49 of the Rajasthan Finance Act, 2006, assessing land tax on the ML area of the Khetri, Chandmari and Kolihan mines at ₹ 7.07 million. We deposited this sum with the Government of Rajasthan on May 25, 2007 and filed a writ petition (WP No. 2930 of 2007) in the Rajasthan High Court praying that Part VII of the Rajasthan Finance Act, 2006 which authorised the levy of land tax be declared unconstitutional and that the demand notice dated February 27, 2007 be quashed, on the grounds that, among other things, State legislatures do not possess the competence to pass legislation imposing a tax on mineral bearing lands, and that the method of valuation of land for computation of land tax was arbitrary and discriminatory in disfavour of mineral bearing lands. Separately, we received a demand notice dated May 15, 2007 from the Sub-Registrar, Khetri, for assessment year 2007-08 under sections 47 and 49 of the Rajasthan Finance Act, 2006, assessing land tax on the ML area of the Khetri, Chandmari and Kolihan mines at ₹ 70.67 million, on the State of Rajasthan revising prevailing land tax rates to ten times the earlier rate by notification dated March 9, 2007**.** A writ petition (WP No. 4344 of 2007) has been filed by us in the Rajasthan High Court in response to this order where we prayed that Part VII of the Rajasthan Finance Act, 2006 which authorised such levy of land tax be declared unconstitutional and that the demand notice dated May 15, 2007 be quashed. On the Rajasthan High Court granting a stay to all recovery proceedings under Part VII of the Rajasthan Finance Act, 2006 in a separate writ petition (WP. No. 1098 of 2007), the Sub-Registrar, Khetri, issued another demand notice dated August 29, 2007 imposing land tax at the earlier rates, for ₹ 7.07 million. However, the Sub-Registrar, Khetri, by a further order of assessment dated March 13, 2008 stated that the ML area was to be reassessed for payment of land tax for the financial years 2006-07 and 2007-08.

Subsequently, an order was passed by the Deputy Inspector General, Registration and Collection, Bikaner on March 19, 2008 reassessed the land tax payable for assessment years 2006-07 and 2007-08 over the leasehold area as ₹ 55.13 million respectively for the two assessment years. During the pendency of this petition (WP No. 4344 of 2007), attachment orders were passed by the Deputy Inspector General, Registration and Collection (Stamps), Bikaner over our accounts until the total amount of land tax was paid by us, in response to which we deposited an amount of ₹ 2 million on October 3, 2007 and a further amount of ₹ 5.07 million with the Government of Rajasthan on November 14, 2007. Further, on the Rajasthan High Court upholding the constitutional validity of Part VII of the Rajasthan Finance Act in an order dated February 22, 2008 in *G.K.W. Limited v. The State of Rajasthan,* we amended the writ petition (WP No. 4344 of 2007) accordingly to pray for only the quashing of the order of reassessment from the Sub-Registrar Khetri dated March 13, 2008 and the order of the Deputy Inspector General, Registration and Collector (Stamps) Bikaner dated March 19, 2008. In the amended petition, we claimed, among other things, that state legislatures do not possess the competence to pass legislation imposing a tax on mineral bearing lands, and that the method of valuation of land for computation of land tax was arbitrary and discriminatory in disfavour of mineral bearing lands. The High Court has issued an interim order dated March 27, 2008 whereby it has stayed all recovery proceedings of land tax for assessment years 2006-07 and 2007-08 on our furnishing half of the amount demanded within four months of filing the writ petition, in response to which we deposited a total of approximately ₹ 48.06 million for both assessment years with the Government of Rajasthan on April 9, 2008.

2. *Assessment Year 2008-09*

We received a demand notice dated June 16, 2008 from the Sub Registrar, Khetri under sections 47 and 49 of the Rajasthan Finance Act, 2006 assessing the land tax payable for the ML area of the Khetri, Chandmari and Kolihan mines at ₹ 57.88 million. We filed a writ petition (WP No 6504 of 2008) in the Rajasthan High Court praying that this demand notice be quashed and claiming amongst other things, that state legislatures do not possess the competence to pass legislation imposing a tax on mineral bearing lands, and that the method of valuation of land for computation of land tax was arbitrary and discriminatory in disfavour of mineral bearing lands. The Rajasthan High Court issued an interim order dated July 23, 2008 staying any recovery proceedings for land tax for assessment year 2008-09 on our furnishing half of the amount demanded in four equal installments within four months of filing the writ petition, in response to which we deposited an amount of ₹ 28.94 million with the Government of Rajasthan on August 25, 2008.

3. *Assessment Year 2009-10*

We received a demand notice dated July 2, 2009 from the Sub Registrar, Khetri under sections 47 and 49 of the Rajasthan Finance Act, 2006 assessing the land tax payable for the ML area of the Khetri, Chandmari and Kolihan mines at ₹ 60.78 million. We filed a writ petition (WP No 10237 of 2009) in the Rajasthan High Court praying that this demand notice be quashed and claiming amongst other things that state legislatures do not possess the competence to pass legislation imposing a tax on mineral bearing lands, and that the method of valuation of land for computation of land tax was arbitrary and discriminatory in disfavour of mineral bearing lands. The Rajasthan High Court has issued an interim order dated August 31, 2009 staying recovery proceedings for land tax for assessment year 2009-10 on our furnishing half of the amount demanded in four equal instalments within four months of filing the writ petition, in response to which we deposited an amount of ₹ 30.39 million with the Government of Rajasthan through two equal instalments dated December 4, 2009 and December 30, 2009.

4. *Assessment Year 2010-11*

We received a demand notice dated June 29, 2010 from the Land Tax Assessing Authority, Khetri under sections 47 and 49 of the Rajasthan Finance Act, 2006 assessing the land tax payable for the ML area of the Khetri, Chandmari and Kolihan mines at ₹ 60.78 million. We filed a writ petition (WP No 8850 of 2010) in the Rajasthan High Court praying that this demand notice be quashed and claiming amongst other things that state legislatures do not possess the competence to pass legislation imposing a tax on mineral bearing lands, and that the method of valuation of land for computation of land tax was arbitrary and discriminatory in disfavour of mineral bearing lands. The Rajasthan High Court issued an interim order dated July 14, 2010 staying recovery proceedings for land tax for assessment year 2010-11, on our furnishing half of the amount demanded in four equal instalments within 4 months of filing the writ petition and furnishing a bank guarantee for the balance amount, in response to which we have deposited an aggregate sum of ₹ 15.19 million with the Government of Rajasthan in two installments dated August 10, 2010 and September 14, 2010, as well as deposited a bank guarantee in favour of the Government of Rajasthan amounting to ₹ 30.39 million on September 14, 2010.

Other tax related proceedings/statutory dues

There are certain other tax related/statutory proceedings against us in relation to various assessment years, involving a total demand of approximately ₹ 2,855.98 million against us along with interest, excluding sums deposited by us under protest. The details of material proceedings are set forth below.

5. We filed three misc. petitions (No. 2821 of 1988), (No. 3827 of 1993) and (No. 3103 of 1984) filed in the Madhya Pradesh High Court at Jabalpur against the State of Madhya Pradesh challenging the constitutional validity of The Madhya Pradesh Electricity Duty (Amendment) Act, 1986 which introduced changes in the rates of duty and challenging the demand notice by which we were directed to pay a sum of ₹ 7.86 million. By an order dated October 8, 1997, the Madhya Pradesh High Court at Jabalpur dismissed all the three petitions. We filed an SLP (No.2528 of 2006) in the Supreme Court of India challenging the order dated February 9, 2005. The Supreme Court of India by order dated November 19, 2008 allowed the appeal and remanded the matter to the High Court at Jabalpur for fresh consideration of material questions. The amount involved is ₹ 1,218.60 million.

6. The Municipal Council, Malanjkhand, issued a demand note dated May 15, 2008 raising a demand of approximately ₹ 75.65 million as property tax payable for 2007-2008, in accordance with the notification dated February 15, 2008. We filed a writ petition (W.P. No. 6469 of 2008) in the Madhya Pradesh High Court at Jabalpur, challenging the demand notice and the constitutional validity of the notification dated February 15, 2008. The Madhya Pradesh High Court at Jabalpur, by order dated June 27, 2008, directed us to pay ₹ 7.50 million as an interim measure. The Madhya Pradesh High Court at Jabalpur, by order dated September 23, 2009, disposed of W.P. No. 6469/2008, directing us to deposit a further of ₹ 3 million. We filed a civil appeal (1/2009) in the Court of Civil Judge, Class I, at Baihar, which, by order dated January 13, 2010, allowed the appeal and held that the demand note dated May 15, 2008 by which the Municipal Council, Malanjkhand, raised a demand of ₹ 75.65 million and the notification dated February 15, 2008 are not maintainable. The Municipal Council, Malanjkhand, filed a revision petition in the District Court, Balaghat, challenging the order dated January 13, 2010 in Civil Appeal No. 1 of 2010.

7. The District Judge, Balaghat, by order dated January 18, 1999 in Civil Revision (1 of 1998), upheld the enhancement of the rate of property tax we paying, by 10%, which increased our property tax liability to approximately ₹ 10.35 million. We filed a writ petition (No. 1199 of 1999) in the Madhya Pradesh High Court at Jabalpur, challenging the order dated January 18, 1999 in Civil Revision (1 of 1998). The Madhya Pradesh High Court at Jabalpur, by interim order dated March 26, 1999, admitted the petition for hearing and stayed the operation of the impugned order dated January 18, 1999, subject to our paying all dues in accordance with the order of the Civil Judge dated September 17, 1998, which directed that property tax be increased to 0.05% as per the agreement between the parties. We filed a contempt petition (No. 876 of 2008) against Baman Sonkunwar, Chief, Municipal Council, Mohgaon, Malanjkhand, Madhya Pradesh, in the Madhya Pradesh High Court at Jabalpur, claiming that the demand of property tax is in contempt of the interim order dated March 26, 1999 in W.P. No. 1199 of 1999.

8. We received a bill from the Municipal Corporation, Malanjkhand ("**MMC**") on January 3, 2007 for payment of export tax of ₹ 704.66 million on copper removed by us from the municipal limits of Malanjkhand. We filed a writ petition (WP No. 950 of 2007) in the Madhya Pradesh High Court at Jabalpur to quash this bill and on January 17, 2007, the high court granted an interim stay directing MMC not to take any coercive actions against us. A demand notice was also served by the MMC under rule 7 of the Madhya Pradesh Terminal Tax (Assessment and Collection) Rules, 1996 dated January 18, 2007 against us raising a demand of export tax of ₹ 704.66 million along with interest of ₹ 44.04 million. Subsequently, the high court dismissed the writ petition (WP No. 950 of 2007) on March 7, 2007 stating that it was premature and could only be moved against a demand notice raised in relation to the payment of export tax and not a bill for payment of export tax. The MMC subsequently issued a warrant of attachment dated March 12, 2007 against us in relation to the demand notice dated January 18, 2007. We filed another writ petition (WP No. 4018 of 2007) to quash the demand notice dated January 18, 2007 as well as the subsequent warrant of attachment. The Madhya Pradesh High Court at Jabalpur, by order dated April 1, 2009 dismissed this writ petition (WP No. 4018 of 2007) stating that proper recourse was to file an appeal against the said demand notice under section 172 of the Madhya Pradesh Municipalities Act, 1961. We filed a writ appeal (WA No. 359 of 2009) in the division bench of the Madhya Pradesh High Court at Jabalpur against this order of dismissal, and simultaneously, filed an appeal (C.A. No. 103 of 2009) under section 172 of the Madhya Pradesh Municipalities Act, 1961 in the court of the Civil Judge, First Class, Baihar, against the demand notice dated January 18, 2007. The high court, by order dated May 22, 2009 directed us to deposit an amount of ₹ 33 million with the MMC and to file a fresh writ petition in the Madhya Pradesh High Court at Jabalpur challenging the demand notice dated January 18, 2007. However, the appeal filed by us under section 172 of the Madhya Pradesh Municipalities Act, 1961 was dismissed by order dated May 19, 2009 as we had not deposited the whole amount of the export tax demanded prior to filing the appeal. Subsequently, in accordance with the decision of the Madhya Pradesh High Court at Jabalpur on May 22, 2009, we filed another writ petition (WP No. 5672 of 2009) in the Madhya Pradesh High Court at Jabalpur after making the requisite deposit of ₹ 33 million to the MMC by a letter dated June 11, 2009. The high court passed an order in this petition on June 25, 2009 directing us to file a revision petition against the order of the Civil Judge, First Class, Baihar on May 19, 2009, following which we filed a revision petition (Civil Revision No. 6 of 2009) in the Additional District Court, Balaghat. MMC has filed a writ petition in the Madhya Pradesh High Court at Jabalpur (WP No. 7284 of 2010) against this order. The Additional District Judge, Balaghat, by order dated May 19, 2010, remanded the matter for hearing to the Civil Judge, First Class, Baihar, as an appeal under section 172 of the Madhya Pradesh Municipalities Act, 1961.

9. We filed SLP(C) (19405 of 2006) in the Supreme Court of India against the State of Madhya Pradesh, challenging the order dated August 18, 2006 by which the Madhya Pradesh High Court at Jabalpur dismissed writ petition 7743 of 2006, by which we had challenged the constitutional validity of the provision of M.P. Rural Infrastructure and Road Development Act, 2005 by which power has been conferred on the State Government to levy rural infrastructure and road development tax up to 20% of the annual value of the mineral bearing land leased for carrying out mining operations. The amount involved is ₹ 6.96 million. Subsequently, we received a demand notice dated March 23, 2010 from the Collector, Balaghat, Madhya Pradesh demanding a payment of ₹ 446.70 million under the M.P. Rural Infrastructure and Road Development Act, 2005 for the period October 2005 to December 2009. On August 30, 2010, our Company submitted returns under protest before the Collector, Balaghat, Madhya Pradesh, under the M.P. Rural Infrastructure and Road Development Act, 2005 claiming that the total amount payable under the M.P. Rural Infrastructure and Road Development Act, 2005 should be ₹ 288.60 million and not ₹ 446.70 million.

10. The Executive Engineer, Subarnarekha Canal Division, Ghatsila, by Letter No 1041 dated November 19, 2009, issued us a demand of approximately ₹ 70.58 million towards water cess. We filed a writ petition against the State of Jharkhand (W.P. (C) No. 1581 of 2010) in the High Court of Jharkhand at Ranchi, praying for the quashing of the demand. We stated in our written statement that the demand is unjustified and not based on any agreement.

11. The Deputy Inspector General (Stamps), Bikaner, issued us an attachment warrant and order dated December 29, 2001, for recovery of approximately ₹ 5.60 million from us on the ground that we paid less stamp duty in respect of the Chandmari ML. The Collector of Stamps, Bikaner, by order dated December 29, 2001 upheld this order. We filed a revision petition (No. 2697/05) before the Revenue/Tax Board, Ajmer. The Rajasthan Revenue Board, Ajmer by order dated May 16, 2002 stayed the operation of the

order dated December 29, 2001 until the final order of the Revenue/Tax Board in this matter.

12. The Jaipur Rajya Vidhut Prasaran Nigam Limited has issued us a retrospective claim of ₹ 4.42 million towards power factor surcharge for the period May 2005 to August 2007 debited by Ajmer Rajya Vidhut Prasaran Nigam Limited on the latter abandoning its practice of rounding off the amount of electricity tariff payable up to three digits by order dated April 13, 2007. We filed an application before the Rajasthan Electricity Regulatory Commission claiming refund of such amount and challenging the retrospective claim of arrears in electricity duty, which was dismissed by order dated April 15, 2008. We appealed before the Ombudsman, Chairman and Managing Director, Ajmer Discom and Chairman Corporate Level, Redressal Forum, Ajmer ("**Ajmer Discom**"), which was dismissed by order dated May 5, 2007. We filed a writ petition (No. 664/2009) with 19 other petitioners in the Rajasthan High Court, praying for appropriate directions to quash the order of dismissal, dated May 5, 2007, of the Ajmer Discom as well as to declare the order dated April 13, 2007 abandoning its practice of rounding off the amount of electricity tariff payable up to three digits as violative of part VII of the Indian Electricity Act, 2003.

13. The Chief Municipal Officer issued us a notice dated June 1, 2006, raising a demand for export tax under the M.P. Nagar Palika Seemao Se Niryat Kiye Gaye Maal Par Seema Kar (Assessment Collection) Rules, 1996 for transportation of copper concentrate by us from MCP to KCC for approximately ₹ 3.46 million with retrospective effect from 1996 to 2006. We filed a writ petition (No. 8362 of 2006) against the State of Madhya Pradesh and Chief Municipal Officer, Malanjkhand, in the Madhya Pradesh High Court at Jabalpur challenging such demand and claiming that such demand is contrary to section 127 of the Madhya Pradesh Municipalities Act, 1961 and the M.P. Nagar Palika Seemao Se Niryat Kiye Gaye Maal Par Seema Kar (Assessment Collection) Rules, 1996, seeking a writ of certiorari for quashing the demand notice and a writ of mandamus for restraining the Chief Municipal Officer, Malanjkhand, from initiating coercive action against us, pending the disposal of this writ petition.

14. The Rajasthan Rajya Vidyut Prasaran Nigam Limited, Jaipur, issued us a notice (No. RVPN/SE(NPP)P-2/D/39 dated May 18, 2009 under the terms of the notification dated March 23, 2007 of the Rajasthan Electricity Regulatory Commission seeking payment of ₹ 0.15 million towards surcharge for non-availment of the statutory minimum percentage of renewable energy as specified in this notification for 2007-08 and 2008-09. We filed a writ petition (No. 11072/2009) in the High Court of Rajasthan at Jaipur challenging the validity of this notification, claiming, among other things, that the notification is harmful for the independence of functioning of captive power plants operated by us, such independence being granted under sections 7 and 9 of the Indian Electricity Act, 2003. We prayed, among other things, for a declaration that the notification dated March 23, 2007 is null and void so far as captive power plants are concerned, and consequently, the Rajasthan Rajya Vidhut Prasaran Nigam Limited has no authority to impose any surcharge on us. The Rajasthan Rajya Vidhut Prasaran Nigam Limited has filed a written statement in response to the same writ petition. The high court, by interim order dated September 17, 2009 has directed the Rajasthan Rajya Vidhut Prasaran Nigam Limited not to take action against us for violation of the notification dated March 23, 2007.

15. The Municipal Council, Malanjkhand, Madhya Pradesh, issued us a notice dated August 18, 2001, raising a demand of approximately ₹ 0.07 million towards tax, penalty and interest on transportation charges from MCP for plying a bus to Raipur. We filed a writ petition (6228 of 2001) in the High Court of Madhya Pradesh at Jabalpur claiming that the demand of such tax is contrary to the provisions of the M.P. Reorganisation Act, 2000 and that such demand be quashed.

16. The Government of Madhya Pradesh issued notices dated May 26, 2001 and May 15, 2007 imposing a transit fee of ₹ 7 per MT of copper payable since 2001. The Government of Madhya Pradesh claimed that the land of our Company was forest land and we were liable to pay such transit fee. We filed a writ petition (No. 8376 of 2007) in the Madhya Pradesh High Court at Jabalpur stating that the Ministry of Agriculture & Irrigation, Government of Madhya Pradesh, had through letter dated November 18, 1977 approved the release of 7.12 km^2 of forest land in our favour and therefore, such land ceased to be forest land and had been transferred in our favour and we were not liable to pay any transit fee. We prayed that the demand notices be quashed and that such land be denotified as forest land.

Sales tax proceedings

We are involved in certain sales tax proceedings pending at various fora including the sales tax tribunal and before the Deputy Commissioner of Commercial Taxes, for various assessment years, involving a total contingent liability of approximately ₹ 60.20 million (as on June 30, 2010) including penalty demand, not including amounts deposited under protest, of which the unit wise details are as follows:

(₹ in million)

Unit	Sales Tax
KCC (Pertaining to various periods between 1994-95 and 2007-08, for a majority of which we have filed appeals which are currently pending before the Deputy Commissioner (Appeals), Bikaner, Rajasthan)	22.65
ICC (Pertaining to various periods between 1992-93 and 2005-06, in relation to disallowance of inputs/raw materials purchased at concessional rates and disallowance of forms where we have been charged the full rate, as well as full payments by us not having been adjusted in certain cases)	34.51
MCP	0.00
TCP (Pertaining to two appeals filed by us before the sales tax tribunal, including a demand of approximately ₹ 1.03 million in relation to delayed payment of sales tax during 1991-92, and a demand of approximately ₹ 1.98 million in relation to non-submission of required 'C' forms during 1994-95)	3. 02

For more information, see "***Financial Statements-Annexure XV- Standalone Summary of Contingent Liabilities***" and "***Risk Factors***" on pages 168 and xiii respectively.

Excise tax proceedings

We are involved in certain excise tax proceedings pending at various fora including the Custom Excise and Service Tax Appellate Tribunal ("**CESTAT**"), for various assessment years, involving a total contingent liability of approximately ₹ 814.10 million (as on June 30, 2010) including penalty demand, not including amounts deposited under protest, of which the unit wise details are as follows:

(₹ in million)

Unit	Sales Tax
KCC (Pertaining to various periods between 1998 and June 2010, in relation to duty demands on scrap, acid, stock transfers of anode slime, and rejected cathodes, excess cenvat credit taken on imported copper concentrate, short duty paid on copper concentrate, cenvat credit taken on various capital goods and machinery such as GM balls and rods)	29.92
ICC (Pertaining to various periods between September 1985 and March 2004, in relation to disallowance or reversal of MODVAT on various mining inputs and capital goods such as fuel oil, zinc and slag process dust, excise duty imposed on transfer of copper cathodes for processing to TCP and on anode slime used for the manufacture of silver, and excise duty/penalty imposed on transfer of copper concentrate for smelting to ICC)	747.35
MCP (Pertaining to various periods between 1994-95 and June 2002, including one appeal regarding classification of goods regarding the applicability of entry tax pending before the appellate authority in Jabalpur, Madhya Pradesh, two appeals filed by us regarding the cost of production which are awaiting clearance of the Committee of Disputes before admittance by the CESTAT, and a demand of approximately ₹ 0.97 million raised on procurement of sulphuric acid which is being contested by us in the Supreme Court of India)	7.92
TCP (Including 11 show cause notices received from the central excise authorities, between January 2008 and May 2010, for periods between August 2007 and December 2009)	28.93

For more information, see "***Financial Statements-Annexure XV- Standalone Summary of Contingent Liabilities***" and "***Risk Factors***" on pages 168 and xiii respectively.

Civil suits

There are approximately 67 civil suits against us, involving a total claim of approximately ₹ 56.71 million against us along with interest and costs, including in relation to contractual disputes, money suits, recovery suits for dues and claims against insurance companies. These include a suit filed against us by Tega Industries Limited (Misc. Case No. 65 of 2006) in the District Court, Alipore, challenging our appointment of the sole arbitrator in 1999, and seeking fresh appointment of an arbitrator, in connection with our claim of approximately ₹ 19.74 million as compensation for short supply of ball mill rubber liners pursuant to certain purchase orders issued by us to Tega Industries Limited.

Labour/Employment

There are approximately 112 proceedings against us filed by various individuals on grounds including illegal termination of employment, wage arrears, withholding of promotion and delayed payment or non-payment of statutory dues such provident fund dues. The amounts involved in these matters are not ascertainable. These include a writ petition (W.P. No. 1841/2004) filed by Mosaboni Mines Labour Union ("**MMLU**") in the High Court of Jharkhand at Ranchi, seeking a direction to enforce the memorandum of understanding dated June 11, 2003 between us and MMLU, on the ground that we had agreed that in the event of closure of the Surda mine and its associated Mosaboni concentrator complex, the management and assets of the mine and concentrator complex would be transferred to a cooperative society formed by us.

Arbitration

There are approximately 11 arbitration proceedings against us, involving a total claim of approximately ₹ 182.05 million and US$ 0.11 million, primarily in relation to work orders awarded by us to third party contractors. The details of material proceedings are set forth below.

1. Robertson Research, Australia, a former consultant appointed by us for a study on integrated development of the Singhbhum copper belt in Jharkhand, commenced arbitration against us in 1994, claiming approximately US$ 0.11 million plus ₹ 0.65 million from us, which is the amount withheld by us on account of late submission of their report. Our total counterclaim against Robertson Research is approximately ₹ 4.27**,** on account of non-refund of our property and delayed submission of the project report. In course of arbitral proceedings, one of the joint arbitrators expired on June 21, 1999, since which time the arbitration has remained suspended.

2. Foundry of India Limited, Ranchi, initiated two arbitration proceedings against us for recovery of approximately ₹ 3.62 million in the nature of interest accrued on delayed payments by us to Foundry of India Limited under the terms of eight purchase orders placed by us for supply of grinding media balls to us for use in KCC, ICC and MCP. We filed counter-claims for approximately ₹ 118.56 million, on the ground that the grinding media balls supplied by Foundry of India did not conform to the specifications stipulated in the eight purchase orders, leading to considerable losses to us.

3. Rana Builders Limited has filed a statement of claim before a single arbitrator on December 25, 1998 against us in relation to various disputes concerning an excavation contract awarded by us to Rana Builders Limited on January 14, 1995. Rana Builders Limited had been awarded a contract on December 1, 1994, for excavation of 4 million bank cubic meters of rock at specified regions in MCP for a contract value of ₹ 276 million in a period of 51 months, subject to the fulfillment of quarterly excavation targets. Subsequently, the contract was executed on January 14, 1995 ("**Malanjkhand Excavation Contract**") upon Rana Builders Limited submitting bank guarantees of ₹ 13.8 million and ₹ 19.3 million as security deposit and mobilization advance respectively for performance of this contract. On October 1, 1997, we sent a notice to Rana Builders Limited terminating the Malanjkhand Excavation Contract, pursuant to which Rana Builders Limited has filed the instant statement of claim. In this statement of claim, Rana Builders Limited has claimed, in addition to other grounds, that we have breached the terms of the Malanjkhand Excavation Contract by failing to provide detailed drawings for the area covered under the contract; by failing to provide quarterly plans setting out quarterly excavation targets sufficiently in advance of the commencement of each quarter; by failing to make payments of the running account bills of Rana Builders Limited; and by attempting to encash the bank guarantees provided by Rana Builders Limited towards security deposit and mobilization

advances, and has claimed ₹ 17,49,67,533 in lieu of such alleged breaches. We have filed a counter-claim to this statement of claim, wherein we have stated that from the inception of the Malanjkhand Excavation Contract, Rana Builders Limited had failed and neglected to duly, properly and in terms of and within the stipulated contractual time frame, execute the excavation works, and that persistent short-fall, inordinate delay and back log in the quantum of excavation by Rana Builders Limited had led to considerable losses on our part, in lieu of which we have counter-claimed a sum of ₹ 424.92 million along with interest amounting to ₹ 104.6 million.

Land

We are involved in approximately seven land related disputes filed against us by various land oustees. The amounts involved in these cases are not ascertainable.

ii. Litigation filed by our Company

Cases filed by our Company

Criminal cases

There are seven criminal cases filed by our Company the details of which are set forth below.

1. We filed a criminal complaint (C.C. No. 6745/2003) against S.K. Dash and other directors on the board of directors of Dharmadeep Powerdive Industries Limited before the Additional Chief Metropolitan Magistrate, Bangalore, under section 200 of the Cr.P.C. read with sections 120B, 406, 409, 420, 415 and 418 read with section 34 of the IPC. S.K. Dash, a former employee, had issued orders for delivery of copper cathode rods to Dharmadeep Powerdive Industries Limited without collecting any advance payment on our behalf. Subsequently, two cheques issued by Dharmadeep Powerdive Industries Limited for payment towards such copper cathode rods amounting to ₹ 2.60 million bounced. We prayed for appropriate penalty for the accused. The Court of the Additional Chief Metropolitan Magistrate by order dated May, 2010 stated that Mr. Dash is not entitled for discharge for want of sanction under section 19 of the Cr.P.C.

2. We filed a complaint against Hi-Q Cables Private Limited and its directors in the 5th Metropolitan Magistrate Court, Egmore, Chennai under sections 138 and 141 of the Negotiable Instruments Act, 1881, in relation to dishonour of cheques issued by the accused for approximately ₹ 0.17 million towards the balance payable to us as on July 31, 2000 for the supply of copper to Hi-Q Cables Private Limited between April 1, 1997 and July 31, 2000, despite the issuance of statutory notice by us to the accused on April 12, 2001, demanding such payment.

3. We filed a criminal complaint (C.C. 2200/2003) against the directors on the board of Dharmadeep Powerdive Industries Limited in the City Civil Court, Bangalore under sections 138 and 141 of the Negotiable Instruments Act, 1881 read with section 200 of the Cr.P.C. in relation to two cheques, each amounting to ₹ 1.30 million, which had bounced on presentation and were issued by Dharmadeep Powerdive Industries Limited towards payment for copper cathode rods supplied by us.

4. We filed a criminal case (No. 334/09) against Arvind Kumar Thakur before the Judicial Magistrate First Class, Baihar, Balaghat, under section 500 of the IPC. We alleged that Mr. Thakur made several false allegations of corruption against the management at MCP in relation to appointment of a junior operator. Mr. Thakur filed a criminal revision petition (No. 1987/2009) in the High Court of Madhya Pradesh at Jabalpur and has prayed for setting aside the criminal case (No. 334/09) filed by us.

5. Our Company and our contractor, Arun Deoras, filed a criminal case (No. 5921 of 1989) before the Judicial Magistrate, First Class, Baihar, Madhya Pradesh, against Ram Dayal alleging the theft of a truck. Mr. Dayal filed a revision petition (No. 490 of 1992) in the Madhya Pradesh High Court at Jabalpur for quashing the criminal case filed by us and Arun Deoras.

6. We filed a first information report (FIR No. 50 of 2008) on March 21, 2008 through our General Manager, Materials Management (KCC) against Shankar Lal alleging that the latter committed theft of scrap materials worth ₹ 1,200 from KCC on March 20, 2008. The Additional Chief Judicial Magistrate, Khetri took cognizance, and a criminal case has been registered against Mr. Lal (Case no. 288 of 2008).

7. A consignment of copper scrap weighing 15.109 metric tons had been dispatched from TCP on March 27, 2002 to KCC, carried by Mahinder Freight Carriers, Vashi, an external contractor, under a transport order (bearing LR NO. 2045) dated March 27, 2002. However, the same consignment was not received by KCC, and the Deputy General Manager (Works), KCC confirmed the non-receipt of the consignment on May 23, 2003. Subsequently, upon Mahinder Freight Carriers being unable to provide an acknowledgement of receipt of this consignment from KCC, we have filed an FIR (no. 417563) at the Taloja police station on June 10, 2003 against Mahinder Freight Carriers under section 407 read with section 34 of the IPC alleging criminal breach of trust on the part of the former in its role as a carrier of goods to the tune of ₹ 1,671,114. Subsequently, a police case has been initiated against Mahinder Freight Carriers in the Panvel Court as regular case no. 26/ 2004.

Civil suits

There are approximately 44 civil suits initiated by us, involving a total claim of approximately ₹ 433.60 million by us, along with interest and costs. The details of material proceedings are set forth below.

1. Nicco Corporation Limited was awarded three separate contracts to set up a pollution control project of a value of approximately ₹ 500 million. However, some defects were found in the project, which Nicco did not remove and instead requested release of their payment. We released 10% final payment against the bank guarantee of ₹ 9.69 million and encashed the remaining amount of the bank guarantee. Nicco referred the matter to arbitration, and the sole arbitrator granted an award in favour of Nicco on September 28, 2006. We filed an application (M.A. No. 407 of 2006) in the Jharkhand High Court at Ranchi challenging the award dated September 28, 2006. By order dated October 26, 2007 the single judge of the Jharkhand High Court at Ranchi held that the petition filed by the appellant is not maintainable. We filed an appeal (Arbitration Appeal No. 22 of 2007) against the arbitral award dated September 28, 2006, which was dismissed by the Jharkhand High Court at Ranchi, on the ground that our application was not maintainable in the High Court. We filed an appeal (Civil Appeal No. 5630 of 2008) in the Supreme Court of India, which by order dated May 20, 2009 disposed of the appeal with a direction that the District Judge will allot the petition to an appropriate court to hear the matter. Accordingly, the case was transferred by the District Judge to the Court of Subordinate Judge, Ghatsila and was numbered as miscellaneous arbitration case no. 3 of 2009. We filed Miscellaneous Petition No. 20 of 2009 in the District Court at Jamshedpur for transfer of Miscellaneous (Arbitration) case no. 3 of 2009 to the Court of District Judge or any other appropriate court, and by order dated January 27, 2010, the District and Sessions Judge dismissed our suit. We filed a civil writ petition (WP(C) No. 554/10) in the Jharkhand High Court at Ranchi, which by order dated February 23, 2010 dismissed our writ petition on the ground that it would not be proper to override the order of the Supreme Court of India. Thereafter, on April 13, 2010, we filed a special leave petition against the judgment and order dated February 23, 2010 of the Jharkhand High Court at Ranchi. On May 12, 2010, the Supreme Court of India ruled that it will not interfere with the judgment passed on February 23, 2010, and the special leave petition was dismissed. The District Judge, in compliance with the direction of the Supreme Court of India, transferred Miscellaneous (Arbitration) case 3 of 2009, before the Sub-Judge at Ghatsila, where hearings are currently in process.

2. Pursuant to a contract between Paramount Limited and us for alkali scrubbing plant at our acid plant in KCC, certain disputes arose regarding the performance test. Paramount Limited approached the Rajasthan High Court at Jaipur for appointment of an arbitrator, which, by order dated April 5, 2002, quashed the appointment of the sole arbitrator appointed by us. We filed a case (No.104/2004) before the Additional District Judge, Khetri, praying for termination of the arbitral proceeding before the court-appointed sole arbitrator, which application was rejected by the Additional District Judge, Khetri, by order dated April 2, 2005. We filed a civil writ petition (SB CWP No. 3068 of 2005) in the Rajasthan High Court at Jaipur, praying for the court to quash, cancel or set aside the order dated April 2, 2005 of the Additional District Judge, Khetri, terminate the arbitral proceedings before the court-appointed sole arbitrator, and stay further proceedings until disposal of matter. The Rajasthan High Court dismissed our application, by order dated March 27, 2006. At the start of arbitral proceedings, we filed an application dated May 14, 2005 for amendment of our counterclaims on various grounds, to the extent of an additional claim of ₹ 300 million plus interest @ 18% per annum until recovery. However, the sole arbitrator rejected our application by order in May 2005. We challenged this order of the sole arbitrator by way of S.B. Civil Writ Petition (No. 7794/2005) requesting the Rajasthan High Court for quashing the minutes of proceedings of the arbitration tribunal dated May 19/20, 2005. We also

requested a stay on further proceedings until the disposal of the matter (which was dismissed by the Rajasthan High Court by order dated March 27, 2006). Thereafter, arguments were heard and final award was made on June 23, 2006 at New Delhi. We challenged the award in SB Civil Misc Appeal (No. 3768 of 2006) in the Rajasthan High Court. The High Court by an order dated February 11, 2008 dismissed the appeal (no. 3768 of 2006) and held it as non maintainable before the court. We filed an appeal (no. 44/2008) before the District Court, Jhunjhunu, and an appeal (no. 22 of 2008) against the order dated February 11, 2008 before the High Court of Rajasthan at Jaipur, which are both pending for hearing. Our total claim is approximately ₹ 234.37 million, and the total claim against us is approximately ₹ 19.29 million plus interest.

3. We awarded a contract for supply of oxygen for the 120 TPD plant at Khetri to Bhagawati Gases Limited. Certain disputes arose regarding interpretation of various clauses including minimum off-take guarantee. Bhagawati Gases Limited referred the matter to arbitration and we appointed a sole arbitrator to adjudicate the disputes. The sole arbitrator passed an award in favour of Bhagawati Gases Limited and directed us to pay a total of ₹ 107.98 million to Bhagawati Gases Limited. We challenged the arbitration award dated May 9, 2009, before the District Judge, Jhunjhunu (Application No. 185 of 2009) challenging the award dated May 9, 2009.

4. We awarded a contract for supply of oxygen for the 50 TPD plant at KCC to Bhagawati Gases Limited. Certain disputes arose pursuant to which our High Power Committee decided us to realise over ₹ 65 million from Bhagawati Gases Limited, after making adjustments of approximately ₹ 8.50 million in favour of Bhagawati Gases Limited. Bhagawati Gases Limited referred the matter to arbitration. The sole arbitrator passed an order dated August 29, 2003, directing us to pay ₹ 23.09 million to Bhagawati Gases Limited with interest of ₹ 12.09 million. We challenged this award before the Additional District Judge, Khetri (Miscellaneous Case no. 1 of 2004), which application was disposed of by the Additional District Judge, Khetri, by order dated September 15, 2005 whereby the Additional District Judge refused to interfere with the award passed. We filed an appeal (SB Civil Misc. Appeal No. 2916/2005) challenging the award dated August 29, 2003 of the sole arbitrator and the order dated September 15, 2005 by the Additional District Judge, Khetri, and was granted an interim order on October 28, 2005 staying the execution proceeding dated October 17, 2005 under the award. The Rajasthan High Court by order dated August 18, 2008 in SB Civil Misc. Appeal No. 2916/2005 directed us to deposit the entire amount of the award within 45 days in the Trial Court of the Additional District Judge, Khetri, failing which the stay order would stand vacated. An SLP (No. 6856 of 2008) was made in the Supreme Court of India against the judgment and order dated August 18, 2008 and by order dated November 25, 2008, the Supreme Court of India directed us to deposit only ₹ 23.08 million and not the entire amount. We deposited the required amount before the Additional District Judge, Khetri. SB Civil Misc. Appeal (No. 2916 of 2005) is pending in the High Court of Rajasthan for hearing and the execution petition is pending before the Additional District Judge, Khetri.

5. Pursuant to a contract between Larsen & Toubro Limited and us for excavation and removal of waste rock and earth at MCP, we initiated arbitration in which all claims of Larsen & Toubro Limited were rejected by award dated October 30, 1996. Larsen & Toubro Limited filed an appeal (MJC No. 52 of 1996) in the Court of the District Judge, Balaghat, to set aside the award dated October 30, 1996. The District Judge, by order dated April 11, 1997, dismissed the appeal for default. Larsen & Toubro Limited filed a petition (489 of 1999) in the Madhya Pradesh High Court at Jabalpur, for restoration of the appeal (MJC No. 52 of 1996). The Madhya Pradesh High Court at Jabalpur remanded the case to the District Judge, Balaghat, where Case No. 489 of 1999 is currently pending for hearing. The amount in dispute is approximately ₹ 41 million.

6. Pursuant to a contract between Centrotrade Minerals and Metals Incorporated, USA ("**CTMM**") and us for supply of 1,500 DMT of copper concentrate, CTMM referred a dispute regarding payment of the final price to the Indian Council of Arbitration, Delhi, which, by award dated June 1, 1999 dismissed the dispute raised by CTMM. CTMM appealed before the International Council of Arbitration, London, which by award dated September 29, 2001, decided in favour of CTMM. CTMM filed an application (Arbitration Execution case No. 1/2002) under the Arbitration and Conciliation Act, 1996 for enforcement of the award by the International Court of Arbitration, London. By letter dated April 17, 2003, the application was transferred to the High Court at Kolkata in exercise of clause 13 of the letters patent and renumbered as Extraordinary Suit No. 11 of 2003. By order dated March 10, 2004, the High Court at Kolkata directed us to pay CTMM the amount claimed in Execution Application 11 of 2003. We filed an appeal (A.P.O.T. No. 182 of 2004) before the Division Bench of the High Court at

Kolkata against the order dated March 10, 2004 of the trial judge. By order dated July 28, 2004, the Division Bench of the High Court at Kolkata set aside the order of the trial judge dated March 10, 2004 and held that the award dated September 29, 2001 by the International Court of Arbitration was not a foreign award enforceable in India. CTMM filed a special leave petition (SLP 18611 of 2004) against the High Court order dated July 28, 2004 and we filed another special leave petition (SLP(C) No. 2134 of 2004), as some points of the order dated July 28, 2004 were ambiguous and may have given advantage to CTMM. By order dated September 20, 2004, the Supreme Court of India ruled that both special leave petitions be listed together before a larger bench of the Supreme Court of India. On May 9, 2006, a two judge bench of the Supreme Court of India gave differing opinions in SLP No. 18611 of 2004 and SLP(C) No. 2134 of 2004 and ruled that in view of the difference of opinion, the matter be referred to a larger bench. The amount in dispute is approximately ₹ 30 million.

7. Pursuant to a contract awarded by us to TTG Industries Limited for commissioning of a convertor and clearing the furnace system, we initiated arbitration against TTG Industries Limited to contest a claim of approximately ₹ 12.25 million against us. On the superannuation of the sole arbitrator appointed by us, he was replaced by a new sole arbitrator appointed by us, who, by award dated March 29, 2003, ordered that the previous appointee should continue to function as arbitrator. TTG Industries Limited filed an appeal (Misc. Appeal No. 91/04) in the District Court, Alipore to implement the award dated March 29, 2003. The District Court, Alipore, by order dated August 17, 2009, allowed the appeal. We filed an appeal C.O. No. 947 of 2010 in the High Court at Kolkata, challenging the order dated August 17, 2009 passed in Misc. Appeal No. 91/04.

Consumer cases

We have filed one claim before the National Consumer Disputes Redressal Forum, against Premier Brass, for approximately ₹ 0.70 million.

Arbitration

There are approximately four arbitral proceedings filed by us involving a total claim of approximately ₹ 232.86 million along with interest. These include a statement of claim filed by us before a single arbitrator on April 6, 2004 against Tega Industries Limited claiming that Tega Industries Limited had consistently failed to provide delivery of ball mill rubber lining for use in the four ball mills in the concentrator plant at MCP of the required technical specifications under the terms of three purchase orders (bearing numbers IP/34/0026/S/87/0208 dated May 27, 1987; IP/42/0526/S/88/4010 dated July 20, 1988; IP/42/0526/S/88/0964 dated November 17, 1988) executed by us in favour of Tega Industries Limited. We have stated that the rubber lining supplied by Tega Industries Limited was not of the specified guaranteed life hours as required under the terms of these purchase contracts, in lieu of which we have claimed compensation of ₹ 230.53 million (including interest). Tega Industries Limited has filed a reply to our statement of claim, stating, among other grounds, that the instant arbitration claim is barred by limitation, and also that matters relating to the technical specifications of the rubber lining supplied are not arbitrable in the first place.

Labour/Employment

We have initiated a complaint case under section 630 of the Companies Act, filed by us in 2008 in the Court of the Sub Judge V cum Special Judge Economic Offences, at Jamshedpur, against 19 former employees. We have prayed that cognizance be taken and the accused may be ordered to deliver the vacant possession of company premises/quarters allotted to them within the period specified by the court.

Land

We have initiated approximately eight land related disputes against various individuals, including seven before the Revenue Board, Ajmer, in relation to illegal encroachment on our land, and one title suit currently pending in the Civil Court, Ghatsila. The amounts involved in these cases are not ascertainable.

B. Litigation involving our Directors

Incidental to the business of our Company, parties may from time to time file suits/cases impleading our Company through or along with our Directors or officers in their official capacity. Presently, except for one case involving our Director Mr. K.D. Diwan, which is described below, none of our Directors are involved in any litigation.

The Deputy Director of Mines Safety, DGMS (South-Eastern Zone) issued a show cause notice dated July 23, 2008 to Dr. Markandey, Agent-cum Engineer-in-Charge, Surda mine, asking why suitable proceedings should not be initiated against him on the ground of non-compliance of rules 3(2), 45(1) and 45(2) of the Indian Electricity Rules, 1956, in relation to a fatal accident at our Mosaboni concentrator plant on April 2, 2008, in which three contract workers working on a 3.3 KV switchgear panel without proper shutdown were electrocuted, leading to substantial burn injuries, resulting in the demise of one worker. Dr. Markandey replied on August 16, 2008, stating that the reopening and operation of the Surda mine and Mosaboni Concentrator Plant were outsourced to Monarch Gold Mining Company Limited, which had engaged India Resources Limited as their sub-contractor, and that we had sufficiently complied with appropriate electricity safety regulations applicable to mines. The Deputy Director of Mines Safety, DGMS (South-Eastern Zone) filed a criminal complaint (C/2-12/09) in the Court of the Additional Chief Judicial Magistrate, Singhbhum (East), Ghatsila against our Director K.D. Diwan (Nominated Owner, Surda mine) and others under section 146 of the Electricity Act, 2003 read with section 200(a) of the Cr.P.C., alleging that the accused had contravened rules 3(2), 45(1), 45(2), 36(2) and 131 of the Electricity Rules, 1956. The Additional Chief Judicial Magistrate, Ghatsila, by order dated January 20, 2009 took cognizance in the matter and issued summons. In response, K.D. Diwan filed a criminal miscellaneous petition (W.P. (Cr.) No. 104/2009) in the Jharkhand High Court at Ranchi for quashing the criminal proceedings including the order dated January 20, 2009. The Jharkhand High Court at Ranchi, by order dated April 27, 2009, directed that no coercive action be taken against K.D. Diwan and others in complaint case (no. C/2-12/09) in the Court of the Additional Chief Judicial Magistrate, Ghatsila, Singbhum (East).

C. Amount owed to small scale undertakings/creditors

As on June 30, 2010, we do not owe any amount to any micro, small and medium enterprises, which is outstanding for more than 30 days.

D. Material Developments

Except as stated in "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on page 172], in the opinion of our Board, there have not arisen, since the date of the last financial statements disclosed in this Draft 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.

GOVERNMENT AND OTHER APPROVALS

A. Approvals for the Issue

I. Approval from the GoI

- The MoM by its letter (no. 5/46/2003-Met.III(Pt.)) dated June 25, 2010 conveyed the approval granted by the GoI to the Issue.

II. No-objection from the Reserve Bank of India

- Pursuant to an application dated July 29, 2010 made by our Company to the Reserve Bank of India ("**RBI**") for permission for the proposed transfer of Equity Shares by the Selling Shareholder to non-residents in the Issue pursuant to the Offer for Sale, the RBI by its letter (FE.CO.FID.No.4591/10.21.209/2010-2011) dated August 20, 2010 issued its no-objection to the transfer of Equity Shares to non-residents in the Issue pursuant to the Offer for Sale.

III. Approvals from Stock Exchanges

- We have received in-principle approvals from the BSE and the NSE for the listing of our Equity Shares pursuant to letters dated [●] and [●], respectively. [●] is the Designated Stock Exchange.

B. Delisting approvals and applications

- Approval (Ref No. CSEA/LD/187/2009) for voluntary delisting of 15,798,500 Equity Shares of our Company from the Calcutta Stock Exchange Association Limited dated March 31, 2009. However, in the interest of the general investor, such Equity Shares will be traded under the "Permitted Category" on the Calcutta Stock Exchange Association Limited.

- Application by our Company (No. SCY/DEL-STOCK/2000) dated August 29, 2008 to the Delhi Stock Exchange Limited seeking approval for delisting.

- Application by our Company (No. SCY/MAD-STOCK/2000) dated August 29, 2008 to the Madras Stock Exchange Limited seeking approval for delisting.

- Application by our Company (No. SCY/AMDBD-STOCK/2000) dated August 29, 2008 to the Ahmedabad Stock Exchange Limited seeking approval for delisting.

C. Approvals/Licenses for Projects

I. ICC

1. *Surda Mine, Ghatsila, East Singbhum, Jharkhand*

a. Mining lease

ML dated February 22, 2007 between the Governor of Jharkhand and our Company w.e.f. June 16, 2004 for a period of 10 years for 3.89 km^2 in Villages Benashole, Sohada, Surda, Pathargora, Forest Block in District East Singbhum, Jharkhand, with extraction limit of 0.45 MT in fiscal 2011.

b. Environmental and other approvals

No.	Description	Issuing Authority	Reference/License No.	Issue/Renewal Date	Expiry Date
1.	Approval under the Forest Conservation Act for renewal of Mosaboni ML and diversion of 1.90 km^2 of forest land for underground mining in our favor (dist. East Singbhum, Bihar)	MoEF	8-64/93-FC	May 15, 1998	N.A.

No.	Description	Issuing Authority	Reference/License No.	Issue/Renewal Date	Expiry Date
	subject to terms and conditions mentioned therein.				
2.	Approved Mining Plan including progressive mine closure plan for Surda underground copper mine submitted under rule 24A of the Mineral Concessions Rules.	Controller of Mines (Central Zone), IBM	Approval by letter no. 314(3)/2007/ MCCM (CZ)/ MP/MS/PMCP-16	October 4, 2007	N.A.

c. *Pending applications*

- Application (no. HCL/ICC/DGM (M)/SURDA/01/2007) dated March 3, 2010 to the Jharkhand State PCB for consent to operate under the Air Act, in respect of the Surda mine.
- Application (no. ADMN/L-PL/36/2009) dated October 30, 2009 to the Deputy Chief Controller of Explosives, Hazaribag, for renewal of license no. P/HQ/Bi/15/142(P-9260) for bulk storage of petroleum in a 280 KL tank for operating 3.5 HW diesel generator set for the period January 1, 2010 to December 31, 2012 for the Surda mine.
- Application (no. ADMN/L-EX/010/09) dated January 27, 2009 to the Deputy Chief Controller of Explosives, Hazaribag, for renewal of explosive license no. E/HQ/JH/22/184(E-1290) for the period April 1, 2009 to March 31, 2011 for the Surda mine.
- Application (no. ADMN/L-EX/010/09) dated January 27, 2009 to the Deputy Chief Controller of Explosives, Hazaribag, for renewal of explosive license no. E/HQ/JH/22/90(E-1063) for the period April 1, 2009 to March 31, 2011 for the Surda mine.
- Application (no. ADMN/L-EX.028/09) dated July 25, 2009 to the Deputy Chief Controller of Explosives (East Circle), Kolkata, for renewal of explosive van license no. E/EC/JH/25/110(E 19421) from 2009 to 2014 for the Surda mine.
- Application (no. ADMN/L-EX.028/09) dated July 25, 2009 to the Deputy Chief Controller of Explosives (East Circle), Kolkata for renewal of explosive van license (no. E/EC/JH/25/110(E 19421)) from 2009 to 2014 for the Surda mine.

2. ***Kendadih Mine, Ghatsila, East Singbhum, Jharkhand***

a. *Mining lease*

ML dated June 3, 1973 between Governor of Bihar and our Company w.e.f. June 3, 1973 for a term of 20 years i.e., up to June 2, 1993 for 11.40 km^2 of which forest area is 6.55 km^2 in Villages Uparbanda, Sohada, Benasol, Terenga, Kendadih, Samoydih, Chakulia, Netra, Chapri, Patkita, Kumirmuri and Kulamara in District East Singbhum, Jharkhand. Our Company has made an application dated May 28, 1992 for renewal of the ML.

b. *Environmental and other approvals*

No.	Description	Issuing Authority	Reference/License No.	Issue/Renewal Date	Expiry Date
1.	Environment clearance accorded to the Chapri-Siddheshwar mine subject to terms and conditions mentioned therein which are valid for the Kendadih copper mine.	MoEF	J-11015/1/92-IA-II(M)	November 24, 1992	N.A.
2.	Stage I forest clearance granted to the Kendadih copper mine for diversion of 2.25 km^2 of forest land subject to terms and conditions mentioned therein, specifically, penal compensatory afforestation over an area of two times the diverted forest land.	MoEF	F. No. 8-26/1997-FC	July 30, 2009	N.A.

No.	Description	Issuing Authority	Reference/License No.	Issue/Renewal Date	Expiry Date
3.	In principle approval for renewal of 2.25 km^2 of the forest land for renewal of Kendadih ML in District Singbhum under the Forest Conservation Act.	MoEF	-	June 5, 1998	N.A.

c. *Pending applications*

- Application (Ref. no. HCL/ICC/DGM(M)/G/28-1/1/08) dated June 22, 2009 to the Regional Controller of Mines, IBM, Kolkata, for approval of Mining Scheme and Progressive Mine Closure Plan (Mining Plan) for Kendadih underground copper mine, Pathargora.

- Application dated May 28, 1992 for renewal of ML for 11.40 km^2 at Villages Uparbanda, Sohada, Benasol, Terenga, Kendadih, Samoydih, Chakulia, Netra, Chapri, Patkita, Kumirmuri and Kulamara.

3. *Rakha Mine, Ghatsila, East Singbhum, Jharkhand*

a. *Mining lease*

ML dated August 9, 1991 between the Government of Jharkhand and our Company w.e.f. August 29, 1991 for a term of 20 years for 7.85 km^2 for Rakha Copper Project in Villages Rakha, Matigora, Chapri in District East Singbhum, Jharkhand.

b. *Environmental and other approvals*

No.	Description	Issuing Authority	Reference/License No.	Issue/Renewal Date	Expiry Date
1.	Environment Clearance accorded to the Chapri-Siddheshwar mine subject to terms and conditions mentioned therein which are valid for the Rakha copper mine.	MoEF	J-11015/1/92-IA-II(M)	November 24, 1992	N.A.

c. *Pending applications*

- Application (Ref. no. HCL/ICC/DGM(M)/G/28-1/1/08) dated June 22, 2009 to the Regional Controller of Mines, IBM, Kolkata for approval of Mining Scheme and Progressive Mine Closure Plan (Mining Plan) for the Rakha underground copper mine.

- Application (Ref. No. HCL/ICC/CH-Sidh/01/06) dated June 1, 2006 to the Divisional Forest Officer, Singhbhum (East) region for grant of approval under the Forest Conservation Act for diversion of 1.85 km^2 at forest land for the Chapri Sidheshar mine which covers the area comprised in the Rakha ML as well.

- Application dated July 26, 2010 made by our Company to the Commissioner cum Secretary, Department of Mines & Geology, Government of Jharkhand for renewal of ML for a further period of 20 years commencing from August 8, 2011 for the Rakha Copper Project.

4. *Chapri-Sideshwar Mine, Ghatsila, East Singbhum, Jharkhand*

a. *Mining lease*

The area constituting the Chapri-Sideshwar Mine falls within the ML area of the Rakha and Kendadih MLs.

b. *Environmental and other approvals*

No.	Description	Issuing Authority	Reference/License No.	Issue/Renewal Date	Expiry Date
1.	Environment clearance accorded to the Chapri-Siddheshwar mine subject to terms and conditions mentioned therein.	MoEF	J-11015/1/92-IA-II(M)	November 24, 1992	N.A.

5. ***Moubhandar Unit, Jharkhand***

a. *Factories and environmental approvals*

No.	Description	Issuing Authority	Reference/License No.	Issue/Renewal Date	Expiry Date
1.	Amendment of certificate of registration (No. R-02/98 dated December 23, 1998) under the CLRA and rules made thereunder	Office of the Assistant Labour Commissioner, Ministry of Labour & Employment	46(02)98(R)Chy	March 26, 2008	N.A.

b. *Pending applications*

- Application (HCL/ICC/R&D/Consent Fee/10) dated June 21, 2010 to the Jharkhand State PCB, for renewal until December 31, 2010, of consent to operate under the Air Act and the Water Act for the Moubandhar unit.
- Application (HCL/ICC/DGM(M)/SURDA/01/2007) dated March 5, 2010 to the Jharkhand State PCB for consent to operate under the Water Act in respect of the Mosaboni Concentrator Plant.
- Application dated December 21, 2009 to the Jharkhand State PCB for renewal of consent to operate under the Water Act.
- Application (ADMN/L-EX/055/09) dated December 7, 2009 to the Inspector of Factories, Jharkhand, for renewal of factory license of the Moubandhar copper reduction works for the year 2010.
- Application dated August 7, 2009 to Jharkhand State PCB for authorization/renewal of authorization under the Bio-Medical Waste (Management & Handling) Rules, 1998/2000.
- Application dated April 27, 2006 to the Jharkhand State PCB for renewal of authorisation for the handling of hazardous wastes for the Moubandhar unit against existing authorisation no. ADF-4/2001 dated May 28, 2001.

II. KCC

1. ***Khetri Mine, Jhunjhunu, Rajasthan***

a. *Mining lease*

ML dated February 23, 1963, renewed on February 23, 1993, between the Government of Rajasthan and our Company for a period of 20 years for 3.95 km^2 in Villages Banwas, Gothra etc, in District Jhunjhunu, Rajasthan, with extraction limit of 0.72 MT in fiscal 2011.

b. *Environmental and other approvals*

No.	Description	Issuing Authority	Reference/License No.	Issue/Renewal Date	Expiry Date
1.	Environmental clearance for an annual production capacity of 0.85 MT copper ore by underground mechanized method and 0.20 MT per month capacity of beneficiation plant	MoEF	No. J-11015/379/2007-IA.II(M)	March 5, 2009	N.A.

No.	Description	Issuing Authority	Reference/License No.	Issue/Renewal Date	Expiry Date
2.	Renewal of license to possess for use of explosives in the nature of 5,000 kg nitrate mixture (Class 2, Division 0), 40,000 meters of detonating fuse (Class 6, Division 2), 1,500 meters of plastic ignitor cords (Class 6, Division 2), 1,500 PIC Connectors (Class 6, Division 2) and 44,000 electric and/or ordinary detonators (Class 6, division 3) for use at KCC.	Joint Controller of Explosives, North Circle, Faridabad	E/HQ/RJ/22/260 (E40630)	December 9, 2009	March 31, 2011
3.	Renewal of license to possess for use of explosives in the nature of 40,000 kg nitrate mixture (Class 2, Division 0), 40,000 meters of safety fuse (Class 6, Division 1), 100,000 meters of detonating fuse (Class 6, Division 2) and 44,000 detonators (Class 6, Division 3) for use at KCC	Joint Controller of Explosives, North Circle, Faridabad	E/HQ/RJ/22/270 (E40636)	December 9, 2009	March 31, 2011
5.	Renewal of license to possess for use of explosives in the nature of 50,000 kg nitrate mixture (Class 2, Division 0), 20,000 meters of safety fuse (Class 6, Division 1), 40,000 meters of detonating fuse (Class 6, Division 0) and 44,000 electric and/or ordinary detonators (Class 6, Division 3) for use in premises situated at Khetri Nagar, Jhunjhunu, Rajasthan	Joint Controller of Explosives, North Circle, Faridabad	E/HQ/RJ/22/268/ 268/(E40957)	December 14, 2009	March 31, 2011
6.	Approval of Scheme of Mining and progressive Mine Closure Plan for KCC over a lease area of 3.95 km^2	IBM	Letter no. 584(6)/(3)/(300)/ 2008	October 22, 2008	5 years from the grant of approval
7.	Registration under the CLRA and rules made thereunder	Registering Officer and Regional Labour Commissioner, Jaipur	JP[R]/06/1996	December 9, 1996	N.A.
8.	Approval under the Forest Conservation Act for diversion of 1.65 km^2 of forest land for renewal of Banwas-Gothra mines in District Jhunjhunu, Rajasthan	MoEF	8-6//97-FC	February 10, 1998	N.A.

c. *Pending applications*

- Application dated May 20, 2010 to the Regional Director, Central Ground Water Board, Western Region, Jaipur, for permission for extraction of ground water for industrial use at KCC.

- Application (no. HCL/KCC/ENVIR/05/2010) dated May 26, 2010 to the Rajasthan State PCB, for consent to establish the Khetri mine under the Air Act and the Water Act.

2. ***Kolihan Mine, Jhunjhunu, Rajasthan***

a. *Mining lease*

ML dated November 24, 1966 which was further renewed on November 24, 1996 between the Government of Rajasthan and our Company for a term of 20 years for 1.63 km^2 in Kolihan, District Jhunjhunu, Rajasthan, with extraction limit of 0.80 MT in fiscal 2011.

b. *Environmental and other approvals*

No.	Description	Issuing Authority	Reference/License No.	Issue/Renewal Date	Expiry Date
1.	Environmental clearance for an annual production capacity of 1 MT of copper ore by underground mechanized method	MoEF	No. J-11015/378/2007-IA.II(M)	March 4, 2009	N.A.
2.	Approval of Scheme of Mining and progressive Mine Closure Plan for the Kolihan copper mine over a lease area of 1.63 km^2	IBM	Letter no. 584(6)/(3)/(282)/ 2008-RCM-Ajm	June 15, 2007	5 years from the grant of approval
3.	Approval under the Forest Conservation Act for diversion of 1.67 km^2 of forest land for renewal of the Kolihan copper mine	MoEF	8-5/97-FC	December 16, 1997	N.A.
4.	Registration under the CLRA and rules made thereunder	Registering Officer and Assistant Labour Commissioner, Jaipur	JP[R]/07/1996	December 9, 1996	N.A.
5.	Renewal of license to transport explosives in a road van of registration number RJP-1479 for the transit of a maximum of 6,980 kg explosives for use in the Kolihan copper mine	Joint Controller of Explosives, North Circle, Faridabad	E/NC/RJ/25/28 (E18720)	May 27, 2009	March 31, 2011
6.	Renewal of license to possess for use of explosives in the nature of 12,000 kg nitrate mixture (Class 2, Division 0) and 1,500 meters of detonating fuse (Class 6, Division 2) for use at the Kolihan copper mine	Joint Controller of Explosives, North Circle, Faridabad	E/HQ/RJ/22/269 (E40958)	May 25, 2009	March 31, 2011
7.	Renewal of license to manufacture ANFO explosives (Class 2, Division 0) not exceeding 25 kg at any one time at the Kolihan copper mine	Joint Controller of Explosives, North Circle, Faridabad	E/NC/RJ/38/20 (E24855)	May 25, 2009	March 31, 2011
8.	Renewal of license to possess for use of explosives in the nature of 5,000 kg nitrate mixture (Class 2, Division 0), 4,000 PIC Connectors (Class 6, Division 2), 30000 meters of detonating fuse (Class 6, Division 2) and 4,000 meters of safety fuse (Class 6, Division 1) at the Kolihan copper mine	Joint Controller of Explosives, North Circle, Faridabad	E/HQ/RJ/22/271 (E40963)	May 25, 2009	March 31, 2011
9.	Renewal of license to possess for use of explosives of the nature of 12,000 kg nitrate mixture (Class 2, Division 0) and 1,500 meters of detonating fuse (Class 2, Division 2) at the Kolihan copper mine	Joint Controller of Explosives, North Circle, Faridabad	E/HQ/RJ/22/267 (E40955)	May 25, 2009	March 31, 2011
10.	Renewal of license to possess for use of explosives of the nature of 50,000 numbers of ordinary detonators (Class 6, Division 3), 300,000 instantaneous and delay detonators (Class 6, Division 3) and 100,000 relay detonators (Class 6, Division 3) at the Kolihan copper mine	Joint Controller of Explosives, North Circle, Faridabad	E/HQ/RJ/22/266 (E40951)	May 25, 2009	March 31, 2011

c. *Pending applications*

- Application (no. HCL/KCC/ENVIR/05/2010) dated May 26, 2010 to the Rajasthan State PCB, for consent to establish the Kolihan mine under the Air Act and the Water Act.

- Application dated May 20, 2010 to the Regional Director, Central Ground Water Board, Western Region, Jaipur, for permission for extraction of ground water for industrial use at Kolihan copper mine.

3. ***Chandmari Mine, Jhunjhunu, Rajasthan***

a. *Mining lease*

ML dated December 27, 1972, renewed on December 27, 1992, between the Government of Rajasthan and our Company for a term of 20 years for 1.48 km^2 in Chandmari, District Jhunjhunu, Rajasthan.

b. *Environmental and other approvals*

No.	Description	Issuing Authority	Reference/License No.	Issue/Renewal Date	Expiry Date
1.	Approval under the Forest Conservation Act for diversion of 0.10 km^2 for renewal of the Chandmari copper mine	MoEF	8-7/97-FC	December 16, 1997	N.A.

4. ***KCC refinery and smelter plant***

a. *Environmental and other approvals*

Sr. No.	Description	Issuing Authority	Reference/ License No.	Issue/ Renewal Date	Expiry date
1.	Consent to operate a facility for collection, disposal, generation, reception, storage, transport, treatment of biomedical waste at KCC for operating a hospital with 60 beds.	Rajasthan State PCB	F(BMW)/JHUNJH UNU (Khetri)/2/ (1)/2008-2009/ 5896-5899	February 26, 2010	February 28, 2011
2.	Registration under the CLRA and rules made thereunder	Registering Officer and Regional Labour Commissioner, Jaipur	JP[R]/10/1998	May 19, 1998	N.A.
3.	Registration and license to work a factory for smelter and refinery	Chief Inspector of Factories, Jaipur, Rajasthan	RJ 3170	June 20, 1997	March 31, 2011

b. *Pending applications*

- Application dated May 20, 2010 to the Regional Director, Central Ground Water Board, Western Region, Jaipur, for permission for extraction of ground water for industrial use.

- Application (no. HCL/KCC/ENVIR/04/2010) dated April 6, 2010 by our Company to the Rajasthan State PCB, for authorisation for collection/reception/treatment/disposal of hazardous wastes.

- Application (no. HCL/KCC/DGM(W)/03/2009) dated March 22, 2010 by our Company to the Rajasthan State PCB, for consent to operate under the Water Act for the KCC township.

- Application (no. HCL/KCC/DGM(W)/ENV./09/2009) dated September 17, 2009 by our Company to the Rajasthan State PCB, for renewal of consent to operate under the Air Act for the process plant.

- Application (no. HCL/KCC/DGM(W)/ENV./09/2009) dated September 17, 2009 by our Company to the Member Secretary, Rajasthan State PCB, for renewal of consent to operate under the Water Act for the process plant.

III. MCP

1. *Malanjkhand Mine, Madhya Pradesh*

a. *Mining lease*

MLs dated August 28, 1973 and October 29, 1975 between the Government of Madhya Pradesh and our Company for 4.59 km^2 and 0.02 km^2 in Malanjkhand, Madhya Pradesh, with extraction limit of 1.90 MT in fiscal 2011. These leases were amalgamated and a consolidated ML was renewed on February 21, 2003 w.e.f. August 27, 1993 for a term of 20 years i.e., up to August 27, 2013.

b. *Environmental and other approvals*

No.	Description	Issuing Authority	Reference/License No.	Issue/Renewal Date	Expiry Date
1.	Environmental clearance for the MCP (Expansion), Madhya Pradesh	MoEF	No. J-11015/03/92-IA-II(M)	October 29, 1992	N.A.
2.	Approval of the Scheme of Mining in respect of MCP over an area of 4.80 km^2	IBM, Mines Control & Conservation of Minerals Division (Central Zone)	314(3)/2003-MCCM(C)/S-16	March 16, 2005	5 years from the date of grant of the approval
3.	Approval from the Inspector General of Forests for the release of 17.58 km^2 of forest land in our favor, after charging the amount of compensation mutually agreed to between the Forest Department of Madhya Pradesh and our Company subject to our Company providing an undertaking to fell only those trees that are inescapable and to plant an equal number of trees as the number felled and maintain these trees.	Ministry of Agriculture and Irrigation	17-17/77-FRI(FD)	November 24, 1977	N.A.
4.	Renewal of license for possession for use of explosives in the nature of 30,000 kg. of nitrate mixture (Class 2, Division 0) and 30,000 meters of detonating fuse (Class 6, Division 2) for use at MCP, to be stored in a main magazine, lobby and detonators store room.	Chief Controller of Explosives, Bhopal	E/HQ/MP/22/38)/ E(617)	July 19, 2010	March 31, 2011
5.	Permission to our Company to draw 22,730 cu.m of water every day from natural or government water source for use at MCP in consideration for our Company making payment to the Government and terms and conditions and covenants contained in the agreement between the Government of Madhya Pradesh and our Company dated January 29, 2002	Governor of Madhya Pradesh, acting through the Executive Engineer, Water Resource Division, Baihar	Agreement dated January 29, 2002 between the Governor of Madhya Pradesh and our Company	January 29, 2002	January 30, 2032
6.	Permission to draw 6,90,000 cu.m of water per month from the Baherakhar reservoir canal in e Banjar river within the boundary of Chattisgarh State, for use at	Governor of Chhattisgarh, acting through the Executive Engineer, Water	Agreement dated March 28, 2009 between the Governor of Chhattisgarh and	March 28, 2009	April 1, 2039

No.	Description	Issuing Authority	Reference/License No.	Issue/Renewal Date	Expiry Date
	MCP located about 30 km. downstream in consideration for our Company making payment to the Government of Chhattisgarh and terms and conditions and covenants contained in the agreement dated March 28, 2009 between the Government of Chhattisgarh and our Company.	Resource Division, Kawardha	our Company		

c. Pending applications

- Application (no. HCL.MCP.M-PLG/M/SCHEME/2009-14) dated February 15, 2010 to the Regional Controller of Mines, Nagpur, for approval of Scheme of Mining with progressive Mine Closure Plan for the period 2009-2010 to 2013-2014 for existing ML of 4.80 km^2 and mining extraction limit of 0.19 MT in fiscal 2011.

- Application dated September 15, 2009 to the Deputy Chief Controller of Explosives for renewal of explosive van licence (no. E/HQ/MP/22/90(E876)) for the period from April 1, 2009 to March 31, 2011 under the Explosives Rules, 2008.

- Application dated September 15, 2009 to the Madhya Pradesh State PCB for renewal of authorization for collection/reception/treatment/transport/storage/disposal of hazardous wastes.

- Application dated May 25, 2009 to the Madhya Pradesh State PCB for consent to operate under the Water Act, for 2 MT of copper ore, 8,300 MT/month copper concentrates of 25% copper.

- Application dated May 25, 2009 to the Madhya Pradesh State PCB for consent to operate under the Air Act, for stack emission.

2. Crushing and Concentrator Complex, Balaghat, Malanjkhand

Sr. No.	Description	Issuing Authority	Reference/ License No.	Issue/ Renewal Date	Expiry date
1.	License to work a factory for the crushing and concentrator complex, employing not more than 750 workers on any one day during the year and having installed motive power above 500 horse-power where the manufacturing process of copper ore beneficiation for manufacturing of copper concentrate will be carried out.	Chief Inspector of Factories, Madhya Pradesh	127/08682/BLG/2m(i)	July 21, 2010	December 31, 2010
2.	Registration granted under the CLRA and rules made thereunder	Assistant Labour Commissioner, Chhindwara	65/CHA_35(2)/85	March 12, 1985	N.A.

IV. TCP

1. Taloja Smelting Unit, Maharashtra

a. Approvals

No.	Description	Issuing Authority	Reference/License No.	Issue/Renewal Date	Expiry Date
1.	Approval of building plans for proposed factory building	Maharashtra Industrial Development Corporation Limited ("**MIDCO**")	DB/TLJ/331/1150/1989	March 29, 1989	N.A.

No.	Description	Issuing Authority	Reference/License No.	Issue/Renewal Date	Expiry Date
2.	Establishing a new industrial unit	MIDCO	NOC/4844	December 30, 1988	N.A.
3.	Industrial license for manufacture of CC Rods	Department of Industrial Development, Ministry of Industry, GoI	CIL:154(88)	July 21, 1988	N.A.
4.	Central excise registration	Ministry of Finance, Department of Revenue	AAACH7409RXM006	October 27 2005	N.A.
5.	Consent for installation of 3 800 KW diesel generator sets	MSEB	Cell/D.G.Set/90	January 23, 1990	N.A.
6.	Sanction for supply of electric power at high tension to the factory	MSEB	BRC/Tech/PNL/Cons. 584	August 25, 1989	N.A.
7.	Consent to operate under the Air Act and the Water Act and renewal of authorization under rule 5 of the Hazardous Wastes (Management & Handling) Rules, 1989 and Amendment Rules, 2003	Maharashtra State PCB	BO/PCI-II/RONM/R/EIC No. NM-1275-08/3874-09/CC-229	June 22, 2009	December 31, 2011.
8.	Registration granted under the CLRA and rules made thereunder	Office of the Assistant Labour Commissioner (Central), Mumbai	B-ALC(C)-I/35(18)/1998-RC	November 23, 1998	N.A.
9.	Grant of 50 mm dia. water supply connection and permission for increased size of water supply connection from 40 mm dia. to 50 mm dia.	MIDCO	EE/DB/WS/1797/ of 2007	July 27, 2007	N.A.
10.	Environmental clearance for manufacture of cast and rolled copper wire rods-250 MT per day	Environment Department, Government of Maharashtra	ENV(NOC)1088/1670/CR-296/D-I	December 19, 1988	N.A.
11.	Consent to our Company under the Electricity Act, 1944, for installation of three 800 KW diesel generator sets, subject to terms and conditions mentioned therein.	MSEB	Sp.co.Cell/D.G. Set/90	January 23, 1990	N.A.

b. *Pending applications*

- Application (no. HCL/TCP/HR/ACL(C)/2010 dated August 12, 2010 to the Assistant Labour Commissioner (Central) for extension of registration (no. B-ALC(C)-I/35/(18)/98-RC) under the CLRA and rules made thereunder.

- Application (no. HCL/TCP/PERS/Fac.Lic./2006) dated October 12, 2009 to the Deputy Director, Industrial Safety & Health, Office of the Joint Director of Industrial & Safety, Navi Mumbai, for renewal of factory license for three years from January 1, 2010 until December 31, 2012.

D. Other approvals and applications relating to mining leases, prospecting leases and reconnaissance permits

a. *Mining leases*

- Application (no.HCL/ICC/DGM(M)/G-28.1/09) dated November 11, 2009 to the Assistant Mining Officer (District-Seraikela-Kharsawan), Jharkhand for grant of an ML of the Dhadkidih-Trilidih block over an area of 6.46 km^2 in our favor in Villages Laukesra, Pathargora, Meriya, Mosaboni, Rangamatia and Dhobani.

- Application (no.HCL/ICC/DGM(M)/G-28.1/09) received by the Assistant Mining Officer (East Singhbhum District), Jharkhand on June 27, 2009 for fresh grant of an ML over an area of 7.34 km^2 in our favor in Villages Merya, Loukeshra, Pathargora, Mosaboni, Rangmatia, etc.

b. Prospecting leases

Approvals

- The MoM has granted PL (No. 4/66/2010-M.IV) dated July 2, 2010 for prospecting copper and associated minerals in an area of 36.07 km^2 in Baniwali ki Dhani, Sikar, Rajasthan in our favor for a period of three years.

Applications

- Application dated June 21, 2010 to the Commissioner Cum Secretary, Department of Mines and Geology, Jharkhand for grant of a PL for prospecting chalcopyrite and associate minerals, over an area of 9.81 km^2 in District Singhbhum, Taluq Govindpur (Villages: Kudada, Turamdih, Nandup, Purihasa, Bayangbil, Lailam, Garadih, Kadamdih) for a period of 20 years.

- Application dated June 2, 2008 to the Department of Mines for PL (No. 41/08) for copper and associated minerals prospecting over an area of 12.08 km^2 in Baniwali Ki Dhani, near Neem ka Thana, District Sikar, Rajasthan.

- Application dated June 15, 2007 to the Secretary of Government, Natural Resources Department, Madhya Pradesh, for grant of a PL for prospecting copper and associated minerals for a period of two years over an area of 60 km^2 in District Balaghat, Taluka Baihar, Villages Mohgaon, Pildongri, Kholwu, Reharup, Lora and Jatta, in Khasra No. P.C. No. 19, 21, 41 and 42.

- Application dated April 10, 2002 to the Secretary of Government, Natural Resources Department, Madhya Pradesh, for grant of a PL for prospecting copper and associated minerals for a period of two years over an area of 7 km^2 in District Balaghat, Taluka Baihar, Villages Karhu, Anditola, Sitapur, Sitalpani, Mohongaon, Kolhyotola, Nayatola and Paldongari, in Khasra No. Patwari Halka No. 42.

- Application dated May 3, 1997 to the Secretary of Government, Natural Resources Department, Madhya Pradesh, for grant of a PL for prospecting copper and associated minerals for a period of two years over an area of 17.7 km^2 in District Balaghat, Taluka Baihar, in Khasra numbers Patwari Halka no. 37, Patwari Halka no. 35 and Patwari Halka no. 33.

- Application dated July 12, 1996 to the Secretary of Government, Natural Resources Department, Madhya Pradesh, for grant of a PL for prospecting copper and associated minerals for a period of two years over an area of 22.73 km^2 in District Balaghat, Taluka Baihar, Villages Dorli, Giriori, Jamunia Sgarpuri, and three other Villages in Khasra numbers Patwari Halka No. 37 and Patwari Halka no. 38.

c. Reconnaissance permits

- Application dated June 28, 2010 to the Director, Department of Mines & Geology, Rajasthan, for the grant of a RP for copper, lead, zinc, gold and associated minerals for a period of three years over an area of 1,718.70 km^2 in Districts Bhilwara and Ajmer, Tehsil Shahpura, Mandal, Kekri.

- Application dated June 28, 2010 to the Director, Department of Mines & Geology, Rajasthan, for the grant of a RP for copper, lead, zinc, gold and associated minerals for a period of three years over an area of 1,982 km^2 in Districts Ajmer and Pali, Tehsil Kishangarh, Beawar and Raipur.

- Application dated June 28, 2010 to the Director, Department of Mines & Geology, Rajasthan, for the grant of a RP for copper, lead, zinc, gold, silver, cadmium, cobalt, germanium, precious stones and associated minerals for a period of three years over an area of 671 km^2 in District Ajmer, Tehsil

Sarwar, Kekri and Beawar.

- Application dated June 28, 2010 to the Director, Department of Mines & Geology, Rajasthan, for the grant of a RP for copper, lead, zinc, gold, silver and associated minerals for a period of three years over an area of 319 km^2 in Districts Bhilwara and Chittor, Tehsil Bhilwara and Gangawar.

- Application dated June 28, 2010 to the Director, Department of Mines & Geology, Rajasthan, for the grant of a RP for copper, lead, zinc, gold and associated minerals for a period of three years over an area of 1,180 km^2 in Districts Ajmer, Nagaur and Jaipur, Tehsil Parbatsar, Kishangarh, Phulera and Dudu.

- Application dated June 28, 2010 to the Director, Department of Mines & Geology, Rajasthan, for the grant of a RP for copper, lead, zinc, gold, silver and associated minerals for a period of three years over an area of 200 km^2 in Districts Ajmer and Pali, Tehsil Ajmer and Jaitaran.

- Application dated June 28, 2010 to the Director, Department of Mines & Geology, Rajasthan, for the grant of a RP for copper, lead, zinc, gold and associated minerals for a period of three years over an area of 730 km^2 in Districts Sikar and Jhunjhunu, Tehsil Khetri, Udaipurwati and Shrimadhopur.

- Application dated June 28, 2010 to the Director, Department of Mines & Geology, Rajasthan, for the grant of a RP for copper, lead, zinc, gold and associated minerals for a period of three years over an area of 1,821.69 km^2 in Districts Ajmer and Tonk, Tehsil Kekri, Srwar and Malpura.

- Application dated May 16, 2008 to the Secretary of Government, Natural Resources Department, Madhya Pradesh for the grant of an RP for the prospecting of copper and assorted minerals for a period of two years over an area of 1,600 km^2 in District Balaghat, Taluka Baihar.

- Application dated February 4, 2008 to the Director, Department of Mines & Geology, Haryana, for grant of an RP for copper and associated minerals for a period of three years over an area of 2,089 km^2 in Districts Mohindarnagar, Jhajjhar and Bhiwani.

E. Intellectual property related approvals

- Certificate dated August 16, 2005 for registration of trademark (Trademark No. 1123383) under section 23(2) read with rule 61(l) of the Trademark Act, 1999 in Class 6 in respect of 'common metals and their alloys, wires of common metal, copper unwrought or semi-wrought, copper wire not insulated, copper rings, cast and rolled copper rods, ores, goods of common metal' under the trademark 'Hindcop Rod'.

F. Tax registrations

- PAN: AAACH7409R

- TAN: CALH00587G

- Service Tax Registration AAACH7409RST005 issued under section 69 of the Finance Act, 1994 read with the Service Tax Rules 1994, by the office of the Assistant Commissioner of Service Tax, Service Tax Division III, Kolkata, on November 15, 2006, for the premises at our Registered Office (location code SB0302).

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

- The MoM by its letter (No. 5/46/2003-Met.III(Pt.)) dated June 25, 2010 approved the Issue.

- Our Board of Directors has, pursuant to a resolution passed at its meeting held on March 19, 2010 authorized the Issue.

- Our shareholders have, pursuant to a special resolution at our AGM dated June 30, 2010 under section 81(1A) of the Companies Act, authorized the Issue.

- We have received in-principle approvals from the BSE and the NSE for the further listing of our Equity Shares offered in the Issue pursuant to letters dated [●] and [●], respectively. [●] is the Designated Stock Exchange.

- Pursuant to an application dated July 29, 2010 made by our Company to the RBI for permission for the proposed transfer of Equity Shares to non-residents in the Issue pursuant to the Offer for Sale, the RBI, by its letter (FE.CO.FID.No.4591/10.21.209/2010-2011) dated August 20, 2010, issued its no-objection to the transfer of Equity Shares to non-residents in the Issue pursuant to the Offer for Sale.

Prohibition by SEBI, RBI or Governmental authorities

Our Company, our Promoter and our Directors, have not been prohibited from accessing the capital markets for any reasons under any order or direction passed by SEBI or any other authorities.

Except Mr. Shantikam Hazarika and Mr. Arun Kumar Mago, none of our Directors are associated with the securities market. Further, there has been no action taken by the SEBI against any of our Directors or any entity where our Directors are involved in as promoters or directors.

Neither our Company, nor our Promoter or our Directors, have been identified as willful defaulters by the RBI or other authorities. There are no violations of securities laws committed by any of them in the past or pending against them.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with Regulation 27 read with Regulation 26(1) (d) and (e) of the SEBI ICDR Regulations as described below:

(a) The aggregate of the proposed Issue and all previous issues made in the same financial year in terms of Issue size is not expected to exceed five times the pre-Issue net worth of our Company as per the audited balance sheet of the preceding financial year; and

(b) Our Company has not changed its name within the last one year.

Hence, our Company is eligible for the Issue under Regulation 27 read with Regulation 26(1) of the SEBI Regulations.

Further, in accordance with regulation 26(4) of the SEBI ICDR Regulations, we will ensure that the number of Allottees, i.e., persons to whom the Equity Shares will be Allotted under the Issue will 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 our Company becomes liable to repay it (i.e., from the date of refusal or within 10 Working Days from the date of Bid Closing Date, whichever is earlier), then our Company and every officer in default will, 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 by applicable law.

Disclaimer Clause of 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 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 ISSUE 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 BEING, ICICI SECURITIES LIMITED, ENAM SECURITIES PRIVATE LIMITED, KOTAK MAHINDRA CAPITAL COMPANY LIMITED, SBI CAPITAL MARKETS LIMITED AND UBS SECURITIES 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. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

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 ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, ICICI SECURITIES LIMITED, ENAM SECURITIES PRIVATE LIMITED, KOTAK MAHINDRA CAPITAL COMPANY LIMITED, SBI CAPITAL MARKETS LIMITED AND UBS SECURITIES INDIA PRIVATE LIMITED HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 25, 2010 WHICH READS AS FOLLOWS:

"(1) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE.

(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 ISSUE, 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 THE SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

(b) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE SEBI, THE CENTRAL 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 ISSUE 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 THE SEBI AND THAT UNTIL DATE SUCH REGISTRATIONS ARE VALID.

(4) WE HAVE SATISFIED OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. – NOTED FOR COMPLIANCE.

(5) WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAVE BEEN OBTAINED FOR

INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF THE PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN, SHALL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE SEBI UNTIL 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 PROMOTERS 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 ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE 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 COMPANY ALONG WITH PROCEEDS OF THE PUBLIC ISSUE- <u>NOT APPLICABLE.</u>

(8) WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE 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.

(9) WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION - <u>NOTED FOR COMPLIANCE.</u>

(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 – <u>NOT APPLICABLE.</u>

(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 THE 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 ISSUE.

(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 OR 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 or section 68 of the Companies Act, 1956 or from the requirement of obtaining such statutory and other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up, at any point of time, with the BRLMs any irregularities or lapses in the Draft Red Herring Prospectus.

Caution – Disclaimer from our Company, our Directors, the Selling Shareholder and the BRLMs

Our Company, our Directors, the Selling Shareholder and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisement or any other material issued by or at the instance of above mentioned entities and anyone placing reliance on any other source of information, including our website, www.hindustancopper.com, would be doing so at his own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Agreement entered into among the BRLMs, our Company and the Selling Shareholder dated September 25, 2010 and the Underwriting Agreement proposed to be entered into between the Underwriters, our Company and the Selling Shareholder.

All information will be made available by us and the BRLMs to the public and investors at large and no selective or additional information would be available for any section of the public in any manner whatsoever including at road show presentations, in research or sales reports, at Bidding centers or elsewhere.

Neither our Company nor the Selling Shareholder nor the Syndicate will be liable to the Bidders for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company and the Selling Shareholder in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company and the Selling Shareholder for which they have received, and may in future receive, compensation.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholder and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Selling Shareholder, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

Disclaimer in Respect of Jurisdiction

This Issue 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), or trusts under applicable trust law and who are authorized under their constitutions to hold and invest in shares, permitted insurance companies and pension funds and to permitted non residents including Eligible NRIs, Foreign Institutional Investors ("**FIIs**") and other eligible foreign investors (viz. Foreign Venture Capital Investors ("**FVCIs**"), multilateral and bilateral development financial institutions). This Draft Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

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 Draft Red Herring Prospectus has been filed with SEBI for observations. Accordingly, our Company's Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and this Draft 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 Draft Red Herring Prospectus nor any sale hereunder will, 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 Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold (i) to 'qualified institutional buyers' (as defined under Rule 144A of the Securities Act) in the United States in transactions exempt from registration under the Securities Act; and (ii) outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur. In addition, until 40 days after the commencement of the Issue, an offer or sale of the Equity Shares within the United States by any dealer (whether or not participating in the Issue) may violate the registration requirements of the Securities Act.

Each purchaser of Equity Shares inside the United States or who is a U.S. person will be required to represent and agree, among other things, that such purchaser (i) is a U.S. QIB; and (ii) will only reoffer, resell, pledge or otherwise transfer the Equity Shares in an "offshore transaction" in accordance with Rule 903 or Rule 904 of Regulation S.

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.

Disclaimer Clause of the BSE

As required, a copy of this Draft Red Herring Prospectus will be submitted to the BSE. The disclaimer clause as intimated by the BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, will be included in the Red Herring Prospectus prior to filing the same with the RoC.

Disclaimer Clause of the NSE

As required, a copy of this Draft Red Herring Prospectus will be submitted to the NSE. The disclaimer clause as intimated by the NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, will be included in the Red Herring Prospectus prior to filing the same with the RoC.

Filing

A copy of the Draft Red Herring Prospectus was filed with SEBI at Corporation Finance Department, SEBI Bhavan, Plot No. C4-A, G Block, 3rd Floor, Bandra Kurla Complex, Bandra (E), Mumbai 400 051, India.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the

Companies Act, will be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 60 of the Companies Act would be delivered for registration with RoC at the office of the Registrar of Companies, West Bengal at Nizam Palace, 2nd MSO Building 2nd Floor, 234/4, A.J.C.B. Road, Kolkata 700 020, West Bengal, India.

Listing

Applications will be made to the Stock Exchanges for permission to deal in and for an official quotation of our Equity Shares in terms of the Fresh Issue. [●] will be the Designated Stock Exchange with which the basis of Allotment will be finalized for the Issue.

If the permission to deal in and for an official quotation of our Equity Shares in terms of the Fresh Issue, is not granted by either of the Stock Exchanges mentioned above we will forthwith repay, without interest, all moneys received from the Bidders in pursuance of this Red Herring Prospectus. If such money is not repaid within eight days after our Company becomes liable to repay it, i.e., from the date of refusal or within 10 Working Days from the Bid Closing Date, whichever is earlier, then our Company and every officer in default will, on and from the expiry of eight days, be liable to repay such application money, with interest at the rate of 15% *per annum*, as prescribed under Section 73 of the Companies Act.

Our Company will ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within 12 Working Days of the Bid Closing Date.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 68A 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 Directors, the Deputy General Manager, Company Secretary and Compliance Officer, the Auditors, Bankers to our Company and Bankers to the Issue; and (b) the BRLMs and Syndicate Member, Registrar to the Issue and the legal advisors, to act in their respective capacities, have been obtained and would be 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 have not been withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

In accordance with the Companies Act and SEBI ICDR Regulations, the Auditors, Ray & Co., and Agarwal Anil & Co., have given their written consent to the inclusion of their report in the form and context in which it appears in the "***Financial Statements***" on page 137] and of their report relating to tax benefits accruing to our Company in the form and context in which it appears in the "***Statement of Tax Benefits***" on page 49], and IMC-SRGC has given their written consent to the including of the JORC Report prepared by IMC- SRGC in "***Annexure I***", and such consents and reports have not been withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

Expert Opinion

Except the Examination Report of the Auditors of our Company on the restated financial information included in "***Financial Statements***" on page 137] of the DRHP and updated at the time of filing of the RHP with RoC, pursuant to the SEBI ICDR Regulations, and the JORC Report prepared by IMC-SRGC in "***Annexure I***", we have not obtained any expert opinions.

Expenses of the Issue

The total expenses of the Issue are estimated to be approximately ₹ [●] million. Other than listing fees, which will be paid by our Company, all expenses with respect to the Issue will be shared between our Company and the Selling Shareholder, in proportion to the Equity Shares contributed to the Issue.

The estimated Issue related expenses are as under:

S. No.	Activity Expense	Amount (₹ million)	Percentage of Total Issue Expenses	Percentage of Total Issue size
1.	Lead management fees*	[●]	[●]	[●]
2.	Selling commission*	[●]	[●]	[●]
3.	Registrar's fees*	[●]	[●]	[●]
4.	Advertisement and marketing expenses*	[●]	[●]	[●]
6.	Legal counsels fees*	[●]	[●]	[●]
7.	Bankers to the Issue*	[●]	[●]	[●]
8.	Others (Monitoring agency fees, listing fees, etc.) *	[●]	[●]	[●]
	Total	[●]	[●]	[●]

**Will be incorporated after finalization of Issue Price.*

Fees payable to the BRLMs and the Syndicate Member(s)

The total fees payable to the BRLMs and the Syndicate Member(s) (including underwriting commission and selling commission) will be as per their respective engagement letter with our Company and the Selling Shareholder, a copy of which is available for inspection at our Registered Office.

Fees payable to the Registrar to the Issue

The fees payable by us to the Registrar to the Issue for processing of Bid-cum-Application Forms, data entry, printing of all allocation advice including the Anchor Investor Allocation Notice(s) or the Revised Anchor Investor Allocation Notice(s), refund orders, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the agreement dated September 25, 2010 between us, the Selling Shareholder and the Registrar to the Issue, a copy of which is available for inspection at our Registered Office.

The Registrar to the Issue will be reimbursed for all out of pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable them to make refunds or send Allotment advice by registered post/speed post/under certificate of posting.

Particulars Regarding Public or Rights Issues during the Last Five Years

Our Company has not made any public and rights issues in India or abroad in the five years preceding the date of this Draft Red Herring Prospectus.

Commission or brokerage on previous issues

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 by our Company since our incorporation.

Previous Issues of Shares Otherwise than for Cash

Except as disclosed in "***Capital Structure***" on page 30], our Company has not made any previous issues of Equity Shares for consideration otherwise than for cash.

Capital Issues in the Last Three Years

Our Company has not made any public or rights issues in the last three years.

Promise v/s Performance

Our Company has not made any public or rights issues in the last three years.

Outstanding Debentures or Bond Issues or Redeemable Preference Shares

Our Company has no outstanding debentures or bonds or redeemable preference shares, as on the date of this Draft Red Herring Prospectus. For details of waiver of preference shares see "***Capital Structure***" on page 30.

Partly Paid-Up Shares

There are no partly paid-up Equity Shares of our Company.

Stock Market Data of our Equity Shares

For details, see "***Stock Market Data for Equity Shares of our Company***" on page 198.

Mechanism for Redressal of Investor Grievances

The agreement dated September 25, 2010 between the Registrar to the Issue, the Selling Shareholder and our Company provides for retention of records with the Registrar to the Issue for a period of three years from the last date of dispatch of the letters of Allotment, or refund orders, demat credit or where refunds are being made electronically, giving of refund instructions to the clearing system, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the Bidder, number of Equity Shares applied for, amount paid on application and the designated bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the Bidder, 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 or the Registrar to the Issue for the redressal of routine investor grievances will be seven Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible. No investor complaints have been received during the immediately preceding three years prior to filing of this Draft Red Herring Prospectus with SEBI.

We have also appointed Mr. C.S. Singhi, Deputy General Manager and Company Secretary as the Compliance Officer for this Issue and he may be contacted in case of any pre-Issue or post Issue related problems, at the following address:

Hindustan Copper Limited
Tamra Bhavan
1, Ashutosh Chowdhury Avenue
Kolkata 700 019, India
Tel.: +(91 33) 2283 2296/2226/2676
Fax: +(91 33) 2283 2676
E-mail: investors_cs@hindustancopper.com
Website: www.hindustancopper.com

Change in Auditors

Pursuant to Section 619(2) of the Companies Act, the auditors of a Government company are appointed or re-appointed by the Comptroller and Auditor General of India. The change in auditors in the last three years is as follows:

Name of Auditor	Date of change	Reason
Ray & Co. and Agrawal Anil & Co.	August 12, 2009*	Appointment as joint auditors
K B Chandna & Co and Ray & Co.	July 31, 2008**	Re-appointment as joint auditors

***Pursuant to letter (No. CA.V/COY/HCOPPR(2)25) dated August 12, 2009 from the Office of the Comptroller General of India**

*** Pursuant to letter (No. CA.V/COY/CENTRAL GOVERNMENT/HCOPPR(2)21) dated August 12, 2009 from the Office of the Comptroller General of India*

Capitalization of Reserves or Profits

Except as stated in "***Capital Structure***" on page 30], we have not capitalized our reserves or profits in the last five years.

Revaluation of Assets

There has been no revaluation of assets of our Company in the last five years.

SECTION VII - ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, our Memorandum of Association and Articles of Association, the terms of the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, the Bid cum Application Form, the Revision Form, allocation advice including the Anchor Investor Allocation Notice(s) or the Revised Anchor Investor Allocation Notice(s), the equity listing agreements with the Stock Exchanges and other terms and conditions as may be incorporated in the Allotment advices and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares will also be subject to all applicable laws, regulations, guidelines, rules and notifications relating to the issue of capital and listing of securities issued from time to time by SEBI, GoI, Stock Exchanges, Registrar of Companies, RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Authority for this Issue

See "***Other Regulatory and Statutory Disclosures***" on page 226.

Ranking of Equity Shares

The Equity Shares being offered will be subject to the provisions of the Companies Act and our Memorandum of Association and Articles of Association, and will rank *pari passu* in all respects with the existing Equity Shares of our Company including rights in respect of dividends. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see "***Main Provisions of the Articles of Association***" on page 275.

Mode of Payment of Dividends

We will pay dividends, if declared, to our shareholders as per the provisions of the Companies Act and our Memorandum of Association and Articles of Association.

Face Value and Issue Price

The face value of the Equity Shares is ₹ 5 each and the Issue Price is ₹ [●] per Equity Share. The Anchor Investor Issue Price is ₹ [●] per Equity Share. At any given point of time there will be only one denomination for the Equity Shares. The Floor Price is ₹ [●] per Equity Share and the Cap Price is ₹ [●] per Equity Share.

Compliance with the SEBI

Our Company will comply with applicable disclosure and accounting norms specified by the SEBI from time to time.

Rights of the Equity Shareholder

Subject to applicable laws, rules, regulations and guidelines and the provisions of the Articles of Association, our Equity Shareholders will have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and other preferential claims being satisfied;
- Subject to applicable law including any RBI rules and regulations, right of free transferability of their

Equity Shares; and

- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the listing agreement executed with the Stock Exchanges, and our Memorandum of Association and Articles of Association.

All our Equity Shareholders have the same voting rights. For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividends, forfeiture and lien and/or consolidation/splitting, see "***Main Provisions of Our Articles of Association***" on page 275.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares will be Allotted only in dematerialized form. As per the applicable laws and SEBI ICDR Regulations, the trading of our Equity Shares will only be in dematerialized form. Since trading of our Equity Shares is in dematerialized form, the tradable lot is one Equity Share. Allotment in this Issue will be only in electronic form in multiples of [•] Equity Shares, subject to a minimum Allotment of [•] Equity Shares.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold the same as joint-tenants with benefits of survivorship, subject to the provisions of the Articles of Association.

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, will vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), will 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 will stand rescinded on a sale/transfer/alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of Section 109A of the Companies Act, will on the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as holder of 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 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with respective depositories of the Bidder would prevail. If the investors want to change their nomination, they are requested to inform their respective depository participant.

Application by Eligible NRIs / FIIs registered with SEBI and FVCIs registered with SEBI

It is to be distinctly understood that there is no reservation for Eligible NRIs or FIIs registered with SEBI or FVCIs registered with SEBI. Such Eligible NRIs, FIIs registered with SEBI or FVCIs registered with SEBI will be treated on the same basis as other categories for the purpose of allocation.

Bidding Program*

BID OPENS ON	**[●]**
BID CLOSES ON	**[●]**

** Anchor Investors, if any, will submit their Bids on the Anchor Investor Bidding Date, which is one Working Day prior to the Bid Opening Date.*
Our Company and the Selling Shareholder, in consultation with the BRLMs, may decide to close the Bidding for QIBs one day prior to the Bid Closing Date.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue including the Employee Reservation Portion and devolvement of Underwriters within 60 days from the Bid Closing Date, our Company will within 70 days of the Bid Closing Date refund the entire subscription amount received. If such money is not repaid within eight days from the day our Company becomes liable to repay, our Company and every officer in default will, on and from expiry of eight days, be jointly and severally liable to repay the money with interest at the rate of 15% *per annum* as prescribed under section 73 of the Companies Act.

Further in terms of Regulation 26(4) of the SEBI ICDR Regulations, our Company will ensure that the number of prospective allottees to whom Equity Shares will be allotted will not be less than 1,000.

Arrangement for Disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restriction on Transfer of Shares

Except for lock-in of the pre-Issue Equity Shares of the Promoter and Promoter's minimum contribution in the Issue and the Equity Shares Allotted to Anchor Investors which will be locked in for a period of 30 days from the date of Allotment, as detailed in the section ***"Capital Structure"*** on page 30], there are no restrictions on transfers and transmission of shares/ debentures and on their consolidation/ splitting except as provided in our Articles. See "***Main Provisions of our Articles of Association***" on page 275.

Option to receive Equity Shares in Dematerialised Form

Investors should note that Allotment of Equity Shares to all successful Bidders will only be in dematerialized form. Bidders will not have the option of receiving Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.

ISSUE STRUCTURE

The present Issue of 185,043,600 Equity Shares of ₹ 5 each, at a price of ₹ [●] for cash aggregating ₹ [●] million is being made through the Book Building Process. The Issue comprises a Fresh Issue of 92,521,800 Equity Shares by our Company and an Offer for Sale of 92,521,800 Equity Shares by the Selling Shareholder. The Issue will constitute 18.18% of the post-Issue equity share capital of our Company. The Issue comprises a Net Issue of 183,970,000 Equity Shares to the public and an Employee Reservation Portion of 1,073,600 Equity Shares for subscription by Eligible Employees.

	Eligible Employees	**QIB Bidders[1]**	**Non-Institutional Bidders**	**Retail Individual Bidders**
Number of Equity Shares available for allocation[2]	1,073,600 Equity Shares	Up to 91,985,000 Equity Shares, or Net Issue less allocation to Non-Institutional Bidders and Retail Individual Bidders	Not less than 27,595,500 Equity Shares or Net Issue less allocation to QIB Bidders and Retail Individual Bidders	Not less than 64,389,500 Equity Shares or Net Issue less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Issue size available for allocation	Up to 0.58% of the Issue. The Employee Reservation Portion comprises [●]% of the post-Issue capital of our Company.**	Up to 50% of the Net Issue will be allocated to QIBs. However, 5% of the QIB Portion, excluding the Anchor Investor Portion, will be available for allocation proportionately to Mutual Funds only. The unsubscribed portion in the Mutual Funds portion will be available to QIBs[3]	Not less than 15% of the Issue or Net Issue size less allocation to QIB Bidders and Retail Individual Bidders	Not less than 35% of the Net Issue available for allocation or the Net Issue less allocation to QIB Bidders and Non-Institutional Bidders
Basis of Allocation if respective category is oversubscribed	Proportionate.	Proportionate as follows: (a) 4,599,250 Equity Shares will be allocated on a proportionate basis to Mutual Funds; and (b) 91,985,000 Equity Shares will be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate	Proportionate
Minimum Bid	[●] Equity Shares, adjusted based on Issue Price net of Employee Discount as applicable	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹ 100,000	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹ 100,000	[●] Equity Shares
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the maximum Bid by each Eligible Employee in this portion does not exceed ₹ 1,00,000[#]	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the Net Issue, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the Net Issue, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 1,00,000[##]
Mode of	Compulsorily in	Compulsorily in	Compulsorily in	Compulsorily in

	Eligible Employees	QIB Bidders[1]	Non-Institutional Bidders	Retail Individual Bidders
Allotment	dematerialized form.	dematerialised form	dematerialised form	dematerialised form
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter
Trading Lot	One Equity Share	One Equity Share	One Equity Share	One Equity Share
Who can Apply[3]	Eligible Employees	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, venture capital funds registered with the SEBI, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with a minimum corpus of ₹ 250 million, pension funds with a minimum corpus of ₹ 250 million, insurance funds set up and managed by the army, navy and air force of the Union of India and the National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of GoI published in the Gazette of India	Resident Indian individuals, HUFs (in the name of Karta), companies, corporate bodies, Eligible NRIs, scientific institutions societies and trusts, and any FII sub-account registered with SEBI, which is a foreign corporate or foreign individual	Resident Indian Individuals, HUFs (in the name of the Karta) and Eligible NRIs applying for Equity Shares such that the Bid Amount does not exceed ₹ 100,000 in value
Terms of Payment	The entire Bid Amount will be payable at the time of submission of the Bid cum Application Form to the Syndicate. In case of ASBA Bidders, the SCSB will be authorised to block such funds in the ASBA Account specified in the ASBA Bid cum Application Form.			

[1] *Our Company may allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price in accordance with the SEBI ICDR Regulations. At least one-third of the Anchor Investor Portion will be available for allocation to domestic Mutual Funds subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Price. Allocation to Anchor Investors will be on a discretionary basis subject to minimum number of (i) two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹ 2,500 million and (ii) five, where the allocation under the Anchor Investor Portion is more than ₹ 2,500 million. An Anchor Investor will make a minimum Bid*

of such number of Equity Shares that the Bid Amount is at least ₹100 million.

[2] *This is an Issue for less than 25% of the post–Issue capital of our Company. The Issue is being made though the Book Building Process, wherein up to 50% of the Net Issue will be allocated to QIBs on a proportionate basis. Further, not less than 15% and 35% of the Net Issue will be available for Allocation on a proportionate basis to Non-Institutional Bidders and Retail Individual Bidders, respectively, subject to valid Bids being received at or above the Issue Price.*
Any unsubscribed portion in any reserved category will be added to the Net Issue to the public. In case of under-subscription in the Net Issue to the public category, spill-over to the extent of under-subscription will be permitted from the reserved category to the Net Issue to the public. Under subscription in any category, if any, would be allowed to be met with spill-over from other categories or combination of categories at the discretion of our Company and the Selling Shareholder, in consultation with the BRLMs, and the Designated Stock Exchange.

[3] *If the Bid cum Application Form is submitted in joint names, the Bidders should ensure that the demat account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.*

[4] *In case of ASBA Bidders, the SCSB will be authorized to block such funds in the ASBA Account specified in the ASBA Bid cum Application Form.*

[#] *Employee Discount will be applicable to all Eligible Employees bidding in the Employee Reservation Portion.*

[##] *Retail Discount will be applicable to all Retail Individual Bidders bidding in the retail portion.*

[**] *Any undersubscribed portion in the Employee Reservation Portion will be added to the Net Issue. In case of under-subscription in the Net Issue, spillover to the extent of under subscription will be permitted from the Employee Reservation Portion to the Net Issue.*

Retail and Employee Discount

A discount of up to 5% of the Issue Price determined pursuant to completion of the Book Building Process may be offered to Retail Individual Bidders (the "**Retail Discount**") and Eligible Employees (the "**Employee Discount**"). Retail Individual Bidders and Eligible Employees bidding at a price within the Price Band have to make payment based on their highest bid price option. Retail Individual Bidders and Eligible Employees bidding at Cut-Off Price have to ensure payment at the upper end of the Price Band.

Retail Individual Bidders and Eligible Employees should note that discount is not offered on application but on Allotment. The excess amount paid on application would be refunded to such Bidders or unblocked from their ASBA Accounts, as the case may be, after Allotment.

Withdrawal of the Issue

Our Company and the Selling Shareholder, in consultation with the BRLMs reserve the right not to proceed with the Issue at any time after the Bid Opening Date but before the Allotment. If our Company and the Selling Shareholder withdraw the Issue, our Company will issue a public notice, within two days, providing reasons for not proceeding with the Issue. The BRLMs through the Registrar to the Issue, will notify the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such notification. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchanges will also be informed promptly.

If our Company and the Selling Shareholder withdraw the Issue after the Bid Closing Date and thereafter determines that they will proceed with a further public offering of Equity Shares, they will file a fresh draft red herring prospectus with SEBI.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company will apply for after Allotment and within 12 Working Days of the Bid Closing Date; and (ii) the final RoC approval of the Prospectus after it is filed with the Stock Exchanges.

Letters of Allotment or Refund Orders or Instructions to SCSBs

Our Company will give credit of Equity Shares Allotted, if any, to the beneficiary accounts with their Depository Participants within two Working Days from the date of Allotment. Our Company will ensure dispatch of 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 or Direct Credit, National Electronic Fund Transfer ("**NEFT**"), Real Time Gross Settlement ("**RTGS**") or National Electronic Clearing Service ("**NECS**") at the sole or First Bidder's sole risk within two Working Days from the date of Allotment. In case of ASBA Bidders, the Registrar to the Issue will instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Bid cum Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBAs.

Interest in case of delay in dispatch of Allotment Letters/Refund Orders

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI ICDR Regulations, our Company undertakes that:

- Allotment will be made only in dematerialised form within 12 Working Days from the Bid Closing Date;
- Dispatch of refund orders, except for Bidders who can receive refunds through Direct Credit, NEFT, RTGS or NECS, will be done within two Working Days from the date of Allotment;
- Instructions to the relevant SCSB to unblock the funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful or partially successful ASBAs, within 12 Working Days of the Bid Closing Date; and
- Our Company and every officer in default will pay interest at 15% per annum if Allotment letters/refund orders have not been dispatched to the Bidders 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 issued to the clearing system in the disclosed manner within eight days from the day our Company becomes liable to repay.

Our Company and the Selling Shareholder will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

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.

Bidding Program*

BID OPENS ON	**[●]**
BID CLOSES ON	**[●]**

** Anchor Investors, if any, will submit their Bids on the Anchor Investor Bidding Date, which is one Working Day prior to the Bid Opening Date.*
Our Company and the Selling Shareholder, in consultation with the BRLMs, may decide to close the Bidding for QIBs one day prior to the Bid Closing Date.

Except in relation to Bids received from Anchor Investors, Bids and any revision in Bids will be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time) during the Bidding Period as mentioned above at the Bidding centers mentioned in the Bid cum Application Form or, in case of Bids submitted through ASBA, the Designated Branches of the SCSBs **except that on the Bid Closing Date, Bids excluding ASBA Bids will be accepted only between 10.00 a.m. and 3.00 p.m.** (Indian Standard Time) and uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders, Non-Institutional Bidders and Eligible Employees; and (ii) 5.00 p.m. which may be extended up to such time as permitted by the Stock Exchanges in case of Bids by Retail Individual Bidders where the Bid Amount is up to ₹ 1,00,000. Due to limitation of time available for uploading the Bids on the Bid Closing Date, the Bidders except Anchor Investors are advised to submit their Bids one day prior to the Bid Closing Date and, in any case, no later than 3.00 p.m. (Indian Standard Time) on the Bid Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid Closing Date, as is typically experienced in public offers, 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 in the Issue. If such Bids are not uploaded, our Company, the Selling Shareholder, and the Syndicate will not be responsible. Bids will be accepted only on Working Days, *i.e.*, Monday to Friday (excluding any public holiday).

On the Bid Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received by 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 BRLMs to the Stock Exchanges within half an hour of such closure.

Our Company and the Selling Shareholder in consultation with the BRLMs, reserve the right to revise the Price Band during the Bidding Period in accordance with SEBI ICDR Regulations. The Cap Price will be less than or equal to 120% of the Floor Price and the Floor Price will not be less than the face value of the Equity Shares. 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 at least one Working Day prior to the Bid Opening Date and the Cap Price will be revised accordingly.

In case of revision in the Price Band, the Bidding Period will be extended for at least three additional Working Days after revision of Price Band subject to the Bidding Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bidding Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, by indicating the change on the websites of the BRLMs and at the terminals of the Syndicate and by intimation to the SCSBs.

ISSUE PROCEDURE

This section applies to all Bidders. All Bidders other than Anchor Investors may participate in the Issue through the ASBA process. ASBA Bidders should note that the ASBA process involves application procedures that may be 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 them before submitting their Bid through the ASBA process. All Bidders are required to pay the full Bid Amount along with the Bid cum Application Form, or, in case of ASBA Bidders, instruct the relevant SCSB to block the full Bid Amount.

Book Building Procedure

This is an Issue for less than 25% of our Company's post-Issue capital. This Issue is being made through the Book Building Process where up to 50% of the Net Issue will be available for allocation to QIBs on a proportionate basis. Further, not less than 15% and 35% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and Retail Bidders, respectively, subject to valid Bids being received at or above the Issue Price.

Under subscription in Employee Reservation category will be added to the Net Issue. Any Under-subscription in any category, will be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company and the Selling Shareholder, in consultation with the BRLMs and the Designated Stock Exchange.

Any Bidder other than Anchor Investors may participate in this Issue through the ASBA process by providing the details of the ASBA Accounts in which the corresponding Bid amounts will be blocked by SCSBs.

All Bidders other than ASBA Bidders are required to submit their Bids through the Syndicate. ASBA Bidders are required to submit their Bids to the SCSBs.

Investors should note that Allotment of Equity Shares to all successful Bidders will be only in the dematerialised form. Bid cum Application Forms which do not have the details of the Bidders' depository accounts including Depository Participant Identity ("DP ID"), Permanent Account Number ("PAN") and Beneficiary Account Number ("BAN") will be treated as incomplete and rejected. Bidders will not have the option of receiving Allotment in physical form. On Allotment the Equity Shares will be traded only on the dematerialised segment of the Stock Exchanges.

Bid cum Application Form

Bidders should use only the specified Bid cum Application Form bearing the stamp of a member of the Syndicate or a Designated Branch (except in case of electronic ASBA Bid cum Application Forms), as the case may be, for the purpose of making a Bid in terms of the Red Herring Prospectus. Before being issued to Bidders, the Bid cum Application Form (except in relation to ASBA Bidders) will be serially numbered. ASBA Bidders should submit the ASBA Bid cum Application Form either in physical or electronic form (through the internet banking facility available with the SCSBs or such other electronically enabled mechanism for Bidding) to the SCSBs authorizing blocking funds that are available in the ASBA Accounts specified in the ASBA Bid cum Application Form used by such ASBA Bidders.

The Bid cum Application Form will contain information about the Bidder and the price and number of Equity Shares that the Bidder wishes to Bid for. Bidders will have the option to make a maximum of three Bids in the Bid cum Application Form and such options will not be considered multiple Bids.

On filing of the Prospectus with the RoC, the Bid cum Application Form will be treated as a valid application form. On completion and submission of the Bid cum Application Form to a member of the Syndicate (and in the case of an ASBA Bid cum Application Form, to the SCSB or through the internet banking facility available with the SCSBs or such other electronically enabled mechanism for Bidding), the Bidder is deemed to have authorised our Company to make the necessary changes in the Bid cum Application Form as would be required under the SEBI ICDR Regulations and other applicable law, for filing the Prospectus with the RoC and as required by SEBI and/or the RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

The prescribed colors of the Bid cum Application Forms for various categories is as follows:

Category	Colour of Bid cum Application Form including ASBA Bid cum Application Form
Resident Indians including Eligible NRIs applying on a non-repatriation basis, excluding Eligible Employees Bidding in the Employee Reservation Portion	[●]
Non-Residents including Eligible NRIs, FVCIs and FIIs applying on a repatriation basis, excluding Anchor Investors	[●]
Eligible Employees Bidding in the Employee Reservation Portion	[●]
Anchor Investors	[●]

Who can Bid?

(i) Indian nationals resident in India who are not minors or otherwise incompetent to contract, in single or joint names (not more than three);
(ii) Hindu Undivided Families ("**HUFs**"), in the individual name of the *Karta*. Such Bidders should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids by HUFs will be considered at par with those from individuals;
(iii) Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares under their respective constitutional or charter documents;
(iv) Mutual Funds registered with SEBI;
(v) Eligible NRIs (whether on a repatriation basis or on a non repatriation basis), subject to applicable law;
(vi) Indian financial institutions, scheduled commercial banks (excluding foreign banks), regional rural banks, cooperative banks (subject to RBI regulations and the SEBI ICDR Regulations and other applicable law);
(vii) FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual;
(viii) Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only in the Non-Institutional Bidders category.
(ix) Venture capital funds registered with SEBI;
(x) Foreign Venture Capital Investors registered with SEBI;
(xi) State Industrial Development Corporations;
(xii) 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 respective constitutional or charter documents to hold and invest in equity shares;
(xiii) Scientific and/or industrial research organizations authorized to invest in equity shares;
(xiv) Insurance companies registered with Insurance Regulatory and Development Authority;
(xv) Provident funds with a minimum corpus of ₹ 250 million and who are authorised under their constitutional documents to hold and invest in equity shares;
(xvi) Pension Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitutional documents to hold and invest in equity shares;
(xvii) National Investment Fund;
(xviii) Insurance funds set up and managed by the army, navy or air force of the Union of India;
(xix) Multilateral and bilateral development financial institutions; and
(xx) Eligible Employees.

In accordance with FEMA and the regulations framed thereunder, OCBs cannot Bid in this Issue.

Bidders are advised to 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.

Participation by Associates of BRLMs and Syndicate Members

The members of the Syndicate are not entitled to Bid for Equity Shares in the Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the members of the Syndicate are entitled to Bid for Equity Shares in the Issue, including in the QIB Portion and Non-Institutional Portion where allocation will be on a proportionate basis either on their own account or on behalf of their clients. However, the members of the Syndicate and their associates and affiliates are eligible to Bid for Equity

Shares in the Anchor Investor Portion.

Bids by Mutual Funds

As per the SEBI ICDR Regulations, 5% of the QIB Portion (excluding the Anchor Investor Portion), is reserved for Mutual Funds on a proportionate basis subject to receipt of valid Bids. An eligible Bid by a Mutual Fund in the Mutual Fund Portion will first be considered for allocation proportionately in the Mutual Fund Portion. If demand in the Mutual Fund Portion is greater than 4,599,250 Equity Shares, allocation will be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by Mutual Funds will be available for allocation proportionately, after excluding the allocation in the Mutual Fund Portion, in the QIB Portion.

One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds subject to valid Bids being received at or above the price at which allocation is made to Anchor Investors.

As per current regulations, the following restrictions apply to investments by Mutual Funds:

No Mutual Fund scheme will invest more than 10% of its net asset value in equity shares or equity related instruments of any company provided that the limit of 10% will not apply to investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes may own over 10% of any company's paid-up share capital carrying voting rights.

Bids by asset management companies or custodians of Mutual Funds should clearly indicate the name of the concerned scheme for which the Bid is submitted.

Multiple Bids

In case of a Mutual Fund, a separate Bid may be made in respect of each scheme of a 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 such Bids clearly indicate the scheme for which the Bid is submitted.

Bids by Non Residents including Eligible NRIs and FIIs on a repatriation basis

There is no reservation for Eligible NRIs or FIIs or FVCIs registered with SEBI. Such Eligible NRIs, FIIs and FVCIs registered with SEBI will be treated on the same basis as other categories for the purpose of allocation.

Bids by Eligible NRIs

(i) Bid cum Application Forms for Eligible NRIs applying on a repatriation basis ([●] in colour) will be available at our Registered Office and with the members of the Syndicate.

(ii) Only Bids accompanied by payment in freely convertible foreign exchange will be considered for Allotment. Eligible NRIs who intend to make payment through Non Resident Ordinary ("**NRO**") accounts or by debits to their Non-Resident External ("**NRE**") or Foreign Currency Non-Resident ("**FCNR**") accounts should use the Bid cum Application Form meant for Resident Indians ([●] in color).

Bids by Eligible NRIs for a Bid Amount of up to ₹ 100,000 will be considered in the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than ₹ 100,000 will be considered in the Non-Institutional Portion for the purposes of allocation.

Bids by FIIs

As per current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of our Company's post-Issue capital (i.e., 10% of 1,017,739,800 Equity Shares). In respect of an FII investing in our Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account will not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub-account is a foreign corporate or an individual. In accordance with the foreign investment limits applicable to our Company, the total foreign investment including FII investment cannot exceed 24% of our total issued capital unless approved by the shareholders of our Company.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of regulation 15A(1) of the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended (the "**SEBI FII Regulations**"), an FII, as defined in the SEBI FII Regulations, may issue, deal or hold, offshore derivative instruments (defined under the SEBI FII Regulations as any instrument, by whatever name called, which is issued overseas by an FII 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 is also required to ensure that no further issue or transfer of any offshore derivative instrument issued by it is made to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI ICDR Regulations. Associates and affiliates of the Underwriters, including the BRLMs and the Syndicate Members that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them in the Issue. Any such offshore derivative instrument does not constitute any obligation of, claim on or an interest in, our Company.

Bids by SEBI-registered Venture Capital Funds and Foreign Venture Capital Investors

The SEBI (Venture Capital Funds) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, each, as amended, prescribe investment restrictions on Venture Capital Funds and FVCIs respectively registered with the SEBI. Accordingly, the holding in any company by any individual venture capital fund or FVCI registered with the SEBI should not exceed 25% of the corpus of the venture capital fund or FVCI. However, venture capital funds or FVCIs may invest not over 33.33% of their respective investible funds in various prescribed instruments, including in public offers.

Bids by Eligible Employees

For the purpose of the Employee Reservation Portion, Eligible Employee means all or any of the following:

(iii) A permanent and full-time employee of our Company as on the date of filing of the Red Herring Prospectus with the RoC and based, working and present in India and in employment of our Company as on the date of submission of the Bid cum Application Form;

(iv) a Director of our Company, whether a whole time Director or a part time Director, as on the date of filing of the Red Herring Prospectus with the RoC and based, present and working in India as on date of submission of the Bid cum Application Form and who continues to be a Director of our Company until submission of the Bid cum Application Form. It does not include the Promoter.

For the purpose of this definition, an employee who is recruited against a regular vacancy but is on probation as on date of submission of the Bid cum Application Form will also be deemed as a permanent employee.

(It may be noted that all participation by Directors and the employees of our Company will be in accordance with circular No. 15(7)/99-DPE(GM)-GL-95 dated July 28, 2009, circular No. 15(7)/2002-DPE(GM)-GL-96 dated August 11, 2009 issued by the Department of Public Enterprises, GoI and any laws, regulations, guidelines, circulars or notifications applicable to them.)

Bids under Employee Reservation Portion by Eligible Employees will be:

(i) Made only in the prescribed Bid cum Application Form or Revision Form (*i.e.* [●] color form).
(ii) Only Eligible Employees (as defined above) are eligible to Bid for Equity Shares in this Issue under the Employee Reservation Portion.
(iii) Eligible Employees, as defined above, should mention the PAN and Employee Number at the relevant place in the Bid cum Application Form.
(iv) The sole/first Bidder will be the Eligible Employee as defined above.
(v) Bids by Eligible Employees will have to Bid like any other Bidder. Only those Bids, which are received at or above the Issue Price, would be considered for allocation under this category.
(vi) The Bids must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Bid Amount does not exceed ₹ 100,000.
(vii) Eligible Employees who Bid for Equity Shares in the Employee Reservation Portion can apply at Cut-

off Price. The Allotment in the Employee Reservation Portion will be on a proportionate basis. However, the maximum Bid by an Eligible Employee cannot exceed ₹ 100,000.

(viii) Bids by Eligible Employees can also be made in the Net Issue portion and such Bids will not be treated as multiple Bids.

(ix) If the aggregate demand in this category is less than or equal to 1,073,600 Equity Shares at or above the Issue Price, full allocation will be made to the Eligible Employees to the extent of their demand. Any under-subscribed portion in the Employee Reservation Portion will be added to the Net Issue. In case of under-subscription in the Net Issue category, will be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company and the Selling Shareholder, in consultation with the BRLMs and the Designated Stock Exchange.

(x) If the aggregate demand in this category is greater than 1,073,600 Equity Shares at or above the Issue Price, the allocation will be made on a proportionate basis. For the method of proportionate basis of allocation, see "***—Basis of Allotment***" on page 264.

Bids by Anchor Investors

Our Company and the Selling Shareholder may consider participation by Anchor Investors in the QIB Portion for up to 30% of the QIB Portion in accordance with the SEBI ICDR Regulations. Only QIBs as defined in Regulation 2(1) (zd) of the SEBI ICDR Regulations and not otherwise excluded pursuant to Schedule XI of the SEBI ICDR Regulations are eligible to invest. The QIB Portion will be reduced in proportion to the allocation under the Anchor Investor Portion. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI ICDR Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

(i) Anchor Investors Bid cum Application Forms will be made available for the Anchor Investor Portion at our Registered Office, and with the members of the Syndicate.

(ii) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 100 million. A Bid cannot be submitted for more than 30% of the QIB Portion. In case of a Mutual Fund registered with SEBI, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 100 million.

(iii) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

(iv) The Bidding for Anchor Investors will open one Working Day before the Bid Opening Date and will be completed on the same day.

(v) Our Company and the Selling Shareholder, in consultation with the BRLMs, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than:

- two, where the allocation under Anchor Investor Portion is up to ₹ 2,500 million; and
- five, where the allocation under Anchor Investor Portion is over ₹ 2,500 million.

(vi) Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, will be made available in public domain by the BRLMs before the Bid Opening Date.

(vii) Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date.

(viii) In the event the Issue Price is greater than the Anchor Investor Issue Price, the additional amount being the difference between the Issue Price and the Anchor Investor Issue Price will be payable by the Anchor Investors by the Pay-in-Date. If the Issue Price is lower than the Anchor Investor Issue Price, the Allotment to successful Anchor Investors will be at the higher price i.e. the Anchor Investor Issue Price.

(ix) The Equity Shares Allotted in the Anchor Investor Portion will be locked-in for a period of 30 days from the date of Allotment.

(x) None of the BRLMs or any person related to the BRLMs or our Promoter will participate in the Anchor

Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLMs and will be made available as part of the records of the BRLMs for inspection by SEBI.

(xi) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered as multiple Bids.

Any additional details, regarding participation in the Issue under the Anchor Investor Portion will be disclosed in the advertisement for the Price Band which will be published by our Company at least one Working Day prior to the Bid Opening Date in all editions of [●], an English national daily newspaper, in all editions of [●], a Hindi national daily newspaper and [●], a Bengali newspaper, each with wide circulation.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Bid cum Application Form. Failing this, our Company and the Selling Shareholder reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason.

In addition to the above, certain additional documents are required to be submitted by the following entities:

(i) With respect to Bids by FVCIs, FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.

(ii) With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Bid cum Application Form.

(iii) With respect to Bids made by provident funds with minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form.

Our Company and the Selling Shareholder in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company, the Selling Shareholder and the BRLMs deem fit.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholder and the Syndicate are not liable for any amendment, modification or change in applicable law, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any 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. Our Company, the Selling Shareholder and the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated above.

Maximum and Minimum Bid Size

(i) ***For Retail Individual Bidders***: The Bid must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Share thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed ₹ 100,000. In case of revision of Bids, Retail Individual Bidders should ensure that the Bid Amount does not exceed ₹ 100,000. If the Bid Amount is over ₹ 100,000 due to revision of the Bid or revision of the Price Band or on exercise of the option to be Bid at the Cut-Off Price, the Bid would be considered for allocation in the Non-Institutional Portion. The option to Bid at the Cut-Off Price is available only to the Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion, indicating their agreement to Bid and purchase at a discount of up to 5% of the Issue Price as determined at the end of the Book Building Process.

(ii) ***For Other Bidders (Non-Institutional Bidders and QIBs excluding Anchor Investors)***: The Bid must be for a minimum of such number of Equity Shares in multiples of [●] such that the Bid Amount exceeds ₹ 100,000. A Bid cannot be submitted for more than the Issue Size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them under applicable law.

In case of revision in Bids, Non-Institutional Bidders who are individuals have to ensure that the Bid Amount is greater than ₹ 100,000 for being considered for allocation in the Non-Institutional Portion. If the Bid Amount reduces to ₹ 100,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion will be considered for allocation in the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at the Cut-Off Price. **A QIB Bidder cannot withdraw its Bid after the Bid Closing Date.**

(iii) ***For Bidders in the 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 payable by the Bidder does not exceed ₹ 100,000. The Allotment in the Employee Reservation Portion will be on a proportionate basis. Employee Discount will be applicable to all Eligible Employees Bidding in the Employee Reservation Portion. The option to Bid at the Cut-Off Price is given only to the Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion, indicating their agreement to Bid and purchase at the final Issue Price as determined at the end of the Book Building Process.

(iv) ***For Bidders in the Anchor Investor Portion***: The Bid must be for a minimum of such number of Equity Shares in multiples of [•] such that the Bid Amount at least ₹ 100 million. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion will not be considered as multiple Bids. **Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date.**

Information for the Bidders:

(i) The Red Herring Prospectus will be filed by our Company with the RoC at least three days before the Bid Opening Date.

(ii) Copies of the Bid cum Application Form and the Red Herring Prospectus will be available with the members of the Syndicate. Any investor (who is eligible to invest in our Equity Shares) may obtain the Red Herring Prospectus and/or the Bid cum Application Form from our Registered Office or any member of the Syndicate. ASBA Bid cum Application Forms may be obtained by Bidders from the SCSBs and electronic ASBA Bid cum Application Forms will be available on the websites of SCSBs. Further, the SCSBs will ensure that the abridged prospectus is made available on their websites.

(iii) The Syndicate (in accordance with the terms of the Syndicate Agreement) and the Designated Branches will accept Bids during the Bidding Period in accordance with the terms of the Red Herring Prospectus, provided that the BRLMs will accept the Bids from Anchor Investors only on the Anchor Investor Bidding Date.

(iv) Eligible Bidders interested in Bidding for the Equity Shares may approach any member of the Syndicate or their authorized agent(s) to register their Bids. Eligible Bidders other than Anchor Investors may also approach the Designated Branches to register their Bids under the ASBA process.

(v) The Bids should be submitted on the prescribed Bid cum Application Form only. Bids by ASBA Bidders will be accepted by the SCSBs in accordance with the SEBI ICDR Regulations and any other circulars issued by SEBI in this regard. Bid cum Application Forms should bear the stamp of the members of the Syndicate or Designated Branch. Bid cum Application Forms (except electronic ASBA Bid cum Application Forms), which do not bear the stamp of a member of the Syndicate or the Designated Branch, are liable to be rejected.

(vi) Eligible Employees Bidding in the Employee Reservation Portion and Retail Individual Bidders should note that the Employee Discount and the Retail Discount (as applicable) will not be offered at the time of Bidding but on Allotment. Hence, Eligible Employees Bidding in the Employee Reservation Portion and Retail Individual Bidders should not deduct the Employee Discount or the Retail Discount while submitting the Bid cum Application Form. The excess amount paid at the time of Bidding will be refunded to the Eligible Employees Bidding in the Employee Reservation Portion and Retail Individual Bidders on Allotment.

Instructions for completing the Bid Cum Application Form

Bids and revisions of Bids must be:

(i) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable.

(ii) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained here, in the Bid cum Application Form or in the Revision Form. Bidders must provide details of valid and active DP-ID, client ID and PAN clearly and without error. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment. Incomplete Bid cum Application Forms or 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 or Revision Forms.

(iii) Information provided by the Bidders will be uploaded in the online system by the members of the Syndicate and the SCSBs, as the case may be, and the electronic data will be used to make allocation/Allotment. Bidders are advised to ensure that the details are correct and legible.

(iv) For Retail Individual Bidders (including Eligible NRIs) and Eligible Employees submitting Bids in the Employee Reservation Portion, the Bid must be for a minimum of [●] Equity Shares and in multiples of [●] thereafter subject to a maximum Bid Amount of ₹ 100,000. In case the Bid Amount is over ₹ 100,000 due to revision of the Bid or revision of the Price Band or on exercise of the option to Bid at the Cut-Off Price, the Bid will be considered for allocation in the Non-Institutional Bidders portion. The option to Bid at Cut-Off Price is available only to the Retail Individual Bidders and Eligible Employees indicating their agreement to Bid and purchase at the final Issue Price as determined at the end of the Book Building Process.

(v) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares in multiples of [●] such that the Bid Amount exceeds ₹ 100,000. Anchor Investors must ensure that their Bids must make a minimum Bid of such number of Equity Shares that the Bid Amount is at least ₹ 100 million. Bids cannot be made for over the Issue size.

(vi) Bids by Eligible NRIs, FVCIs and FIIs on a repatriation basis will be in the names of individuals, or in the names of such FIIs, respectively, but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

(vii) In a single name or in joint names (not more than three, and in the same order as their Depository Participant details).

(viii) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

(ix) If the ASBA Account holder is different from the ASBA Bidder, the ASBA Bid cum Application Form should be signed by the account holder as provided in the ASBA Bid cum Application Form.

Submission of Bid cum Application Form

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts will be submitted to the members of the Syndicate at the time of submission of the Bid. With respect to ASBA Bidders, the ASBA Bid cum Application Form or the ASBA Revision Form will be submitted to the Designated Branches.

No separate receipts will 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 or the SCSB, as the case may be, 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.

General Instructions

Dos:

(i) Check if you are eligible to apply as per the terms of the Red Herring Prospectus under applicable laws;

(ii) Ensure that you have Bid within the Price Band;

(iii) Read all the instructions carefully and complete the Resident Bid cum Application Form ([●] in color), the Non-Resident Bid cum Application Form ([●] in color), the Anchor Investor Bid cum Application Form ([●] in color), the Employee Bid cum application Form ([●] in color) as the case may be;

(iv) Ensure that the details about Depository Participant and Beneficiary Account are correct, and the Beneficiary Account is activated, as Allotment of Equity Shares will be in the dematerialized form only;

(v) Ensure that the Bids are submitted at the Bidding centres only on forms bearing the stamp of a member of the Syndicate or the SCSB in case of ASBA Bidders (except in case of electronic ASBA Bid cum Application Forms);

(vi) With respect to an ASBA Bidder, ensure that you have mentioned the correct ASBA Account number in the ASBA Bid cum Application Form;

(vii) With respect to ASBA Bidders ensure that your Bid is submitted at a Designated Branch of the SCSB where the ASBA Bidder or the person whose bank account will be utilised by the ASBA Bidder for Bidding has a bank account. Further, ensure that the ASBA Bid cum Application Form is signed by the account holder if the Bidder is not the account holder;

(viii) Ensure that the full Bid Amount is paid for Bids submitted to the members of the Syndicate and funds equivalent to the Bid Amount are blocked by the SCSBs in case of Bids submitted through the ASBA process;

(ix) Ensure that you have funds equal to the Bid Amount in the ASBA Account with the respective Designated Branch of the SCSB;

(x) Instruct your respective banks to not release the funds blocked in the ASBA Account under the ASBA process;

(xi) Ensure that you request for and have received a TRS for all your Bid options;

(xii) Submit revised Bids to the same member of the Syndicate or Designated Branch of the SCSB through whom the original Bid was placed and obtain a revised TRS;

(xiii) Except for Bids (i) on behalf of the Central or State Government and the officials appointed by the courts, and (ii) (subject to SEBI circular dated April 3, 2008) from the residents of the state of Sikkim, each of the Bidders should mention their PAN allotted under the I.T. Act. Applications in which the PAN is not mentioned will be rejected;

(xiv) Ensure that the Demographic Details (as defined below) are updated, true and correct in all respects; and

(xv) Ensure that the name(s) given in the Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. If the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form.

Don'ts:

(i) Do not Bid for lower than the minimum Bid size;

(ii) Do not submit a Bid without payment of the entire Bid Amount;

(iii) Do not Bid/revise the Bid to less than the Floor Price or higher than the Cap Price;

(iv) Do not Bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate or the Designated Branch;

(v) Do not pay the Bid Amount in cash, by money order or by postal order or by stockinvest and in relation to ABSA Bidders in any other mode other than blocked amounts in the bank accounts maintained by SCSBs;

(vi) Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate or Designated Branch, as applicable;

(vii) Do not Bid at the Cut-off Price (for QIB Bidders and Non-Institutional Bidders);

(viii) Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceed the Issue size and/or investment limit or maximum number of Equity Shares that can be held under applicable law or the maximum amount permissible under applicable regulations;

(ix) Do not submit more than five ASBA Bid cum Application Forms per bank account;

(x) Do not Bid for amount exceeding ₹ 100,000 in case of a Bid by Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion;

(xi) Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.

(xii) Do not submit incorrect details of DP ID, Client ID and PAN or give details for which demat account is suspended or for which such details cannot be verified by the Registrar.

Method and Process of Bidding

(i) Our Company, the Selling Shareholder and the BRLMs will declare the Bid Opening Date and Bid Closing Date at the time of filing the Red Herring Prospectus with the RoC and also publish these dates at least one Working Day prior to the Bid Opening Date, in all editions of [●], an English national daily newspaper, in all editions of [●], a Hindi national daily newspaper and [●], a Bengali newspaper, each with wide circulation.

(ii) The Price Band and the minimum Bid lot size for the Issue will be decided by our Company and the Selling Shareholder, in consultation with the BRLMs, and advertised, at least one Working Day prior to the Bid Opening Date in all editions of [●], an English national daily newspaper, in all editions of [●], a Hindi national daily newspaper and [●], a Bengali newspaper, each with wide circulation.

(iii) The BRLMs will accept Bids from the Anchor Investors on the Anchor Investor Bidding Date, *i.e.* one Working Day prior to the Bid Opening Date. Bidders, except Anchor Investors who are interested in subscribing to the Equity Shares should approach any of the members of the Syndicate, their authorized agents or SCSBs to register their Bids, during the Bidding Period. The members of the Syndicate will accept Bids from the all Bidders and will have the right to vet the Bids, during the Bidding Period in accordance with the terms of the Syndicate Agreement and the Red Herring Prospectus. Bidders other than Anchor Investors, who wish to use the ASBA process should approach the Designated Branches of the SCSBs to register their Bids.

(iv) The Bidding Period will be for at least three Working Days and not exceeding 10 Working Days (including the days for which the Issue is open in case of revision in Price Band). If the Price Band is revised, the revised Price Band and the Bidding Period will be published in all editions of [●], an English national daily newspaper, in all editions of [●], a Hindi national daily newspaper and [●], a Bengali newspaper, each with wide circulation together with an indication of such change on the websites of the BRLMs and SCSBs and at the terminals of the Syndicate Members.

(v) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details see "***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 will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.

(vi) Except in relation to the Bids received from the Anchor Investors, the members of the Syndicate or the SCSBs 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 will, on demand, give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.

(vii) With respect to ASBA Bidders, on receipt of the ASBA Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB will verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Bid cum Application Form, prior to uploading such Bids with the Stock Exchanges. If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB will reject such Bids and will not upload such Bids with the Stock Exchanges. If sufficient funds are available in the ASBA Account, the SCSB will block an amount equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid.

(viii) Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the paragraph titled "***Payment Instructions***" on page 255.

Bids at Different Price Levels and Revision of Bids

(i) The Price Band and the minimum Bid lot size will be decided by our Company and the Selling Shareholder, in consultation with the BRLMs and advertised at least one Working Day prior to the Bid Opening Date, in all editions of [●], an English national daily newspaper, in all editions of [●], a Hindi national daily newspaper and [●], a Bengali newspaper, each with wide circulation.

(ii) Eligible Employees Bidding in the Employee Reservation Portion and Retail Individual Bidders should note that the Employee Discount and the Retail Discount (as applicable) will not be offered on Bidding but on Allotment. Accordingly, Eligible Employees Bidding in the Employee Reservation Portion and Retail Individual Bidders should not deduct the Employee Discount or the Retail Discount as the case may be, while submitting the Bid cum Application Form. Any excess amount paid at the time of Bidding will be refunded to the Eligible Employees Bidding in the Employee Reservation Portion and Retail Individual Bidders, as the case may be, on Allotment.

(iii) Our Company and the Selling Shareholder, in consultation with the BRLMs, reserve the right to revise the Price Band during the Bidding Period in accordance with the SEBI ICDR Regulations. The Cap Price will be less than or equal to 120% of the Floor Price and the Floor Price will not be less than the face value of the Equity Shares. The revision in Price Band will not exceed 20% on either side *i.e.* the floor price can move upward or downward to the extent of 20% of the floor price disclosed at least one Working Day prior to the Bid Opening Date and the Cap Price will be revised accordingly.

(iv) In case of revision in the Price Band, the Bidding Period will be extended for at least three additional Working Days after revision of Price Band subject to a maximum of 10 Working Days. Any revision in the Price Band and the revised Bidding Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice in all editions of [●], an English national daily newspaper, in all editions of [●], a Hindi national daily newspaper and [●], a Bengali newspaper, each with wide circulation and also by indicating the change on the websites of the BRLMs, SCSBs and at the terminals of the Syndicate Members.

(v) Our Company and the Selling Shareholder, in consultation with the BRLMs can finalize the Issue Price and Anchor Investor Issue Price within the Price Band in accordance with this section, without the prior approval of or intimation to the Bidders.

(vi) The Bidder 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 under the Employee Reservation Portion may Bid at Cut-off Price. However, Bidding at Cut-off Price is prohibited for QIB or Non-Institutional Bidders and such Bids from QIBs and Non-Institutional Bidders will be rejected.

(vii) Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion who Bid at the Cut-off Price agree that they will purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion bidding at Cut-off Price will deposit the Bid Amount based on the Cap Price with the members of the Syndicate. In case of ASBA Bidders bidding at Cut-off Price, the ASBA Bidders will instruct the SCSBs to block an amount based on the Cap Price. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion who Bid at Cut-off Price, the Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion who Bid at Cut-off Price will receive the refund of the excess amounts from the Escrow Account(s).

(viii) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion who had Bid at Cut-off Price could either (i) revise their Bid or (ii) make additional payment based on the revised Cap Price (such that the total amount *i.e.*, original Bid Amount plus additional payment does not exceed ₹ 100,000 for Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion, if the Bidder wants to continue to Bid at Cut-off Price), with the Syndicate Member to whom the original Bid was submitted. In case the total amount (*i.e.*, original Bid Amount plus additional payment) exceeds ₹ 100,000 for Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion bidding at the Cut-off Price the Bid will be considered for allocation under the Non-Institutional Portion in terms of the Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the Cap Price prior to revision, the number of Equity Shares Bid for will be adjusted downwards for the purpose of Allotment, 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.

(ix) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion who have Bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding will be refunded from the Escrow Account(s).

(x) Our Company and the Selling Shareholder, in consultation with the BRLMs will decide the minimum number of Equity Shares for each Bid to ensure that the minimum Bid value is within the range of ₹ 5,000 to ₹ 7,000. In the event of any revision in the Price Band, whether upward or downward, the minimum Bid size will remain [•] Equity Shares irrespective of whether the Bid Amount payable on such minimum Bid is not in the range of ₹ 5,000 to ₹ 7,000.

Bidder's Depository Account and Bank Account Details

Bidders should note that on the basis of Bidder's PAN, DP ID and BAN provided by them in the Bid cum Application Form and as entered into the electronic bidding system of the Stock Exchanges by the members of the Syndicate and the SCSBs as the case may be, the Registrar to the Issue will obtain from the Depository the demographic details including the Bidder's address, occupation and bank account details including the nine-digit Magnetic Ink Character Recognition ("**MICR**") code as appearing on a cheque leaf ('**Demographic Details**'). These Demographic Details will be used for giving refunds and allocation advice (including through physical refund warrants, direct credit, NECS, NEFT and RTGS) to the Bidders. It is mandatory to provide the bank account details in the space provided in the Bid cum Application Form and Bid cum Application Forms that do not contain such details are liable to be rejected. Hence, Bidders are advised to immediately update their bank account details, PAN and Demographic Details as appearing on the records of the Depository Participant and ensure that they are true and correct. Failure to do so could result in delays in dispatch/credit of refunds to Bidders at the Bidders sole risk and neither the BRLMs, the Registrar nor the Escrow Collection Banks, the SCSBs nor our Company or the Selling Shareholder will have any responsibility and undertake any liability for this. Accordingly, Bidders should carefully fill in their depository account details in the Bid cum Application Form.

IT IS MANDATORY FOR ALL THE BIDDERS TO RECEIVE THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR PAN, DP ID AND BAN IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE PAN GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS PROVIDED IN THE DEPOSITORY ACCOUNT. IF THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

By signing the Bid cum Application Form, the Bidder is deemed to have authorised the Depositories to provide, to the Registrar, on request, the required Demographic Details as available in their records.

Refund Orders (where refunds are not being made electronically) or allocation advice including the Anchor Investor Allocation Notice(s) or the Revised Anchor Investor Allocation Notice(s) will be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Delivery of refund orders or allocation advice including the Anchor Investor Allocation Notice(s) or the Revised Anchor Investor Allocation Notice(s) may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Bidder in the Bid cum Application Form will be used only to ensure dispatch of refund orders. Any such delay will be at the Bidders sole risk and neither our Company nor the Selling Shareholder or Escrow Collection Banks nor the BRLMs nor the Registrar will be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in the Red Herring Prospectus, Bidders may note that refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case no corresponding record is available with the Depositories, which matches the three parameters, namely, Bidders PAN (in case of joint Bids, PAN of first Bidder), the DP ID and the BAN, such Bids are liable to be rejected.

Payment Instructions

Escrow Mechanism for Bidders other than ASBA Bidders

Our Company, the Selling Shareholder and the Syndicate will open Escrow Accounts with one or more Escrow Collection Bank(s) in whose favour the Bidders will 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 the Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Banks for and on behalf of the Bidders will maintain the monies in the Escrow Account(s) until the Designated Date. The Escrow Collection Banks will not exercise any lien whatsoever over the monies deposited therein and will hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks will transfer the funds represented by allocation of Equity Shares (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Escrow Collection Banks. The balance amount after transfer to the Public Issue Account will be transferred to the Refund Account. Payments of refund to the Bidders will also be made from the Refund Account are per the terms of the Escrow Agreement and this 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 Selling Shareholder, the Syndicate, the Escrow Collection Banks and the Registrar to facilitate collections from the Bidders.

Payment into Escrow Account(s) for Bidders other than ASBA Bidders

Each Bidder (other than ASBA Bidders) will draw a cheque or demand draft or, for Anchor Investors, remit the funds electronically through the RTGS mechanism for the entire Bid Amount as per the following terms:

(i) The Bidders will, with the submission of the Bid cum Application Form, draw a payment instrument for the entire Bid Amount in favour of the Escrow Account(s) and submit the same to the member of the Syndicate. Bid cum Application Forms accompanied by cash, stockinvest, money order or postal order will not be accepted.

(ii) The payment instruments for payment into the Escrow Account(s) should be drawn in favour of:

- In case of Resident QIB Bidders: "[●]"
- In case of Non Resident QIB Bidders: "[●]"
- In case of Resident Retail and Non-Institutional Bidders: "[●]"
- In case of Non-Resident Retail and Non-Institutional Bidders: "[●]"
- In case of Eligible Employees: "[●]"

(iii) In the event of Issue Price being higher than the price at which allocation is made to Anchor Investors, the Anchor Investors will be required to pay such additional amount to the extent of shortfall between the price at which allocation is made to them and the Issue Price within two Working Days of the Bid Closing Date. If the Issue Price is lower than the price at which allocation is made to Anchor Investors, the amount in excess of the Issue Price paid by Anchor Investors will not be refunded to them.

(iv) Our Company and the Selling Shareholder, in consultation with the BRLMs, in their absolute discretion, will decide the list of Anchor Investors to whom the allocation advice including the Anchor Investor Allocation Notice(s) or the Revised Anchor Investor Allocation Notice(s) will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. The payment instruments for payment into the Escrow Account(s) should be drawn in favour of:

- In case of resident Anchor Investors: "[●]"
- In case of non-resident Anchor Investors: "[●]"

(v) In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in NRE Accounts or 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 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.

(vi) In case of Bids by NRIs applying on non-repatriation basis, the payments may be made out of an NRO Account of a Non-Resident Bidder.

(vii) In case of Bids by FIIs or FVCIs 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.

(viii) The monies deposited in the Escrow Account(s) will be held for the benefit of the Bidders until the Designated Date.

(ix) On the Designated Date, the Escrow Collection Banks will transfer the funds from the Escrow Account(s) as per the terms of the Escrow Agreement into the Public Issue Account with the Escrow Collection Banks.

(x) Within 12 Working Days from the Bid Closing Date, the Registrar to the Issue will dispatch all refund amounts payable to unsuccessful Bidders and also any excess amount paid on Bidding, after adjusting for allocation/Allotment to the Bidders.

(xi) Payments should be made by cheque, or demand draft drawn on any bank (including a cooperative 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 or postal orders will not be accepted.

(xii) In case clear funds are not available in the Escrow Accounts as per final certificates from the Escrow Collection Banks (except in case of ASBA Bidders), such Bids are liable to be rejected.

(xiii) Bidders are advised to mention the number of the Bid cum Application Form on the reverse of the cheque/demand draft to avoid misuse of instruments submitted along with the Bid cum Application Form.

Payment mechanism for ASBA Bidders

The ASBA Bidders will specify the bank account number in the ASBA Bid cum Application Form and the SCSB will block an amount equivalent to the Bid Amount in the bank account specified in the ASBA Bid cum Application Form. The SCSB will 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 unblock the Bid Amount. In the event of withdrawal or rejection of the ASBA Bid cum Application Form, failure of the Issue or for unsuccessful ASBA Bid cum Application Forms, the Registrar will give instructions to the SCSB to unblock the Bid Amount in the relevant bank account and the SCSBs will unblock the Bid Amount on receipt of such instruction. The Bid Amount will remain blocked in the ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Bid, as the case may be.

Other Instructions

Joint Bids in 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. Two or more Bids will be deemed to be multiple Bids if the sole or first Bidder is one and the same.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made. Bids by Eligible Employees can be made also in the "Net Issue" and such Bids will not be treated as multiple Bids. Bids by QIBs under the Anchor Investor Portion and QIB Portion (excluding Anchor Investor Portion) will not be considered as multiple Bids.

After Bidding on an ASBA Bid cum Application Form either in physical or electronic mode, where such ASBA Bid has been submitted to the Designated Branches of SCSBs and uploaded with the Stock Exchanges, an ASBA Bidder cannot Bid, either in physical or electronic mode, on another ASBA Bid cum Application Form or a non-ASBA Bid cum Application Form. Submission of a second Bid cum Application Form, whether an ASBA Bid cum Application Form, to either the same or to another Designated Branch of the SCSB, or a Non-ASBA Bid cum Application Form, will be treated as multiple Bids and will be liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the ASBA Bidder can revise the Bid through the Revision Form, the procedure for which is detailed in "-***Build up of the Book and Revision of Bids***" on page 262.

More than one ASBA Bidder may Bid for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five ASBA Bid cum Application Forms from such ASBA Bidders with respect to any single ASBA Account.

Our Company and the Selling Shareholder reserve the right to reject, in their absolute discretion, all or any multiple Bids in any or all categories. A check will be carried out for the same PAN. In cases where the PAN is same, such Bids will be treated as multiple applications.

'PAN' or 'GIR' Number

Except for Bids on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts, the Bidders, or in the case of a Bid in joint names, each of the Bidders, should mention his/her PAN allotted under the I.T. Act. In accordance with the SEBI ICDR Regulations, the PAN will be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction.

Bid cum Application Forms without the PAN are liable to be rejected. Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground. With effect from August 16, 2010 the demat accounts of Bidders for whom PAN details have not been verified will be 'suspended for credit' and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Bidders.

Right to Reject Bids

In case of QIB Bidders Bidding in the QIB Portion, our Company and the Selling Shareholder in consultation with the BRLMs, may reject Bids provided that such rejection will be made at the time of acceptance of the Bid and the reasons for rejecting such Bids will be provided to such Bidder in writing. In case of Non-Institutional Bidders, Retail Individual Bidders and Bids by Eligible Employees bidding in the Employee Reservation Portion, our Company has the right to reject Bids based only on technical grounds and/or as specified in the Red Herring Prospectus. However, our Company and the Selling Shareholder, in consultation with the BRLMs, reserves the right to reject any Bid received from Anchor Investors without assigning any reasons. Consequent refunds will be made through any of the modes described in the Red Herring Prospectus and will be sent to the Bidder's address at the Bidder's risk.

With respect to ASBA Bids, the Designated Branches of the SCSBs will have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the ASBA Account, the respective Designated Branch of the SCSB ascertains that sufficient funds are not available in the ASBA Account maintained with the SCSB. Subsequent to the acceptance of the ASBA Bid by the SCSB, our Company would have a right to reject the ASBA Bids only on technical grounds and/or as specified in this Red Herring Prospectus.

The Bidders are advised that in case the DP ID, BAN and PAN mentioned in the Bid cum Application Form and as entered into the electronic Bidding system of the Stock Exchanges by the members of the Syndicate and the SCSBs, as the case may be, do not match with the DP ID, BAN and PAN available in the depository database, the Bid is liable to be rejected.

Grounds for Technical Rejections

Bidders are advised that incomplete Bid cum Application Forms and Bid cum Application Forms that are not legible will be rejected by the members of the Syndicate or SCSBs. Bidders are advised to note that Bids are liable to be rejected on technical grounds including the following:

(i) Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for. With respect to ASBA Bids, the amounts mentioned in the ASBA Bid cum Application Form does not tally with the amount payable for the value of the Equity Shares Bid for;

(ii) Application on plain paper;

(iii) Age of the first Bidder not given;

(iv) In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such will be entitled to apply;

(v) Bid by persons not competent to contract under the Indian Contract Act, 1872, as amended, including minors;

(vi) PAN not stated (except for Bids on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts) in the Bid cum Application Form;

(vii) GIR number furnished instead of PAN;

(viii) Bids for lower number of Equity Shares than specified for that category of investors;

(ix) Bids at a price less than the Floor Price;

(x) Bids at a price over the Cap Price;

(xi) Bids at Cut off Price by Non-Institutional Bidders and QIB Bidders;

(xii) Submission of more than five ASBA Bid cum Application Forms per ASBA Account;

(xiii) Bids for number of Equity Shares which are not in multiples of [●];

(xiv) Bidder category not ticked;

(xv) Multiple Bids as described in the Red Herring Prospectus;

(xvi) In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents not being submitted;

(xvii) Bids accompanied by cash, stockinvest, money order or postal order;

(xviii) Signature of sole and/or joint Bidders missing. In addition, with respect to ASBA Bids, the Bid cum Application form not being signed by the account holders, if the account holder is different from the Bidder;

(xix) Bid cum Application Form does not have the stamp of the BRLMs the Syndicate Members or Designated Branches (except for electronic ASBA Bids);

(xx) Bid cum Application Form does not have Bidder's depository account details or the details given are incomplete or incorrect;

(xxi) Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Form, Bid Opening Date advertisement and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid cum Application Forms;

(xxii) In case no corresponding record is available with the Depositories that matches three parameters namely, PAN (in case of joint Bids, PAN of the first Bidder), the DP ID and the beneficiary's account number;

(xxiii) With respect to ASBA Bids, inadequate funds in the bank account to block the Bid Amount specified in the ASBA Bid cum Application Form at the time of blocking such Bid Amount in the bank account;

(xxiv) Bids for amounts greater than the maximum permissible amounts prescribed by applicable law;

(xxv) Bids by OCBs;

(xxvi) Bids by persons in the Employee Reservation Portion not qualifying as Eligible Employees;

(xxvii) Bids submitted by U.S. residents or U.S. persons excluding "Qualified Institutional Buyers" as defined in Rule 144A under the Securities Act or other than in reliance on Regulation S under the Securities Act;

(xxviii) Bids for which clear funds are not available in the Escrow Accounts as per the final certificate from the Escrow Collection Banks;

(xxix) Bids or revision thereof by QIB Bidders and Non-Institutional Bidders uploaded after 4.00 P.M. on the Bid Closing Date;

(xxx) Bank account details for the refund not given (except in case of ASBA Bidders);

(xxxi) Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

(xxxii) Bids by persons who are not eligible to acquire Equity Shares under applicable law or their relevant constitutional documents or otherwise;

(xxxiii) Bids that do not comply with the securities laws of their respective jurisdictions;

(xxxiv) Authorisation for blocking funds in the ASBA Account not ticked or provided (in case of ASBA Bidders);

(xxxv) Bids not uploaded on the terminals of the Stock Exchanges.

IN CASE THE DP ID, CLIENT ID AND PAN MENTIONED IN THE BID CUM APPLICATION FORM OR ASBA BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC BIDDING SYSTEM OF THE STOCK EXCHANGES OR THE MEMBERS OF THE SYNDICATE/THE SCSBs DO NOT MATCH WITH THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE RECORDS WITH THE DEPOSITORIES, THE APPLICATION IS LIABLE TO BE REJECTED.

Electronic Registration of Bids

(i) The members of the Syndicate and the SCSBs will register the Bids received, except Bids received from Anchor Investors, using the online facilities of the Stock Exchanges. Details of Bids in the Anchor Investor Portion will not be registered on the online facilities of the Stock Exchanges. There will be at least one online connectivity in each city, where the Stock Exchanges are located in India and where such Bids are being accepted. The BRLMs, our Company, the Selling Shareholder, and the Registrar are not responsible for any acts, mistakes or errors or omission and commissions in relation to (i) the Bids accepted by the Syndicate Members and the SCSBs, (ii) the Bids uploaded by the Syndicate Members and the SCSBs, (iii) the Bids accepted but not uploaded by the Syndicate Members and the SCSBs or (iv) with respect to ASBA Bids, Bids accepted and uploaded without blocking funds in the ASBA Accounts. However, the members of the Syndicate and/or the SCSBs will be responsible for any errors in the Bid details uploaded by them. It will be presumed that for the Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant ASBA Account.

(ii) The Stock Exchanges will offer a screen-based facility for registering such Bids for the Issue. This facility will be available on the terminals of the members of the Syndicate and their authorized agents and the SCSBs during the Bidding Period. The Syndicate Members and the Designated Branches of the SCSBs can also set up facilities for off-line electronic registration of Bids subject to the condition that it will subsequently upload the off-line data file into the on-line facilities for book building on a regular basis.

(iii) On the Bid Closing Date, the members of the Syndicate and the Designated Branches of the SCSBs will upload the Bids until such time as may be permitted by the Stock Exchanges. This information will be available with the BRLMs on a regular basis. In order to ensure that the data uploaded is accurate, the Syndicate may be permitted one Working Day after the Bid Closing Date to amend some of the data fields (currently DP ID, Client ID) entered by them in the electronic bidding system. Bidders are cautioned that a high inflow of Bids typically experienced on the last Working Day of the Bidding may lead to some Bids received on the last Working Day not being uploaded due to lack of sufficient uploading time, and such Bids that could not uploaded will not be considered for allocation. Bids will only be accepted on Working Days, *i.e.*, Monday to Friday (excluding any public holiday).

(iv) 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 and at the websites of each of the Stock Exchanges during the Bidding Period, with category-wise details.

(v) At the time of registering each Bid, the members of the Syndicate or the Designated Branches of the SCSBs in case of ASBA Bids will enter the following details of the Bidder in the electronic system:

- Name of our Company.
- Bid cum Application Form number.
- Investor Category – Retail, non-institutional, QIB, Eligible NRI, FII, Mutual Fund, insurance companies, Eligible Employee, etc.
- PAN.
- DP ID.
- BAN of the Bidder
- Numbers of Equity Shares Bid for.
- Price option.
- Cheque amount.
- Cheque number.

(vi) A system generated TRS, on demand, 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 Designated Branches.** The registration of the Bid by the member of the Syndicate or the Designated Branches does not guarantee that the Equity Shares will be allocated/Allotted.

(vii) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(viii) In case of QIB Bidders (other than QIBs Bidding through ASBA), the members of the Syndicate have a right to accept the Bid or reject it. However, such rejection will 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, Retail Individual Bidders and Eligible Employees, Bids may be rejected on technical grounds. Furthermore, the SCSBs will have no right to reject Bids except on technical grounds.

(ix) The permission given by the Stock Exchanges to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLMs 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 our Promoters, our 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 the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

(x) Only Bids that are uploaded on the online system of the Stock Exchanges will be considered for allocation/Allotment. The members of the Syndicate will be given one Working Day after the Bid Closing Date to verify the information uploaded on the online system during the Bidding Period after which the Registrar to the Issue will proceed with the Allotment of Equity Shares.

(xi) Details of Bids in the Anchor Investor Portion will not be registered on the on-line facilities of the electronic facilities of the Stock Exchanges.

Build up of the book and revision of Bids

(i) Bids received from various Bidders through the members of the Syndicate and the SCSBs will be electronically uploaded to the Stock Exchanges' mainframe on a regular basis.

(ii) The book gets built up at various price levels. This information will be available with the BRLMs at the end of the Bidding Period.

(iii) During the Bidding Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise the Bid within the Price Band using the printed Revision Form, which is a part of the Bid cum Application Form.

(iv) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and such Bidder is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate and the Designated Branches will not accept incomplete or inaccurate Revision Forms.

(v) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate or the Designated Branch of the SCSB through whom such Bidder had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.

(vi) Any revision of the Bid will be accompanied by payment in the form of cheque or demand draft for any incremental amount, to be paid on account of the upward revision of the Bid. Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation portion Bidding in such categories should note that the revised amount should not exceed ₹ 100,000. Any excess amount, resulting from downward revision of the Bid will be returned to the Bidder at the time of refund in accordance with the terms of the Red Herring Prospectus. With respect to ASBA Bids, if revision of the Bids results in an incremental amount, the relevant SCSB will block the additional Bid amount. In case of Bids other than ASBA Bids, the members of the Syndicate will collect the payment to be paid on account of the upward revision of the Bid at the time of one or more revisions in the form of cheque or demand draft. 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.

(vii) When a Bidder revises his or her Bid, he or she should surrender the earlier TRS and will, on demand, receive a revised TRS from the members of the Syndicate or Designated Branches, 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

(i) Based on the demand generated at various price levels, our Company and the Selling Shareholder, in consultation with the BRLMs will finalize the Issue Price, the Employee Discount and the Retail Discount.

(ii) Allocation to Anchor Investors will be at the discretion of our Company and the Selling Shareholder, in consultation with the BRLMs, subject to compliance with the SEBI ICDR Regulations. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, will be made available in public domain by the BRLMs before the Bid Opening Date.

(iii) Under subscription in Employee Reservation category will be added to the Net Issue. However, if the aggregate demand by Mutual Funds in the Mutual Fund Portion is less than 4,599,250 Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders. Any under subscription, in any category, will be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company and the Selling Shareholder, in consultation with the BRLMs and the Designated Stock Exchange.

(iv) The Allocation under the Employee Reservation Portion will be on a proportionate basis, in the manner specified under the SEBI ICDR Regulations and this Red Herring Prospectus, subject to valid Bids being received at or above the Issue Price, and is approved by the Designated Stock Exchange.

(v) Allocation to Non-Residents, including Eligible NRIs, FIIs and foreign venture capital funds registered with SEBI, applying on repatriation basis will be subject to applicable law.

(vi) The BRLMs in consultation with our Company and the Selling Shareholder will notify the members of the Syndicate of the Issue Price and allocations to Anchor Investors, where the full Bid Amount has not been collected from the Anchor Investors due to the Issue Price being higher than the Anchor Investor Issue Price.

(vii) Our Company and the Selling Shareholder reserve the right to cancel the Issue any time after the Bid Opening Date, but before the Allotment without assigning any reasons whatsoever. In terms of the SEBI ICDR Regulations, QIB Bidders Bidding in the QIB Portion will not be allowed to withdraw their Bid after the Bid Closing Date. Further, Anchor Investors will not be allowed to withdraw their Bid after the Anchor Investor Bidding Date.

Signing of Underwriting Agreement and RoC Filing

(i) Our Company, the Selling Shareholder, the BRLMs and the Syndicate Members will enter into an Underwriting Agreement on or immediately after the finalisation of the Issue Price.

(ii) After signing the Underwriting Agreement, our Company will update and file the updated Red Herring Prospectus with the RoC in terms of Section 56, 60 and 60B of the Companies Act, which then would be termed the 'Prospectus'. The Prospectus will contain details of the Issue Price, the Anchor Investor Issue Price, if applicable, Issue size, Employee Discount, Retail Discount underwriting arrangements and will be complete in all material respects.

Pre-Issue Advertisement

Subject to Section 66 of the Companies Act, our Company will, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in all editions of [●], an English national daily newspaper, in all editions of [●], a Hindi national daily newspaper and [●], a Bengali newspaper, each with wide circulation.

Advertisement regarding Issue Price and Prospectus

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, will indicate the Issue Price the Employee Discount and the Retail Discount. 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 Anchor Investor Allocation Notice(s) or the Revised Anchor Investor Allocation Notice(s)

(i) On approval of the basis of Allotment by the Designated Stock Exchange and on Allotment by our Board or a duly constituted committee thereof, the Registrar will send to the members of the Syndicate and SCSBs a list of their Bidders who have been Allotted Equity Shares in the Issue. For Anchor Investors, see "***—Notice to Anchor Investors: Allotment Reconciliation and Allotment Advice***" on page 264.

(ii) The Registrar will then dispatch the Anchor Investor Allocation Notice(s) or the Revised Anchor Investor Allocation Notice(s) to the successful Bidders.

Notice to Anchor Investors: Allotment Reconciliation and Allotment Advice

A physical book will be prepared by the Registrar on the basis of the Bid cum Application Forms received from Anchor Investors. Based on the physical book and at the discretion of our Company, the Selling Shareholder, and the BRLMs, selected Anchor Investors will be sent an Anchor Investor Allocation Notice and/or a revised Anchor Investor Allocation Notice, as the case may be. All Anchor Investors will be sent Anchor Investor Allocation Notice post Anchor Investor Bidding Period and in the event that the Issue Price is higher than the Anchor Investor Issue Price, the Anchor Investors will be sent a revised Anchor Investor Allocation Notice within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors should note that they will be required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised Anchor Investor Allocation Notice within the pay-in date referred to in the revised Anchor Investor Allocation Notice. The revised Anchor Investor Allocation Notice will constitute a valid, binding and irrevocable contract (subject to the issue of a Confirmation of Allocation Note ("**CAN**")) for the Anchor Investor to pay the difference between the Issue Price and the Anchor Investor Issue Price and accordingly the CAN may be issued to such Anchor Investors. In the event the Issue Price is lower than the Anchor Investor Issue Price, the Anchor Investors who have been Allotted Equity Shares may directly receive a CAN. The dispatch of a CAN will be deemed a valid, binding and irrevocable contract for the Allotment of Equity Shares to such Anchor Investors.

The final allocation is subject to the physical application being valid in all respect along with receipt of stipulated documents, the Issue Price being finalised at a price not higher than the Anchor Investor Issue Price and Allotment by the Board of Directors.

Designated Date and Allotment of Equity Shares

(i) Our Company will use best efforts to ensure that Allotment of Equity Shares and credit to successful Bidder's depository account are completed within 12 Working Days of the Bid Closing Date.

(ii) In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment will be made only in the dematerialised form to successful Bidders. Allottees will have the option to re-materialize 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 pursuant to this Issue.

Basis of Allotment

For Retail Individual Bidders

(i) Bids received from Retail Individual Bidders at or above the Issue Price will be grouped together to determine the total demand under this category. Allotment to all successful Retail Individual Bidders will be made at the Issue Price less the Retail Discount.

(ii) The Net Issue size less Allotment to Non-Institutional and QIB Bidders will be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to 64,389,500 Equity Shares at or above the Issue Price, full Allotment will be made to the Retail Individual Bidders to the extent of their valid Bids.

(iii) If the aggregate demand in this category is greater than 64,389,500 Equity Shares at or above the Issue Price, the Allotment will be made on a proportionate basis up to a minimum of [•] Equity Shares. For the method of proportionate basis of Allotment, see below.

For Non-Institutional Bidders

(i) Bids received from Non-Institutional Bidders at or above the Issue Price will be grouped together to determine the total demand under this category. Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.

(ii) The Net Issue size less Allotment to QIBs and Retail Portion will be available for Allotment to Non-Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to 27,595,500 Equity Shares at or above the Issue Price, full Allotment will be made to Non-Institutional Bidders to the extent of their demand.

(iii) If the aggregate demand in this category is greater than 27,595,500 Equity Shares at or above the Issue Price, Allotment will be made on a proportionate basis up to a minimum of [•] Equity Shares. For the method of proportionate basis of Allotment see below.

For Employee Reservation Portion

(i) Bids received from the Eligible Employees at or above the Issue Price will be grouped together to determine the total demand under this category. The allocation to all the successful Eligible Employees will be made at the Issue Price less the Employee Discount.

(ii) If the aggregate demand in this category is less than or equal to 1,073,600 Equity Shares at or above the Issue Price, full allocation will be made to the Eligible Employees to the extent of their demand.

(iii) If the aggregate demand in this category is greater than 1,073,600 Equity Shares at or above the Issue Price, the allocation will be made on a proportionate basis subject to a minimum of [●] Equity Shares either on a firm basis or as per draw of lots, as approved by the Designated Stock Exchange. For the method of proportionate basis of allocation, see below.

(iv) Only Eligible Employees are eligible to apply under Employee Reservation Portion.

For QIBs in the QIB Portion (excluding the Anchor Investor Portion)

(i) Bids received from the QIB Bidders at or above the Issue Price will be grouped together to determine the total demand under this portion. Allotment to all successful QIB Bidders will be made at the Issue Price. The QIB Portion will be available for Allotment to QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

(ii) Allotment will be undertaken in the following manner:

- In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion (excluding Anchor Investor Portion) will be determined as follows:

  (a) In the event Mutual Fund Bids exceed 5% of the QIB Portion (excluding the Anchor Investor Portion), allocation to Mutual Funds will be done on a proportionate basis for up to 5% of the QIB Portion (excluding the Anchor Investor Portion).

  (b) In the event the aggregate demand from Mutual Funds is less than 5% of the QIB Portion (excluding Anchor Investor Portion) then all Mutual Funds will get full Allotment to the extent of valid Bids received above the Issue Price.

  (c) Any Equity Shares remaining unsubscribed, and not allocated to Mutual Funds will be available for Allotment to all QIB Bidders as set out in (b) below;

(iii) In the second instance Allotment to all QIBs will be determined as follows:

- In the event of oversubscription in the QIB Portion (excluding the Anchor Investor Portion), all QIB Bidders who have submitted Bids above the Issue Price will be allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.

- Mutual Funds, which 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 QIB Bidders (excluding the Anchor Investor Portion).

- Any under-subscription from Mutual Funds, below 5% of the QIB Portion (excluding Anchor Investor Portion)will be included for allocation to the remaining QIB Bidders on a proportionate basis.

(iv) The aggregate Allotment to QIB Bidders will not be less than 91,985,000 Equity Shares.

For Anchor Investor Portion

(i) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of our Company and the Selling Shareholder, in consultation with the BRLMs, subject to compliance with the following requirements:

- not more than 30% of the QIB Portion will be available for allocation to Anchor Investors;
- one-third of the Anchor Investor Portion will 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;
- allocation to Anchor Investors will be on a discretionary basis and subject to a minimum number of two Anchor Investors for allocation up to ₹ 2,500 million and minimum number of five Anchor Investors for allocation more than ₹ 2,500 million.

(ii) The number of Equity Shares Allotted to Anchor Investors and the Anchor Investor Issue Price, will be made available in the public domain by the BRLMs before the Bid Opening Date by intimating the Stock Exchanges. The method of proportionate basis of Allotment is stated below.

Illustration of Allotment to QIBs and Mutual Funds ("MF")

(i) Issue Details

Sr. No.	Particulars	Issue details
1.	Issue size	200 million equity shares
2.	Portion available to QIBs*	100 million equity shares
3.	Anchor Investor Portion	30 million
4.	Portion available to QIBs* other than anchor investors [(2) – (3)]	70 million equity shares
	Of which	
a.	Reservation to MF (5%)	3.5 million equity shares
b.	Balance for all QIBs including MFs	66.5 million equity shares
5.	No. of QIB applicants	10
6.	No. of shares applied for	500 million equity shares

* Where 50% of the issue size is required to be allotted to QIBs.

(ii) Details Of QIB Bids

S. No.	Type of QIB bidders	No. of shares bid for (in million)
1.	A1	50
2.	A2	20
3.	A3	130
4.	A4	50
5.	A5	50
6.	MF1	40
7.	MF2	40
8.	MF3	80

S. No.	Type of QIB bidders	No. of shares bid for (in million)
9.	MF4	20
10.	MF5	20
	TOTAL	**500**

A1-A5 (QIB bidders other than MFs)
MF1-MF5 (QIB bidders which are MFs)

(iii) Details of Allotment to QIB Bidders

(No. of equity shares in million)

Type of QIB bidders	Equity shares bid for	Allocation of 3.5 million equity shares to MFs proportionately (See Note 2)	Allocation of balance 66.5 million equity shares to QIBs proportionately (See Note 4)	Aggregate allocation to MFs
A1	50	0	6.65	0
A2	20	0	2.66	0
A3	130	0	17.29	0
A4	50	0	6.65	0
A5	50	0	6.65	0
MF1	40	0.7	5.32	6.02
MF2	40	0.7	5.32	6.02
MF3	80	1.4	10.64	12.04
MF4	20	0.35	2.66	3.01
MF5	20	0.35	2.66	3.01
	500	**3.5**	**66.5**	**30.1**

Notes:

(i) The illustration presumes compliance with the provisions of regulation 51(1) pertaining to minimum allotment.

(ii) Out of 70 million equity shares allocated to QIBs, 3.5 million (i.e. 5%) will be allocated on proportionate basis among 5 mutual fund applicants who applied for 200 shares in QIB category.

(iii) The balance 66.5 million equity shares [i.e. 70 – 3.5 (available for MFs)] will be allocated on proportionate basis among 10 QIB applicants who applied for 500 shares (including 5 MF applicants who applied for 200 shares).

(iv) The figures at Col. No. IV are arrived as under :

- For QIBs other than mutual funds (A1 to A5) = No. of shares bid for (i.e. Col II) X 66.5/ 496.5
- For mutual funds (MF1 to MF5) = {(No. of shares bid for (i.e. Col II) less shares allotted (i.e., col. III)} X 66.5/ 496.5
- The numerator and denominator for arriving at allocation of 66.5 million shares to the 10 QIBs are reduced by 3.5 million shares, which has already been allotted to mutual funds at Col. No. (III).

Method of Proportionate Basis of Allotment in the Issue

Except in relation to Anchor Investors, in the event of the Issue being over-subscribed, our Company and the Selling Shareholder will finalise the basis of Allotment in consultation with the Designated Stock Exchange. The Executive Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLMs and the Registrar will 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 Investors, the Allotment will be made in marketable lots, on a proportionate basis as explained below:

(i) Bidders will be categorised according to the number of Equity Shares applied for.

(ii) The total number of Equity Shares to be allotted to each category as a whole will 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.

(iii) 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.

(iv) In all Bids where the proportionate Allotment is less than [●] Equity Shares per Bidder, the Allotment will be made as follows:

- The successful Bidders out of the total Bidders for a category will be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is as far as possible, equal to the number of Equity Shares calculated in accordance with (b) above; and

- Each successful Bidder will be allotted a minimum of [●] Equity Shares.

(v) 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 will 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 will be rounded off to the lower whole number. Allotment to all in such categories would be arrived at after such rounding off.

(vi) 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 will be first adjusted against any other category, where the allocated Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. Any balance Equity Shares, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

Subject to valid Bids being received, allocation of Equity Shares to Anchor Investors will be at the sole discretion of our Company and the Selling Shareholder, in consultation with the BRLMs.

Equity Shares in Dematerialised Form with NSDL or CDSL

As per Section 68B of the Companies Act, the Allotment of Equity Shares in this Issue will be only in a dematerialised form.

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar:

(i) Agreement dated [●], between NSDL, our Company and the Registrar to the Issue;

(ii) Agreement dated [●], between CDSL, our Company and the Registrar to the Issue.

Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

(iii) A Bidder applying for Equity Shares must have at least one valid beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.

(iv) The Bidder must necessarily fill in the details (including the PAN, Beneficiary Account Number and Depository Participant's identification number) appearing in the Bid cum Application Form or Revision Form.

(v) Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.

(vi) Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.

(vii) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected.

(viii) The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.

(ix) Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges where the Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

(x) Trading in the Equity Shares will be in dematerialised form only, on the demat segments of the respective Stock Exchanges.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid cum Application Form number, PAN, Bidders depository account details, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof or with respect to ASBA Bids, the ASBA Account number in which an amount equivalent to the Bid Amount was blocked.

Bidders can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue 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 with the Designated Branches, Bidders may contact the relevant Designated Branch.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, 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."

Payment of Refunds

In the case of Bidders other than ASBA Bidders, the Registrar will obtain from the Depositories, the Bidders' bank account details, including the MICR code on the basis of the DP ID and BAN provided by the Bidders in their Bid cum Application Forms. Accordingly, Bidders are advised to immediately update their bank account details as appearing on the records of their Depository Participants. Failure to do so could result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay will be at the Bidders' sole risk and neither our Company, the Selling Shareholder, the Registrar, the Escrow Collection Banks, nor the Syndicate will be liable to compensate the Bidders for any losses caused to them due to any such delay or liable to pay any interest for such delay.

In the case of Bids from Eligible NRIs and FIIs, any refunds, dividends and other distributions, will normally be payable in Indian Rupees only and net of bank charges and/or commission. Where so desired, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post. Our Company and the Selling Shareholder will not be responsible for any loss, incurred by Bidders on account of conversion of foreign currency.

Mode of Refunds

For Bidders other than ASBA Bidders

For Bidders other than ASBA Bidders any payment of refund will be through any of the following modes:

(i) NECS – Payment of refund will be done through NECS for Bidders having an account at any of the centres where such facility has been made available. This mode of payment of refunds is subject to availability of complete bank account details including the MICR code from the Depositories. For payment of refunds, through this mode, it is mandatory for applicants having a bank account at any of the abovementioned centres, except where the applicant, being eligible, opts to receive refund through RTGS.

(ii) Direct Credit – Bidders having bank accounts with the Refund Bank, as per the Demographic Details received from the Depositories will be eligible to receive refunds through direct credit. Any bank Charges, levied by the Refund Bank will be proportionately borne by our Company and the Selling Shareholder.

(iii) RTGS – Bidders having a bank account with a bank branch which is RTGS enabled as per the information available on the RBI's website and whose refund amount exceeds ₹ 1 million, will be eligible 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**"). Any bank charges, levied by the Refund Bank will be proportionately borne by our Company and the Selling Shareholder. Any bank charges, levied by the Bidder's bank receiving the credit will be borne by the Bidder. Eligible applicants who indicate their preference to receive refund through RTGS to the bank account details registered with the depositories are required to provide the IFSC code in the Bid-cum-Application Form.

(iv) NEFT – Payment of refund will be undertaken through NEFT wherever the Bidders' bank branches are NEFT enabled and have been assigned the IFSC, which can be linked to an MICR code of that particular bank branch. The IFSC will be obtained from the website of RBI as on a date prior to the date of payment of refund, duly mapped with an MICR code. Wherever the Bidders have registered their MICR code and their bank account number while opening and operating the demat account, these will be duly mapped with the IFSC of that particular bank branch and the payment of refund will be made to the Bidders through NEFT. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency and the past experience of the Registrars. In the event NEFT is not operationally feasible, the payment of refunds will be made through any one of the other modes as discussed in this section.

(v) For all other Bidders, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched under certificate of posting for value up to ₹ 1,500 and through speed post or 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 Refund Bank and payable at par at places where Bids are received. Any bank charges, for cashing such cheques, pay orders or demand drafts at other centers will be payable by the respective Bidders.

Refunds for ASBA Bidders

In case of ASBA Bidders, the Registrar will instruct the relevant SCSBs to unblock the funds in the relevant ASBA Accounts to the extent of the Bid Amounts specified in the ASBA Bid cum Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid Closing Date.

Disposal of Applications and Application Moneys and Interest in Case of Delay

With respect to Bidders other than ASBA Bidders, our Company will 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 of Equity Shares.

In case of Bidders who receive refunds through NECS, NEFT, direct credit or RTGS, the refund instructions will be given to the clearing system within 12 Working Days from the Bid Closing Date. A suitable communication will be sent to the Bidders receiving refunds through this mode within 12 Working Days from the Bid Closing Date, giving details of the bank where refunds will be credited along with amount and expected date of electronic credit of refund.

Our Company will use best efforts to ensure that all steps for completion of the necessary formalities for listing is completed and trading commences within 12 Working Days of the Bid Closing Date at all the Stock Exchanges where the Equity Shares are proposed to be listed.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI ICDR Regulations, our Company further undertakes that:

(i) Allotment of Equity Shares will be made only in dematerialised form, including the credit of Allotted Equity Shares to the beneficiary accounts of the Depository Participants, within 12 Working Days of the Bid Closing Date;

(ii) With respect to Bidders other than ASBA Bidders, dispatch of refund orders or in case the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 12 Working Days from the Bid Closing Date will be ensured. With respect to the ASBA Bidders' instructions for unblocking of the ASBA Account will be made within 12 Working Days from the Bid Closing Date; and

(iii) If Allotment letters/refund orders have not been dispatched to the Bidders 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 eight days from the day our Company becomes liable to repay, our Company and every officer in default and the Selling Shareholder will, on and from the expiry of such eight days, be jointly and severally liable to repay the money with interest at 15% per annum, as prescribed under sub-section (2) and (2A) of section 73 of the Companies Act.

Letters of Allotment or Refund Orders or instructions to the SCSBs

Our Company will ensure dispatch of any refund orders, of value up to ₹ 1,500, under certificate of posting, and will dispatch any refund orders above ₹ 1,500, by speed or registered post at the sole or first Bidders' sole risk within 12 Working Days from the Bid Closing Date. Bidders to whom refunds are made through electronic transfer of funds will be sent a letter by ordinary post, intimating them of the mode of credit of refund within 12 Working Days from the Bid Closing Date.

In the case of ASBA Bidders, the Registrar will instruct the relevant SCSBs to unblock the funds in the relevant ASBA Accounts to the extent of the Bid Amounts specified in the ASBA Bid cum Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid Closing Date.

Interest in case of delay in dispatch of Allotment Letters or Refund Orders/instruction to SCSB by the Registrar to the Issue

Allotment of Equity Shares in the Issue, including the credit of Allotted Equity Shares to the beneficiary accounts of the Depository Participants, will be made not later than 12 Working Days of the Bid Closing Date. If Allotment letters/refund orders have not been dispatched to the Bidders or if, in a case where the refund or portion thereof is made in electronic manner through direct credit, RTGS, NEFT or NECS, the refund instructions have not been issued to the clearing system in the disclosed manner and/or demat credit are not made to successful Bidders within eight days from the day our Company becomes liable to repay, our Company and every officer in default and the Selling Shareholder will, on and from expiry of eight days, be jointly and severally liable to repay the money with interest at 15% *per annum* as prescribed under sub-section (2) and (2A) of section 73 of the Companies Act.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by our Company and the Selling Shareholder as a Refund Bank and payable at par at places where Bids are received. Any bank charges, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the respective Bidders.

Undertakings by our Company

Our Company undertakes the following:

(i) Complaints received in respect of the Issue will be attended to by our Company expeditiously and satisfactorily. Our Company has authorized our Company Secretary as the Compliance Officer to redress any complaints in respect of the Issue;

(ii) 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 will have been taken within 12 Working Days of the Bid Closing Date;

(iii) If Allotment letters/refund orders have not been dispatched to the Bidders or if, in case the refund or portion thereof is made in electronic manner through direct credit, NEFT, RTGS or NECS, the refund instructions have not been issued to the clearing system in the disclosed manner and/or demat credits are not made to investors within eight days from the day our Company becomes liable to repay, our Company and every officer in default will, on and from the expiry of such eight days, be jointly and severally liable to repay the money with interest at 15% *per annum*, as prescribed under sub-section (2) and (2A) of section 73 of the Companies Act;

(iv) Our Company will take all necessary steps to ensure compliance with Clause 40A of the Equity Listing Agreement;

(v) No further issue of Equity Shares will be made until the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.;

(vi) Adequate arrangements will be made to collect all ASBA Bids and to consider them similar to non-ASBA Bids while finalizing the basis of allotment; and

(vii) Our Company will not have recourse to the Fresh Issue proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing of the Equity Shares is sought is received.

Undertakings by the Selling Shareholder

(i) The Equity Shares available under the Offer for Sale have been held by the Selling Shareholder for a period of more than one year prior to the filing of the Red Herring Prospectus, and are free and clear of any liens or encumbrances, and will be transferred to the eligible investors within the specified time;

(ii) The Selling Shareholder will not have recourse to the proceeds of the Offer for Sale, until approval for trading of the Equity Shares from all Stock Exchanges where listing is sought has been received;

(iii) That the Selling Shareholder will not sell, transfer, dispose of in any manner or create any lien, charge or encumbrance on the Equity Shares available under the Offer for Sale;

(iv) That the Selling Shareholder will take all such steps as may be required to ensure that the Equity Shares are available for transfer under the Offer for Sale;

(v) That the Selling Shareholder will take all such steps as may be required for completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges, within 12 Working Days of the Bid Closing Date. If such permission is not granted by any of the Stock Exchanges within 70 days from the Bid Closing Date, the Selling Shareholder will forthwith repay without interest all monies received by them from Bidders pursuant to the Red Herring Prospectus. In case of delay beyond the eighth day on which the Selling Shareholder becomes liable to repay the monies received from Bidders, interest will be paid in accordance with the provisions of the Section 73 of the Companies Act;

(vi) To ensure that the funds required for making refunds to unsuccessful Bidders or dispatch of allotment advice by registered or speed post or as per the modes described in our Company's offer documents will be made available to the Registrar;

(vii) To transfer the Equity Shares available under the Offer for Sale to the successful bidders within the specified time;

(viii) To ensure that the refund orders or allotment advice to the successful bidders, including the certificates of the securities / refund orders to NRIs, will be dispatched within the specified time;

(ix) Where the refunds are made through electronic transfer of funds, suitable communication will be sent to the Bidders within 10 Working Days of the Bid Closing Date, giving details of the bank where refunds will be credited along with the amount and expected date of electronic refund; and

(x) The complaints received in respect of the Offer for Sale will be attended to by the BRLMs and the Promoter expeditiously and satisfactorily. The Promoter has authorized the Compliance Officer of our Company and the Registrar to redress complaints, if any, of the investors.

Utilization of Fresh Issue Proceeds

Our Board certifies that:

(i) All monies received from the Fresh Issue will be credited to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;

(ii) Details of all monies utilized out of the Fresh Issue will be disclosed, and will continue to be disclosed until the time any part of the Fresh Issue proceeds remains unutilized, under an appropriate head in our Company's balance sheet, indicating the purpose for which such monies have been utilized;

(iii) Details of any unutilized monies out of the Fresh Issue will be disclosed under an appropriate separate head in our Company's balance sheet, indicating the form in which such unutilized monies have been invested;

(iv) The utilization of monies received from the Employee Reservation Portion will continue to be disclosed until the time any part of the Fresh Issue proceeds remains unutilized, under an appropriate head in our Company's balance sheet, indicating the purpose for which such monies have been utilized; and

(v) Details of all unutilized monies out of the funds received from the Employee Reservation Portion will be disclosed under a separate head in our Company's balance sheet, indicating the form in which such unutilized monies have been invested.

Withdrawal of the Issue

Our Company and the Selling Shareholder, in consultation with the BRLMs, reserve the right not to proceed with the Issue at any time after the Bid Opening Date but before Allotment. If our Company and the Selling Shareholder withdraw the Issue, our Company will issue a public notice within two days, providing reasons for not proceeding with the Issue. The BRLMs, through the Registrar, will notify the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such notification. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchanges will also be informed promptly.

If our Company and the Selling Shareholder withdraw the Issue after the Bid Closing Date and thereafter determines that they will proceed with a further public offering of Equity Shares, they will file a fresh offer document with SEBI or the Stock Exchanges, as the case may be.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company will apply for after Allotment and within 12 Working Days of the Bid Closing Date; and (ii) the final RoC approval of the Prospectus after it is filed with the Stock Exchanges.

SECTION VIII - MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning given to such terms in the Articles of Association of the Company.

5. **CAPITAL**

The share capital of the Company is Rs.1100 (One thousand and one hundred) crores divided into:

i) 1,80,00,00,000 (One hundred eighty crore) Equity Shares of Rs.5/- each.
ii) 20,00,000 (Twenty lakh) Preference Shares of Rs.1000/- each.

Provided that the Company may alter the conditions of its Memorandum so as to increase its Share Capital as it thinks expedient by issuing new shares in the manner prescribed in Section 94 of the Companies Act.

Company's Shares not to be purchased.

6. No part of the funds of the Company shall be employed in the purchase of or in loans upon the security of the Company's Shares.

Allotment of Shares.

7. Subject to the provisions of the Act and these Articles, the of the Company shall be under the control of the Directors who may allot or otherwise dispose of the same to such persons on such terms and conditions as they think fit, provided that option or right to call on shares shall not be given to any person without the sanction of the Company in the General meeting.

COMMISSION AND BROKERAGE

Commission for placing shares

8. The Company may at any time pay commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in or debenture stock of the Company or procuring or agreeing to procure subscription (whether absolute or conditional) for any shares, in or debentures or debentures stock of the Company but so that if the commission in respect of shares shall be paid or payable out of capital or out of profits the statutory conditions and requirements shall be observed and compiled with and the amount or rate of commission shall not exceed 5 percent of the price at which the shares are issued and 2 ½ percent of the price at which debenture stock are issued in each case. The commission may be paid or satisfied in case or in shares, debentures or debentures stock of the Company.

Share Certificates.

9. **SHARE CERTIFICATES**

(1) Every person whose name is entered as a member in the register shall, without payment, be entitled to a certificate under the common seal of the Company specifying the share or shares held by him and the amount paid thereon, provided that, in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all.

(2) The certificates of any share or shares in the Company shall be issued in accordance with the Companies (Issue of Share Certificate) Rules 1960.

Issue of new Share certificate in place of one defaced, lost or destroyed.

10. If a certificate defaced, lost or destroyed it may be renewed on payment of such fee, if any, and on such terms, if any, as to evidence and indemnity as the Directors may think fit.

Ref. 34th AGM dated 28.12.2001 for Dematerialisation of Securities

10A. (1) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its securities and to offer securities in a dematerialized form pursuant to the Depositories Act, 1996.

(2) Every Person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, and the Company shall in the manner and within the time prescribed issue to the beneficial owner the required certificates of securities in marketable lot.

If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security and on receipt of the information, the depository shall enter in the record the name of the allottee as the beneficial owner of the security.

(3) All securities held by a depository shall be dematerialized and shall be in a fungible form.

(4.) a. Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owners.

b. Save as otherwise provided in (a) above, the department as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

c. Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Compass. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

(5) Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

(6) Nothing contained in Section 108 of the Act or these articles shall apply to a transfer of securities effected by a transfer and transferee both of whom are entered as beneficial owners in the records of a depository.

(7) Notwithstanding anything in the Act or these Articles where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

(8) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.

(9) The register and index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security Holders for the purpose of these Articles.

Calls on Shares

11. The Directors may, from time to time, make calls upon the members in respect of any moneys unpaid on their shares and specify the time or times of payments and each member shall pay to the Company at the time or times so specified the amount called on his shares.

Provided however, that the Directors may, from time to time, at their discretion extend the time fixed for the payment of any call.

When Interest on call Payable

12. If the sum payable in respect of any call be not paid on or behalf the day appointed for payment thereof the holder for the time being or allottee of the share in respect of which a call shall have been made, shall pay interest on the same at such rate not exceeding 6 percent per annum as the Directors shall fix, from the day appointed for the payment thereof to the time of actual payments, but the Directors may waive payment of such interest wholly or in part.

Forfeiture of Shares

13. **FORFEITURE**

(1) If a member fails to pay any call, or installment of a call, on the day appointed for

payments thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

(2) the notice aforesaid shall:

(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made, and

(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made will be liable to be forfeited.

(3) if the requirements of any such notice as aforesaid are not 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.

(4) a forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

(5) at any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

Effects of forfeiture

14. (1) A person whose shares have been forfeited shall cease to be a number in respect of the forfeited shares, but shall, notwithstanding the forfeiture shares, notwithstanding the forfeiture, remain liable to pay to the Company all moneys which, at the date of forfeiture, were presently payable by him to the Company in respect to the shares.

(2) The liability of such persons shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares.

Declaration of forfeiture

15. (1) A duly verified declaration in writing that the declared is a director. The manager or the secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

(2) The Company may receive the consideration, if any, given for share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or dispose off.

(3) The transferee shall thereupon be registered as the holder of the share.

(4) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

Provisions regarding forfeiture apply in the case of non-payment at a fixed time.

16. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

Payment is anticipation of calls may carry interest

17. The Directors may, if they think fit, receive from any member willing to advance the same, all or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum not exceeding 6 percent per annum in advance and the Directors The Directors may at any time repay the amount so advanced upon giving to such member three months notice in writing. Money paid in advance of calls shall not in respect thereof confer a right to dividend or to participate in the profits of the Company.

Joint Holders liability

18. The Joint holders of a share shall be jointly and severally liable to pay calls in respect thereof.

LIEN

Company's lien on shares	19.	The Company shall have a first and paramount lien upon all the shares(other than fully paid-up shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys whether presently payable or not called or payable at a fixed time in respect of shares and no equitable interest in any share Unless otherwise agreed the registration of a transfer of shares shall operate as a waiver of the Company's lien if any, on such shares The Directors may at any time declare any shares wholly or in part to be exempt from the provisions of this clause.
Enforcement of lien by sale.	20.	The Company may sell, in such manner as the Directors think fit, any shares on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists in presently payable, nor until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share, or the person entitled by reason of his death or insolvency to the share.
Application of proceeds of sales.	21.	The proceeds of the sale shall be received by the Company and shall be applied in payment of such part of the amount in respect of which lien exists as is presently payable as existed upon the shares prior to the sale to be paid to the persons entitled to the shares at the date of the sale. The purchaser shall be registered as the holder of the shares and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
Transfer and transmission of shares.	22.	**TRANSFER AND TRANSMISSION** Deleted
Notice of refusal to register transfer	23.	If the Directors refuse to register the transfer of within one month of the date on which the instrument of transfer is to the Company, send to the transferee and the transferor, provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever, except a lien on the shares.
Company not bound to recognise any interest in shares other than that of the registered holders.	24.	Subject to the provisions of the Act and save as herein otherwise provided, the Directors shall be entitled to treat the person whose name appears on the register of members as the holder of any shares as the absolute owner thereof and accordingly shall not (except as ordered by a Court of competent jurisdiction or as by law required) be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any person whether or not it shall have express or implied notice thereof.
Execution of transfer	25.	The instrument of transfer of any share in the Company shall be executed both by the transferor and transferee and the transferor shall be deemed to remain holder of the share until the name of the transferee is entered in the register of member in respect thereof.
Form of transfer	26.	The instrument of transfer shall be in writing and all the provisions of Section 108 of the Companies Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares not registration thereof.
Transfer to be left at office and evidence of title to be given	27.	Every instrument of transfer shall be delivered to the Company at the office for registration, accompanied by the certificate of the shares to be transferred, and such evidence as the Company may require to prove the title of the transferor, or his right to transfer the shares. All instruments of transfer shall be retained by the Company, but any instrument of transfer which the Directors may decline to register shall on demand be returned, to the person depositing the same.
When Register of members and debenture holders may be closed.	28.	The register of members or the register of debenture holders may be closed for any period or periods not exceeding in the aggregate 45 days in each year but not exceeding 30 days at any one time after giving not less than 7 days previous notice by advertisement in some newspaper circulating in the district in which the Registered Office of the Company is situated.
Directors' right to refuse registration subject to the provision of Section 111 of the Act.	29.	The directors shall have the same right to refuse to register a person entitled by transmission to any shares or his nominee, as if he were the transferee named in any ordinary transfer presented for registration.

29A. Debenture/Bonds etc. of the Company shall be transferred or transmitted in accordance with the procedure prescribed for shares in Section 108 of the Companies Act and the prevailing rules made thereunder by Central Government from time to time unless different provisions are made specifically in terms of issue governing such debenture/bonds etc. No fee shall be charged either for transfer or transmission of bonds/debentures issued by the Company.

INCREASE, REDUCTION AND ALTERATION OF CAPITAL

Power to increase Capital

30. Subject to the approval of the President, the Directors may, with the sanction of the Company in General Meeting, increase the Share Capital by such sum to be provided into share of such amount, as the resolution shall prescribe.

On what condition new shares may be issued.

31. Subject to such directions as may be issued by the President in this behalf, new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the General Meeting resolving upon the creation thereof shall direct and if no direction be given as the directors shall determine.

How far new shares to rank with shares in original capital

32. Except in so far as otherwise provided by the conditions of issue, or by these Articles, any capital raised by the creation of new shares shall be considered part of the original capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, transfer and transmission, lien, voting, surrender and otherwise.

New shares to be offered to members.

33.

Where any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation whichever is earlier it is proposed to increase the subscribed capital of the Company by allotment of further shares, whether out of unissued share capital or out of increased share capital then:

Such further shares shall be offered to the persons who at the date of the offer are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid-up on those shares at that date and such offer shall be made by a notice specifying the number of shares to which the member is entitled and limiting a time within which the offer, if not accepted, will be deemed to have been declined and the expiration of time or receipt of an to whom such notice is given that he declines to accept the shares offered, the may dispose of them in such manner as think most beneficial to the Company.

Reduction of capital etc.

34. Subject to the provision of Section 100 to 104 of the Act and to such directions as may be issued by the President in this behalf, the Company may, form time to time by special resolution reduce its capital by paying off capital or cancelling capital which has been lost or is unrepresented by available assets, or superfluous or by reducing the liability on the shares or otherwise as may seem expedient and capital may be paid off upon the footing that it may be called up again or otherwise and the Directors may subject to the provisions of the Act, accept surrenders of shares.

Sub-Division and consolidation of shares

35. Subject to the approval of the President, the Company in General Meeting may, from time to time, sub-divide or consolidate its shares or any of them and exercise any of the powers conferred by Section 94 of the Act and shall file with the Registrar such notice of exercise of any such powers as may be required by the Act.

Power to modify

36. If any time the Capital of the Company by reason of the issue of Preference Shares or otherwise, divided into different classes of shares all or any of the rights attached to the shares of each class may subject to the provisions of Section 106 and 107 of the Act be varied with the consent in writing of the holders of at least three fourths of the issued shares of that class or with the sanction of special resolution passed at a separate meeting of the holders of the issued shares of that class and all the provisions hereinafter contained as to General Meeting shall mutatis mutandis apply to every such meeting except that the quorum thereof shall be members holdings or representing by proxy one-fifth of the nominal amount of the issued shares of that class.

BORROW POWERS

Power to borrow

37. Subject to the approval of the President the directors may from time to time borrow and/or secure the payment of any sum or sums of money for the purposes of the Company, by means of a resolution passed at a meeting of the Board.

38. The Directors may, subject to the approval of the President secure the repayment of such moneys in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of bonds, perpetual, or redeemable debentures or debentures or debenture stocks or any mortgage charge or other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.

Securities may be assignable free from equities.

39. Debentures, debenture stock, bonds or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

Issue at discount etc. or with special privileges

40. Subject to the approval of the President of India and the provision of Section 117 of the Act any debentures debenture stock bonds or other securities may be issued at discount premium or otherwise and with any special privileges as to redemption surrender drawings allotment of shares attending meeting of the Company appointment of Directors and otherwise. Debenture, Debenture stock, bonds or other securities with the right to allotment of or conversion into shares shall be issued only with the consent of the company in General Meeting.

Persons not to have priority over any prior charge

41. Whenever any uncalled capital of the Company is charged all persons taking any subsequent charge thereon shall take the same subject to such prior charge shall not be entitled by notice to the share holders or otherwise to obtain priority over such prior charge.

Indemnity may be given

42. If the directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company the Directors may execute or cause to be executed any mortgage charge or security over a affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.

General Meeting

43. The Company shall in each year hold in addition to any other meetings a General Meeting, as its annual General Meeting and shall specify the meeting as such in the notice calling it, and not more than fifteen months shall elapse between the date of one annual General Meeting of the Company and that of the next unless the time has been extended as provided in Section 166 of the Act. The first Annual General Meeting of the Company shall be held within eighteen months from the date of its corporation and if it so held, the Company may not hold any Annual General Meeting in the year of its incorporation or in the following year. Every Annual General Meeting shall be held during business hours on a day other than a public holiday either at the Registered office of the Company or at some other place as the Central government may approve in this behalf. Such General Meetings shall be called "Annual General Meetings" and all other meetings shall be called "Extraordinary General Meetings."

When extraordinary meeting to be called

44. Subject to the provision of the Section 169 of the Act the Directors may , whenever they think fit and shall , on the requisition of the holders of not less than one-tenth of the paid up capital as that date carries a right of voting in regard to that matter and on which all calls or other sums them due have been paid forthwith proceed to convene as extraordinary meeting of the Company and in the case of such requisition on the following provision shall have effect:

(1) The requisition must state the objects must state the meetings and must be signed by the requisitionist and deposited at the office and may consist of several documents , in like form each signed by one or more requisitionists

(2) If the Directors of the Company do not proceed within twenty-one days from the date of requisition being so deposited to cause a meeting to be called for the consideration of these matters on a day not later than forty five days from date of deposition of the requisition, the requisitionists or a majority of them in value may themselves convene the meetings, but any meetings so shall be held within three months
from the date of the deposit of the requisition.

(3) Any meeting convened under this Article by the requisitionists shall have a convened in the same manner as nearly as possible as that in which meetings are to be convened by the directors.

If, after a requisition has been received, it is not possible for a sufficient number of Directors to meet in time so as to form a quorum, any Director may convene an Extraordinary General Meeting in the as manner as nearly as possible as that in which meetings may be convened by the Directors.

Notice of Meeting

45. A General Meeting of the Company may be called by giving a not less than twenty-one days notice in writing specifying the place, day and hour of meeting, with a statement of the business to be transacted at the meeting. Such notice shall be served on every member in the manner hereinafter provided, but with the same consent in writing of all the members entitled to receive notice of same any particular meeting may be convened by such shorter notice and in such manner as those members may think fit.

Provided however, that where any resolution is intended to be passed as a special resolution at any General Meeting as required by Section 189(2) of the Act, notice of such meetings specifying the intension to propose the resolution as special resolution shall be served.

Omission to give notice

46. The accidental omission to give any such notice to or the non-receipt of any such notice by any member shall not invalidate the proceeding at any meeting.

Business of Annual General Meeting

47. The business of an Annual General Meeting shall be to receive and consider the profit and loss account, the balance sheet and the report of the Directors and of the Auditors, to declare dividends, and to transfer any other business which under these Articles ought to be transacted at an Annual General Meeting. All other business transacted at an Annual General Meeting and all business transacted at an Extra-Ordinary Meeting, shall be deemed special.

Quorum

48.

1. No business shall be transacted at any General Meeting unless a quorum of members is present at the time when the meeting proceeds to business.

2. Save as herein otherwise provided, five members present, one of whom will be the representative of President of India, in person, shall be quorum for a General Meeting of the Company.

Right of President to appoint any person as his representative

49.

1. The President or Governor , so long as he is a shareholder of the Company, may from time to time, appoint a person(who need not be member of the Company) to represent him at all or any meetings of the Company.

2. Any person appointed under sub-clause (1) of this Article who is personally present at the meeting shall for the purposes of the Act be deemed to be a member and shall be entitled to exercise the same rights and powers (including the rights to vote by proxy) as the President or the Governor could exercise as a member of the Company.

3. The President or the Governor may, from time to time, cancel any appointment made by him under sub-clause(1) of this Article and make fresh appointment.

4. The production at the meeting of an order of the President or the Governor evidenced as provided in the Constitution of India shall be accepted by the Company as sufficient evidence of any such appointment or cancellation as aforesaid.

Chairman of General Meeting

50. The Chairman of the Directors shall be entitled to take the chair at every General Meeting or if there be no such Chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting or is unwilling to act as Chairman, the members present shall choose another Director as Chairman, and, if no Director shall be present, or if all the Directors present decline to take the Chair then, the members present shall choose one of their members to be Chairman.

When, if quorum not present, meeting to be dissolved and when to

51. If within fifteen minutes from the time appointed for the meeting a quorum is not present, the meeting if convened upon such requisition as aforesaid, shall be dissolved; but in any other case it shall stand adjourned to the same day in the next week at the same time and

be adjourned. place, and if at such adjourned meeting a quorum is not present those members who are present shall be a quorum and may transact the business for which the meeting was called.

How questions to be decided at meetings

52. Every question submitted to meeting shall be decided in the first instance by a show of hands and in case of an equality of votes the Chairman if he is a member shall, both on a show of hands and at a poll (if any), have a casting vote in addition to the vote or voted to which he may be entitled as a member.

What is to be evidence of the passing of a Resolution where poll not demanded.

53. At any General Meeting a resolution put to vote of the meeting shall be decided on a show of hands, unless a poll is, before or on the declaration of the result of the show of hands, demanded by a member present in person or proxy or by duly authorised representative, and unless a poll is demanded, a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously or by a particular majority or lost, and an entry to that effect in the book of proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the vote recorded in favour of or against that resolution.

Poll

54. If a poll is duly demanded it shall b taken in such manner and at such time and place as the Chairman of the meeting directs, and either at once, or after an interval or adjournment or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand of a poll may be withdrawn.

Power to adjourn General Meeting

55. The Chairman of a General Meeting may, with the consent of the meeting, adjourn the same, from time to time and from place to place bit no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place

In what case poll taken without adjournment

56. Subject to the provisions of Section 180 of the Act, any poll duly demanded on the election of a Chairman of a meeting or on any question or adjournment shall be taken at the meeting and without adjournment.

Business may proceed notwithstanding demand of poll.

57. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

Chairman's decision conclusive

58. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

Votes of members

59. Upon a show of hands every member present in person or by proxy, or by duly authorised representative shall have one vote and upon a poll every such member shall have one vote for every share held by him.

Votes in respect of shares of deceased and bankrupt members

60. Any person entitled under the transmission clause to any shares may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares provided that seventy two hours at least before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote, he shall satisfy the Directors of his right to such shares, unless the Directors shall have previously admitted his right to such shares or his right to vote at such meeting in respect thereof.

Joint holders

61. Where there are joint registered holders of any share, any one such of such persons may vote at any meeting, either personally or by proxy, in respect of such shares as if he were solely entitled thereto, and if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof. Several executors of administrators of a deceased member in whose name any share stands shall for the purpose of this clause are deemed joint holders thereof.

Votes in respect of shares of members on unsound mind.

62. A member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote whether on a show of hands or on poll by his committee or other legal guardian and any such committee or guardian may on a poll, vote by proxy.

Instrument appointing proxy to be in writing

63. A member entitled to attend and vote at a meeting may appoint another person (whether a member or not) as his proxy to attend a meeting and vote on a show of hands or on a poll. No member shall appoint more than one proxy to attend on the same occasion. A proxy

shall be entitled to speak at a meeting. The instrument appointing a proxy shall be in writing and be signed by the appointer or his attorney duly authorised in writing or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorised by it.

Instrument appointing proxy to be deposited at office. 64. The instrument appointing a proxy and the power of attorney or other authority(if any) under which it is signed, or a notarially certified copy of that power or authority, shall be deposited at the Registered Office of the Company not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes vote, or in the case of a poll not less than 24 hours before the time appointed for taking of the poll and in default the instrument of proxy shall not be treated as valid.

When vote by proxy valid though authority revoked 65. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or the revocation of the proxy or of the authority under which the proxy was executed or the transfer of the shares in respect of which the proxy is given provided that no intimation in writing of such death, insanity, transfer, revocation or transmission shall have been received at the office of the Company before the commencement of the meeting or adjourned meeting at which the proxy is used.

Form of Proxy 66. An instrument appointing a proxy may be in the following form, or in any other form which the Directors shall approve:

HINDUSTAN COPPER LIMITED

"I……………………..of………………………………………..in the district of …………..being a member of the above named Company hereby appoint……………………….of……………in the district of………..as may proxy to vote for me on my behalf at the Annual/ Extraordinary General Meeting of the Company to be held on the………….day of………and at any adjournment thereof."

Signed this…………………day of…………………….

No member entitled to vote etc. while call due to Company. 67. No member shall be entitled to be present, or to vote on any question either personally or by proxy, or by duly authorised representative at any General Meeting or upon a poll, or be reckoned in a quorum whilst any call or other sum shall be due and payable to the Company in respect of any of the shares of such member.

Time for objection to vote 68. No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy, or by duly authorised representative not disallowed at such meeting or poll, shall be deemed valid for all purposes of such meeting or poll whatsoever.

DIRECTORS

Number of Directors 69. The number of Directors of the Company shall not be less than three and not more than fourteen. The Directors are not required to hold any qualification shares.

Appointment of Directors 70 1) a) The Directors shall be appointed by the President in consultation with the Chairman in all cases except in the case of part-time Government representatives who are appointed on the Board of Directors by virtue of their office. The Directors shall be paid such salary and/or allowances as the President may, from time to time, determine and 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.

b) Deleted

c) The President may from time to time, appoint one of the Directors to be the Chairman of the Board of Directors and determine the salary and allowances payable to the Chairman and the period for which he will hold office.

d) The Board of Directors shall have the power to create the posts below the Board level (not being a Manager within the meaning of Section 197-A of the Act) for such period and on such salary and allowances as may be fixed. However, no post below the Board level shall be created by the Company in the scales to pay equivalent to those in the Board level.

e) The President shall, from time to time, appoint in consultation with the Chairman, one of the Directors as the Managing Director and determine the salary and allowances payable to the Managing Director and the period for which he will hold office.

f) The Chairman and the Managing Director or other Director or General Manager of the project shall exercise such powers and discretion in relation to the affairs of the Company as may be specifically delegated to them respectively by the Board of Directors and are not required to be done by the Board of Directors or the Company at the General Meeting under the Act

g) The President shall have the right to fill any vacancy in the office of Directors caused by removal, resignation, death or otherwise.

2) The President shall have the power to remove any Director including the Chairman and the Managing Director and the Board of Directors shall have the power to remove any General Manager, from the office at the time in his/ their absolute discretion.

3) Not less than two-thirds of the total number of Directors of the Company shall be persons whose period of office shall be liable to determination by retirement of Directors by rotation and save as otherwise expressly provided in the Act, be appointed by the Company in General Meeting of the Company, $1/3^{rd}$ of such Directors for the time being as are liable to retire by rotation or if their number if not three or multiple of three, then, the number nearest to $1/3^{rd}$, shall retire from office. The Directors to retire by rotation shall be those who have been longest in office since their last appointment, but as between persons who become Directors on the same date, those who are to retire shall be determined by the President in consultation with the Chairman of the Company. at the Annual General Meeting at which a Director retires, as aforesaid, the Company may fill up the vacancy by appointing the retiring director or some other person thereto. The Chairman & Managing Director/MD/ Whole-time Director and ex-officio Government Directors shall not be subject to retirement under this clause.

General Power of the Company vested in Directors

71. Subject to the provisions of the Act and the directives and the instructions, if any, the President may issue from time to time as contained in the Article 114, the business of the Company shall be managed by the Directors who may pull all expenses incurred in getting the Company registered and may exercise all such powers of the Company as are not, by the Companies Act, 1956, or any statutory modification thereof for the time being in force or by theses Articles, required to be exercised by the Company in General Meetings. The Directors shall exercise the power subject nevertheless to the provisions of theses Articles, to the provisions of the said Act, and to such regulations being not inconsistent with the aforesaid provisions, as may be prescribed by the Company in General Meeting but no regulation made by the Company in General Meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

Specific powers to Directors

72. Without prejudice to the general powers conferred by the last preceding Article and the other powers conferred by these Articles but subject to the provisions of Section 293, 293A and 294 of the Act, the Directors shall have the following powers that is to say power:

1. To acquire property: to purchase, take on lease or otherwise acquire for the Company property, rights or privileges which the Company is authorised to acquire at such price and generally on such terms and conditions as they think fit.

2. (a) Works of Capital nature: to authorize, without reference to Central Government, the undertaking of works of a capital nature where Detailed Project Reports have been prepared with the estimates of different component parts of and project and where such Projects Reports have been approved by the Central Government, and to invited and accept tenders relating to works included in the approved Detailed Project Report, including variations, if any, in the approved estimates provided such variations are not more than 10% for any particular component part and do not substantially change the scope of the project.

(b) To authorize the undertaking of works/ schemes not covered by clause (2)(a) above of capital nature, on additions, modifications and new investment, etc., not exceeding Rs.50 crores and to incur expenditure on replacement and renewals of assets not exceeding Rs.100 crores, without the prior approval of Government, but subject to such changes in the aforesaid Financial limits as may be made by Govt., from time to time.

Provided that:

(i) The required funds can be found from the interval resources of the Company and the expenditure is incurred on schemes included in the Capital budget approved by the Govt.

(ii) New items are identified and discussed at the annual plan discussions with the Government and outlays provided for;

(iii) For replacements and renewals, the delegated powers being exercised should be within the framework of a lump sum provision agreed to and provided for at the annual plane discussions; and

(iv) The expenditure on such works in subsequent years will be the first call on respective allocations.

3. To pay for the property in debentures, etc.: to pay for any property, rights or privileges acquired by, or services rendered to the Company either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such shares may be issued either as fully paid up or with such amounts credited as paid up thereon as may be agreed upon; and any such bond, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.

4. To secure contracts by mortgage: to secure the fulfillment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such other manner as they may think fit;

5. To appoint officers etc.: to appoint and at theirs discretion, remove or suspend such managers, secretaries, officers, clerks, agents and servants for permanent or temporary or special services, as they may, from time to time think fit, and to determine their power and duties and fix their specific scales of pay allowances and to acquire security in such instances ant to such amount as they think fit;
To create and fill all posts below the Board level excepting the posts having the scale of pay equivalent to those in the Board level provided that no appointment in the higher categories of posts of General Managers level and above of persons who have attained the age of 58 years shall be made without the prior approval of the President.

6. To appoint trustees: to appoint any person or persons (whether incorporated or not), to accept and hold in trust for the Company, any property belonging to the Company or in which it is interested or for any other purposes, and to execute and do all such deeds and things as may be requisite in relation to any such trust and to provide for the remuneration of such trustee or trustees;

7. To bring and defend actions, etc.: to institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its officers, or otherwise concerning the affairs of the Company and also to compound and allow time for the payment or satisfaction of any claims or demands by or against the Company.

8. To refer to arbitration: to refer any claims or demands by or against the Company to arbitration and observe and perform the awards.

9. To give receipt: to make and give receipts, release and other discharges for money payable to the Company, and for the claims and demands of the Company.

10. To authorize acceptance etc. : to determine, who shall be entitled to sign on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, release, contracts and documents;

11. To appoint attorneys : from time to time to provide for the management of the affairs of the Company outside the mining areas which in the context includes the townships and sites of operations of the Company in such manner as they think fit, and in particular to appoint any person to be the attorney or agent of the Company with such powers (including power to sub-delegate) and upon such terms as may be thought fit;

12. To invest moneys: to invest in such securities as may be approved by the President and deal with any of the moneys of the Company upon such investments authorised by the Memorandum of Association of the Company (not being shares in this Company) and in such manner as they think fit, and from time to time to vary or realize such investments.

13. To give security by way of indemnity : to execute in the name and on behalf of the Company in favour of any Director or other persons who may incur or be about to incur any personal liability for the benefit of the Company such mortgage of the Company's property (present and future) as they think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed on;

14. To give percentage: subject to the approval of the President, to give any person employed by the Company a commission on the profits of any particular business transaction, or a share in the general profits of the Company, and such commission or share of profits shall be treated as part of the working expenses of the Company;

15. To make bye-laws: from time to time to make vary and repeal bye-laws for the regulation of the business of the Company, its officers and servants.

16. To give bonus: to give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company or is widow, children or dependants, that may appear to the Directors just or proper, whether such employee, his widow, children or dependants have or have not a legal claim upon the Company.

17. To create Provident Fund: before declaring any dividend and subject to the approval of the President, to set aside such portion of the profits of the Company as they may think fit, to form a fund to provide for such pensions, gratuities or compensation or to create any provident or benefit fund in such manner as the Directors may deem fit.

18. To establish Local Board: from time to time and at any time to establish any Local Board for managing any of the Affairs of the Company in any specified locality in India, or out of India, and to appoint any person to be members of such Local Board and to fix their remuneration, and from time to time and at any time to delegate to any person so appointed any of the Powers authorize, and discretion for the time being vested in the Directors other than their power to make call 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 in such terms, and subject to such conditions as the Directors may think fit and Directors may at any time remove any person so appointed and may annual or vary any such delegation.

19. To make contracts, etc. : to enter into all such negotiations and contracts and rescind and vary all such contracts, execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company; and

20. To sub-delegate power: subject to Section 292 of the Act to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them,

subject however, to the ultimate control and authority being retained by them.

73. The powers of the Directors in relation to the Following shall, however, be subject to the approval of the President:

(i) Sale, lease or disposal otherwise of the whole or substantially the whole of the undertaking of the Company; and
(ii) The formation of a subsidiary Company.

Directors to cause minutes to be made in the books

74. (1) The Directors shall cause minutes of all proceedings of every General Meeting and of all proceedings of every meeting of the Board of Directors or every Committee of the Board to be kept, by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with the pages consecutively numbered

(2) Each page of every such book shall ne initialed or signed and the last page of the record of proceedings of such meetings in such books shall be dated and signed:

(a) in case of minutes of proceedings of a meeting of the Board or a Committee thereof, by the Chairman of the said meeting, or the Chairman of the next succeeding meeting;

(b)in the case of minutes of proceedings of a general Meeting, by the Chairman of the same meeting within the aforesaid period of fourteen days or in the event of the death or inability of that Chairman that period, by a Director duly authorised by the Board for the purpose.

(3) In no case minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

Seal

75. The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors and except in the presence of at least one Director or such other person as the Board may appoint for the purpose; and the said Director or the person aforesaid shall sign every instrument to which the seal of the Company is so affixed in his presence.

Vacation of office by Directors

76. (1) The office of the Director shall become vacant if:

(a) he is found to be of unsound mind by a court of competent jurisdiction

(b) he applies to be adjudicated an insolvent;

(c) he is adjudged an insolvent;

(d) he is convicted by a Court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months;

(e) he fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call unless the Central Government has by notification in the Official Gazette, remove the disqualification incurred by such failure;

(f) he absents himself from three consecutive meetings of the Board of Directors or from all meetings of the Board for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board;

(g) he (whether by himself or by any person for his benefit or on his account), or any firm in which he is a partner or any private company of which he is a director accepts loan, for any guarantee or security for a loan, from the Company in contravention of Section 295.

(h) he acts in contravention of Section 299 of the Act;

(i) he becomes disqualified by an order of Court under Section 203 of the Act;

(j) he is removed in pursuance of Section 284 of the Act; or

(k) having been appointed a Director by virtue of his holding any office of other employment in the Company, he ceases to hold such office or other employment in the company.

(2) notwithstanding anything in clauses (c), (d) and (i) of sub-clause(1), the disqualification referred to those clauses shall not take effect:

(a) for thirty days from the date of the adjudication, sentence, or order;

(b)where any appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence, or conviction resulting in the sentence, or order until the expiry of seven days from the date on which such appeal or petition is disposed of, or

(c) where within the seven days aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction, or order, and the appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed of.

(3) Subject to the provisions of sub-clause (1) and (2), if a person functions as a director when he knows that the office of Director held by him has become vacant on account of any of the disqualifications, specified on the several clauses of sub-Section (1), he shall be punishable with fine which may extend to five hundred rupees for each day on which he so functions as Director.

Alternate Director

77. The Board of Directors of the Company may appoint with the approval of the President as alternate Director to act as Director(hereafter in this Article called "the Original Director") during his absence for a period of not less than three months from the State in which meetings of the Board are ordinarily held and such appointment shall have effect, and such appointee whilst he holds office as an Alternate director shall be entitled to notice of meetings of the Directors and to attend and to vote thereat accordingly; but he shall ipso facto vacate office when the original Director returns to the Sate in which the meetings are ordinarily held or vacates office as a Director. If the term of the office of the original Director is determined before he so returns to the state aforesaid, any provision for the automatic reappointment of retiring Director in default of another appointment shall apply to the original and not to the alternate Director.

PROCEEDINGS OF DIRECTORS

Meeting of Directors and quorum

78. The Directors may meet together for the dispatch of business once at least in very three calendar months, and at least four such meetings shall be held in every year. The Directors may adjourn and otherwise regulate their meetings and proceedings as they may think fit. The quorum necessary for the transaction of business of the Directors shall be one-third of the total strength of Directors, any fraction contained in that one-third being rounded of as one or two Directors whichever is higher as provided in Section 287 of the Act.

Place of meeting

79. The meeting of the Board may be held at the registered Office or anywhere else within India if in the interests of the Company.

Directors may summon meeting. How questions to be decided.

80. A Director may at any time convene a meeting of the Directors. Questions rising at any meeting shall be decided by majority of votes. Every Director shall have one vote but the Chairman shall have the second or the casting vote.

Power of quorum

81. A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers, and discretion by or under the Articles of the Company for the time being vested in or exercisable by the directors generally.

Chairman of Directors meeting

82. The President may nominate a Director as Chairman of the Directors' meetings and determine the period for which he is to hold office. If no such Chairman is nominated or if at any meeting the Chairman is not present within 5 minutes after the time for holding the same, the Directors present may choose one of their members to be Chairman of the meeting.

Power of Chairman

83. (1) The Chairman shall reserve for the decision of the Central Government any proposals or decisions of the Board of Directors or any matter brought before which raises, in the opinion of the Chairman an important issue and which is on that account fit to be reserved for the decision of the Central Government and no decision on such important issue shall be taken in the absence of the Chairman appointed by the President. In respect

of matters reserved by the Chairman for the decision of the Central Government, if the Central Government’s views be not received within a period of two months, the Directors shall be entitled to act in accordance with the proposal or decision without further reference to the Central Government.

(2) without prejudice to the generality of the above provision, the Chairman shall reserve for the decision of the President:

(i)any matter relating to the sub-lease, exchange, mortgage and/or disposal of the whole or substantially the whole of the undertaking of the Company of any part thereof,

(ii) any matter relating to:

(a) The promotion of the Company/ Companies;

(b) Entering into partnership and/or arrangement for sharing property;

(c) Formation of subsidiary company/ companies;

(d) Taking or otherwise acquiring any holding shares in any other company; and

(e) Division of capital into different classes of shares.

At any General Meeting a resolution put to vote of the meeting shall be decided on a show of hands, unless a poll is, before or on the declaration of the result of the show of hands, demanded by a member present in person or proxy or by duly authorised representative, and unless a poll is demanded, a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously or by a particular majority or lost, and an entry to that effect in the book of proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the vote recorded in favour of or against that resolution.

Delegation of powers to Committees

84. The Directors may, subject to the provisions of Section 292 of the Act, delegate any of their powers to committee consisting of such member or members of their body as they think fit and may, form time to time revoke such delegation. Any Committee so formed shall in the exercise of powers so delegated, conform to any regulation that may, from time to time, be imposed upon it by the directors. The proceedings of such a committee shall be placed before the Board of directors at its next meeting.

Chairman of the meeting of committees.

85. A Committee may elect a Chairman of their meetings. If no such chairman is elected or if at any meeting the chairman is not present within 5 minutes after the time appointed for holding the same, the members present may choose one of their members to be chairman of the meeting.

When acts of directors of committee valid notwithstanding defective appointment etc.

86. All acts done by any meetings of the directors, or of a committee of directors, or by any person acting as director shall notwithstanding that it be afterwards discover that there were some defects in the appointment of such directors or persons acting as aforesaid or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be director. Provided that nothing in this article shall be deemed to give validity to acts done by a director after his appointment has been shown to the company to be invalid or to have terminated.

Resolution without Board meeting valid

87. Subject to the provisions of the Section 292 of the Act, resolutions of the board of the directors can be passed by circulation and they shall be as valid and effectual as if they have been passed at a meeting of the directors duly called and constituted. No resolution shall, however, be deemed to have been duly passed by the board or by a committee thereof by circulation unless the resolution has been circulated in draft, together with the necessary if any , to all the directors or to all the members of the committee then in India(not being less in number than the quorum fixed for a meeting of the board or committee, as the case may be), and to all other directors or members at there usual address in India, and has been approved by such of the directors as are then in India, or by a majority such of the, as are entitled to vote on the resolution.

RESERVES AND DIVIDENDS

Reserve Fund

88 Subject to such directions as may, from time to time be issued by the President in this behalf, the director may, before recommending any dividend set aside out of the profits of the company such sums as they think proper as reserve fund, to meet contingencies or for

equalizing dividends or for special dividends or for repairing, improving and maintaining any of the property of the company, and for amortisation of capital and for such other purposes as the directors shall in there absolute discretion think conducive to the interest of the company, and may invest the several sums so set aside upon such investments, (other than shares of the company) as they may think fit from time to time, deal with and vary such investments, and dispose of all or any part thereof for the benefit of the company; and may divide the reserve funds into such special funds, as they think fit , and employ the reserve funds, or any part thereof in the business of the company and that without being bound to keep the same separate from the other assets.

Dividends 89. The profits of the Company available for payment of payment of dividend subject to any special rights relating thereto created or authorised to be created by these presents and subjects to the provisions of these presents as to the reserve funds and amortisation of capital shall, with the approval of the president, be divisible among the members in proportion to the amount of capital paid up by them respectively. Provided always that (subject as aforesaid)any capital paid up on a share during the period in respect of which a dividend is declared shall only entitle the holder of such share to an apportioned amount of such dividend as from the date of payment.

Capital paid up in advance 90. Where capital is paid up on only any shares in advance of calls upon the footing that the same carry interest, such capital shall not, whilst carrying interest, confer a right to participate in profits.

Declaration of dividends. 91. The company in General Meeting may declare a dividend to be paid to the members according to their rights and interests in the profits and may fix the time for payment, but no dividend shall exceed the amount recommended by the directors.

Dividends out of profits only and not to carry interest. 92. No dividend shall be declared or paid by the company for any financial year except out of profits of the company for that year arrived at after providing for the depreciation in accordance with the provisions of sub-Section(2) of Section 205 of the Act or out of profits of the company for any previous financial year arrived at after providing for the depreciation in accordance with those provisions and remaining undistributed or out of both or out of moneys provided by the government for the payment of dividend in pursuance of guarantee given by the government. No dividend shall carry interest against the company.

When to be deemed net profits 93. For the purpose of the last proceeding Article the declaration of the directors as to the amount of the profits of the company shall be conclusive.

Interim dividend 94. The directors may, from time to time, pay to the members such interim dividends as in their judgment the position of the company justifies.

Debts may be deducted 95. The director may retain any dividends in respect of shares on which the company has a lien, and may apply the same in or towards satisfaction of the debts liabilities or engagements in respect of which the lien exists.

Dividends and call together 96. Any General Meeting declaring a dividend may make a call on the members of such amount as the meeting fixes, but the call on each member shall not exceed the dividends payable to him, and the call be made payable at the same time as the dividend, and the dividend may if so arranged between the company and the members, be set off against the call. The making of a call under this clause shall be deemed to be ordinary business of an Annual General Meeting which declares a dividend.

Dividend to be paid in cash 97. Subject to the provision of Section 205 of the Act as amended, no dividend shall be payable except in cash.

Effect of transfer 98. A transfer of shares shall not pass the right to any dividend and declared thereon after transfer and before the registration of the transfer.

Dividends to joint holders 99. Any one of the several persons, who are registered as the joint holders of any share, may give effectual receipts for all dividends and payments on account of dividends in respect of such shares.

Payment by post 100. Unless otherwise directed any dividend may be by cheque or warrant sent through the post to the registered address of the member or persons entitled or in the case of joint holders to the registered address of that one whose name stand first in the register in respect of the joint holding; and every cheque and warrant so sent shall be made payable to the order of the person to whom it is sent. No unclaimed dividend shall be forfeited by the board unless the claim thereto becomes barred by law and the company shall comply with all the provisions of Section 205-A of the Act in respect of unclaimed or unpaid dividend.

Notice of dividend

101. Notice of the declaration of any dividend, whether interim or otherwise, shall be given to the holders of registered shares in the manner hereinafter provided.

Ref. 27th AGM dated 23.09.94

102. No unclaimed or unpaid dividends shall be forfeited by the board and the company shall comply with the provisions of Section 205-A of the Act in respect of unclaimed or unpaid dividends.

Accounts to be kept

103. The company shall cause to be kept proper books of accounts with respect to:

(a) All sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place.

(b) All sale and purchases of goods by the company.

(c) The assets and liabilities of the company.

Inspection of account books

104. The books of accounts shall be kept at the Registered Office of the company or at such other place as the directors shall think fit and shall be open to inspection by the directors during business hours.

Inspection by members

105. The director shall, from time to time, determine whether and to what extent at what time and places and under what conditions or regulations the accounts and books of the company or any of them shall be open to the inspection of members (not being directors) and no member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the directors or by the company in General Meeting.

Annual account and balance sheet

106. At the first Annual General Meeting and subsequently at each Annual General Meeting the director the director shall lay before the company a balance sheet and profit and loss account, in the case of the first account since the incorporation of the company, and in any other case since the preceding account made up to a date not earlier than the date of meeting by more than six months or where an extension of time has been granted for holding the meeting, by more than six months and the extension so granted.

Annual report of directors

107. The directors shall make out in accordance with Section 217 of the Act and attach to every balance sheet a report with respect to the state of the company's affairs, the amount, if any, which they recommend should be paid by way of dividend and the amount, if any, which they propose to carry to the reserve fund, general reserve or reserve accounts shown specifically on the balance sheet. The report shall be signed by the chairman of the board of directors on behalf of the directors authorised in that behalf by the directors and when he is not so authorised shall be signed by such number of directors as are required to sign the balance sheet and the profit and loss account by virtue of sub-sections (1) and (2) of Section 215 of the Act.

Contents of profit and loss account

108. Forms of balance sheet and profit and loss account shall be in accordance with the provisions of Section 211 of the Act. The profit and loss account shall in addition to the matters referred to in Section 211 of the Act, show, arranged under the most convenient heads, the amount of gross income , distinguishing the several sources from which it has been derived and the amount of gross expenditure distinguishing the express of the establishment, salaries and other like matters. Every item of expenditure fairly chargeable against the year's income shall be brought into account so that a just balance of profit and loss may be laid before the meeting, and in case where any item of expenditure which may in fairness be distributed over several years has been incurred in any one year, the whole amount of such item shall be stated, with the addition of the reason why only a portion of such expenditure is charged against the income of the year.

Balance sheet and profit and loss account to be sent to members

109. Subject to the provisions of Section 219 of the Act, the Company shall send a copy of such balance sheet and profit and loss account together with a copy of the auditor's report on such documents as may be prescribed in lieu thereof to the registered address of every member of the Company or every trustee for the holders of any debentures issued by the Company and to all persons other than such members or trustees, being person so entitled in the manner in which notices are to be given hereunder at least 21 days before the

meeting at which it is to be laid before members of the Company and shall deposit a copy at the Registered Office of the Company for inspection of the members of the Company during the period at least 21 days before the meeting.

Directors to comply with Section 209 to 222 of the Act 110. The directors shall in all respects comply with the provisions of sections 209 to 222 of the Act or any statutory modification thereof for the time being in force as may be applicable in the Company.

AUDIT

Accounts to be audited annually 111. Once at least in every the accounts of the Company shall be examined and the correctness of the profit and loss account and balance sheet ascertained by one or more auditors as provided in the Act.

Appointment of auditors 112. (a) The auditor/ auditors of the Company shall be appointed or re-appointed by the Central Government on the advice of the Comptroller General of India in accordance with the provisions of Section 619 of the act and his/ their remuneration, rights and duties shall be regulated by sections 224 to 233 of the Act.

(b) The comptroller and Auditor General of India shall have power:

(i) to direct the manner in which the Company's account shall be audited by the auditor/auditors and to give such auditor/auditors instructions in regard to any matter relating to the performance of his/their functions as such;

(ii) to conduct a supplementary or test audit of the Company's accounts by such person/persons as he may authorise in this behalf and for the purpose of such audit, to have access, at all reasonable times, to all accounts, account books, vouchers, document and other papers of the company and to require information or additional information to be furnished to any person or persons and in such form as the Comptroller and Auditor General of India may, by general or special order, direct;

(c) The auditor/ auditors aforesaid shall submit a copy of his/their Audit Report to the Comptroller and Auditor General of India who shall have the right to comment upon to supplement the Audit Report in such manner as he may think fit.

(d) Any such comment upon or supplement to the Audit Report shall be placed before the Annual General Meeting of the Company at the same time and in the same manner as the audit report.

Auditor's right to attend meetings 113. The auditors of the Company shall be entitled to receive notice of and to attend any general meeting of the Company at which any accounts which have been examined or reported on by them are to be laid before the Company and make any statement or explanation they desire with respect to the accounts.

PRESIDENT'S RIGHT

Rights of the President 114. Notwithstanding any thing contained in any of these Articles but subject to the provision of the act, the President may, from time to time, issue such directives or instructions as he may consider necessary in regard to the affairs and conduct of the business of the Company and in like manner may vary and annual any such directive. In particular, the President will have powers:

(i) To give directions to the Company as to the exercise and performance of its functions in matters involving national security or substantial public interest.
(ii) To call for such returns accounts and other information with respect to the property and activities of the Company as may be required from time to time.
(iii) To approve the Company's five year and annual plans of development and the Company's capital budget.
(iv) To approve the Company's revenue budget in case there is an element of deficit, which is proposed to be met by obtaining funds from the government.

(v) To approve arrangement involving foreign collaboration proposed to be entered into by the Company.

The Directors shall give immediate effect to directors or instructions so issued.

Ref.23rd AGM Dated 21.9.90		Provided that all directives issued by the President shall be in writing addressed to the Chairman. The Board shall, except where the President considers that the interest of the national security requires otherwise, incorporate to the Company and also indicate its impact on the financial position of the Company.
How noticed to be served on members	115.	A notice be given by the Company to any member either personally or by sending it by post to him to his registered address ; if he has no registered address , to the address, if any, supplied by him to the Company for giving of notice to him.
Notification of address by a holder of registered shares having no registered place of address	116.	A holder of register shares, who has no registered place of address may, from time to time, notify in writing to the Company his address, which shall be deemed his registered place of address, within the meaning of the last preceding Article.
When notice may be given by advertisement	117.	If a member has no registered address and has not supplied to the Company an address for the giving of notices to him, a notice addressed to him and advertised in news paper circulating in the neighborhood of the Registered Office of the Company, shall be deemed to be duly given to him on the day on which advertisement appears.
Notice to joint holders	118.	A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder named first in the register in respect of the share.
How notice to be given to a deceased or bankrupt member.	119.	A notice may be given by the Company to the person entitled to share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title or by the representative of the deceased, or assignee of thereof the insolvent or by any like description, at the address (if any) supplied for the purpose by the persons claiming to be so entitled to (until such an address has been so supplied) by giving notice in any manner in which the same might have been given if the death or insolvency had not occurred.
To whom notice of General Meeting to be given.	120.	Notice of every general meeting shall be given in the same manner hereinbefore authorised to (a) every member of Company except those members who having no registered address have not supplied to the Company an address for the giving of notice to them, and also to (b) every persons entitled to a share in consequence of the death or insolvency of a member who, but for his death or insolvency, would be entitled to receive notice of the meeting provided the Company has been given due notice.
Transferees etc. bound by prior notice.	121.	Every person who by operation of law, transfer or other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share, which previously to his name and address and title to the share being notified to and registered by the Company, shall be duly given to the person from whom he derives his title to such share.
How notice to be signed.	122.	The signature to any notice of be given by the Company may be written or printed.
How time to be counted	123.	Where a given number of days notice or extending over any other period is required to be given, the days of service shall unless it is otherwise provided, be counted in such number or other period.

WINDING UP

Distribution of assets on winding up	124.	If the Company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that, as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up, on the shares held by them respectively. And if in a winding up, the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up the excess shall be distributed amongst the members in proportion to the capital paid up or which ought to have been paid up on the shares held by them respectively. But this clause is to be without prejudice to the rights of the holders shares issued upon special terms and conditions.

SECRECY

Secrecy clause

125. Every Director, Trustee, Secretary for the Company, its members or debenture-holders, member of a committee, officer, servant, agent. Accountant, or other person employed in or about the business of the Company shall, if so required by the board before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the board or by any general meeting or by a court of law and except so far as may be necessary in order to comply with and of the provisions in these articles contained.

Restriction on entry upon property.

126. No share holders or other persons (not being a director) shall be entitled to enter upon the property of the Company or to inspect or examine the premises or properties of the Company without the permission of the boarder, bur subject to article 105, to require discovery of or any matter which is or may be in the nature of a trade secret, mystery of trade or trade secret process or of any matter whatsoever which may relate to the conduct of business of the Company and which in the opinion of the board it will be inexpedient in the interest of the Company to communicate.

INDEMNITY AND RESPONSIBILITY

Indemnity

127. Subject to the provisions of Section 201 of the act, every Director Manager, Auditor Secretary and other officer or the servant of the Company shall be indemnified by the Company against, and it shall be the duty of the directors out of the funds of the Company to pay all cost losses and expenses which any such officer or servant may incur or become liable to by reason by contract entered into, or act or thing done by him as such officer or servant or in any way in the discharge of his duties; and the amount for which such indemnity is provided shall immediately attach as alien on the property of the Company; and have as between the members over all other claims.

Individual responsibility of Directors.

Rights of the President

128. No directors or other officer of the Company shall be liable for the acts, receipts, neglect or defaults of any other director or officer of the Company or for joining in any receipt or other act for conformity, or for any loss or expenses happening to the Company through the insufficiency or deficiency of title to any property acquired by the order of the directors for on behalf of the Company, or for the sufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy insolvency or tortuous acts of any person with whom any moneys securities or effects shall be deposited or for any loss occasioned by error of judgment or oversight on his part or for any other loss, damage or misfortune whatever, which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own negligence, default, misfeasance, breach of duty of breach of trust.

SECTION IX - OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Draft 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 have been attached to the copy of this Draft Red Herring Prospectus, delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at our Registered Office from 10.00 am to 4.00 p.m. on Working Days during the Bidding Period.

Material Contracts to the Issue

1. Issue Agreement dated September 25, 2010 among our Company, the Selling Shareholder and the BRLMs.
2. Agreement dated September 25, 2010 among our Company, the Selling Shareholder and the Registrar to the Issue.
3. Escrow Agreement dated [●] among our Company, the Selling Shareholder, the BRLMs, the Syndicate Members and the Escrow Collection Banks.
4. Syndicate Agreement dated [●] among our Company, the Selling Shareholder and the BRLMs and the Syndicate Member(s).
5. Underwriting Agreement dated [●] among our Company, the Selling Shareholder, the Underwriters and the Registrar to the Issue.

Material Documents

1. Our Memorandum and Articles of Association, as amended until date.
2. Our certificate of incorporation dated November 9, 1967 and March 26, 1968.
3. MoM letter (no. 5/46/2003-Met.III(Pt.)) dated June 25, 2010 granted by the GoI approving the Issue.
4. Board resolution and shareholders' resolution of our Company dated March 19, 2010 and June 30, 2010, respectively, authorizing the Issue and other related matters.
5. Report of the Auditors dated September 23, 2010 prepared as per Indian GAAP and mentioned in the "***Financial Statements***" on page 137.
6. Copies of annual reports of our Company for the last five fiscals.
7. The statement of tax benefit report dated September 23, 2010 prepared by the Auditors as mentioned in "***Statement of Tax Benefits***" on page 49.
8. Consent of the Auditors for inclusion of their report on accounts in the form and context in which they appear in this Draft Red Herring Prospectus.
9. Consents of Bankers to our Company, BRLMs, Syndicate Member, Registrar to the Issue, Bankers to the Issue, legal counsels, Directors of our Company, Deputy Company Secretary and Compliance Officer, as referred to acting, in their respective capacities.
10. In-principle listing approvals dated [●] and [●] from the BSE and the NSE, respectively.
11. Tripartite Agreement dated [●] among our Company, NSDL and the Registrar.
12. Tripartite Agreement dated [●] among our Company, CDSL and the Registrar.
13. Due diligence certificate dated September 25, 2010 to SEBI from the BRLMs.
14. Final Report on Financial Appraisal of expansion project of Malanjkhand mine dated August 2010 by ICRA Management Consulting Services Limited.

Any of the contracts or documents mentioned in this Draft 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.

DECLARATION

We certify that all relevant provisions of the Companies Act and the guidelines issued by the GoI or the regulations issued by SEBI, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SEBI Act or the rules made thereunder or regulations issued, as the case may be. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF THE COMPANY

Shakeel Ahmed

Ajita Bajpai Pande

Sanjiv Kumar Mittal

Anupam Anand

Kailash Dhar Diwan

Avijit Ghosh

Arun Kumar Mago

Sakti Kumar Banerjee

Michael Bastian

Mukesh Khare

Shantikam Hazarika

Date: 25th September, 2010

Place: Kolkata

On behalf of the Selling Shareholder, I certify that the statements made by the Selling Shareholder in this Draft Red Herring Prospectus about or in relation to the Selling Shareholder and the Equity Shares being offered pursuant to the Offer for Sale are true and correct.

Signed on behalf of the Selling Shareholder

____

Name: **Ajita Bajpai Pande**
Designation: Joint Secretary, Ministry of Mines, Government of India
On behalf of the President of India, acting through the Ministry of Mines, Government of India

ANNEXURE I

UNFC MINERAL RESOURCE AND ORE RESERVE STATEMENT FOR HINDUSTAN COPPER LIMITED INDIA DATED SEPTEMBER 17, 2010

Annexure A

HINDUSTAN COPPER LIMITED - ORE RESERVES & RESOURCES AS PER UNFC STANDARD

AS ON : 01 - 04 - 2010

PRAMATERS	UNFC code	MALANJKHAND		KHETRI MINE		KOLIHAN MINE		CHANDMARI MINE		SURDA MINE		KENDADIH MINE		CHAPRI-SIDESHWAR		RAKHA MINE		TAMAPAHAR MINE		TOTAL	
		mill ton	% Cu	mill ton	% Cu	mill ton	% Cu	mill ton	% Cu	mill ton	% Cu	mill ton	% Cu	mill ton	% Cu	mill ton	% Cu	mill ton	% Cu	mill ton	% Cu
(A) Mineral Reserve																					
(1) Proved	111	95.98	1.32	6.74	1.13	11.04	1.21	0.08	1.35	2.41	0.98	1.23	1.58	19.39	1.04	3.36	1.14	1.99	1.05	142.22	1.2528
(2) Probable Mineral Reserve	121	78.07	1.32							0.98	0.99	4.47	1.59	14.21	1.19	26.11	0.88	5.31	0.99	129.15	1.21
	122			27.01	1.40	2.05	1.56													29.06	1.4113
Sub total A		174.05	1.32	33.75	1.35	13.09	1.26	0.08	1.35	3.39	0.98	5.70	1.59	33.60	1.10	29.47	0.91	7.30	1.01	300.43	1.25
(B) Additional or Remaining Resources																					
(1) Feasibility Mineral Resources	211	43.39	1.28																	43.39	1.28
(2) Pre Feasibility Mineral Resources	221																				
	222			23.49	1.40	6.36	1.44			4.40	1.35									34.25	1.401
(3) Measured Mineral Resources	331																				
(4) Indicated Mineral Resources	332							12.10	1.03	28.83	1.11	11.52	1.05	30.00	1.17	17.72	1.05	19.16	0.81	119.33	1.0541
(5) Inferred Mineral Resources	333							5.99	0.99											5.99	0.99
(6)Reconnaissance Mineral Resources	334																				
Sub total B		43.39	1.28	23.49	1.40	6.36	1.44	18.09	1.02	33.23	1.14	11.52	1.05	30.00	1.17	17.72	1.05	19.16	0.81	202.96	1.16
Total		**217.44**	**1.31**	**57.24**	**1.37**	**19.45**	**1.32**	**18.17**	**1.02**	**36.62**	**1.13**	**17.22**	**1.23**	**63.60**	**1.13**	**47.19**	**0.96**	**26.46**	**0.86**	**503.39**	**1.21**

अविजित घोष/AVIJIT GHOSH
निदेशक (खनन)/Director (Mining)
हिन्दुस्तान कॉपर लिमिटेड/HINDUSTAN COPPER LTD.
भारत सरकार का उपक्रम/A Govt. Of India Enterprise
1, आशुतोष चौधरी एवेन्यु/Ashutosh Chowdhury Ave.
कोलकाता/Kolkata - 700019

For Hindustan Copper Ltd.

(A K. Gupta)
Asstt. Gen. Manager (Exploration)

अविजित घोष
निदेशक (खनन)
Avijit Ghosh
Director (Mining)

हिन्दुस्तान कॉपर लिमिटेड
HINDUSTAN COPPER LIMITED
(भारत सरकार का उपक्रम)
(A GOVT. OF INDIA ENTERPRISE)
ताम्र भवन/TAMRA BHAVAN
1, आशुतोष चौधरी एवेन्यू
1, ASHUTOSH CHOWDHURY AVENUE
P. B. NO. : 10224, WEST BENGAL
कोलकाता/KOLKATA - 700 019
दूरभाष/Phone : (का/O) : (033) 2281-7138
फैक्स/Fax : (033) 2290 2978
ई-मेल/E-mail : avijit_ghosh@hindustancopper.com

COMPETENT PERSON'S CERTIFICATE

This certificate is delivered this 17th day of September, 2010 in relation to the backup procedures for the Further Public Offering (the "FPO") of Hindustan Copper Limited (the "HCL").

The undersigned hereby certifies that he is the Director (Mining) of HCL, and a Competent Person as defined by IBM , having the following qualifications Bachelor of Technology (Mining)

As the Director (Mining) and the designated Competent Person of HCL, he is authorized to execute this Certificate on behalf of HCL and further certifies to the BRLMs and their counsels, that:

1. He has reviewed and verified the statement of the copper ore reserves and resources of HCL, as classified under the United Nations Framework Classification system (the "UNFC"), attached hereto as Annexure A.

2. The statement of copper ore reserves and resources of HCL is a true, correct and complete statement of the copper ore reserves and resources of HCL, as classified under the UNFC, as of 1.4.2010.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of the date first written above.

By: Avijit Ghosh
Title: Director (Mining) HCL

ANNEXURE II

JORC EQUIVALENT MINERAL RESOURCE AND ORE RESERVE STATEMENT FOR HINDUSTAN COPPER LIMITED INDIA DATED SEPTEMBER 11, 2010, PREPARED BY IMC-SRG CONSULTING (PRIVATE) LIMITED

IMC –SRG CONSULTING (P) LIMITED

135, Jodhpur Park
Kolkata - 700068
West Bengal
India

Tel: +91 33 24149826
Fax +91 33 24148761

Email: mining@imcgcl.com
www.imcgcl.com

Date 11/09/10

The Chairman-cum-Managing Director

Hindustan Copper Limited

1, Ashutosh Chowdhury Avenue,

Kolkata – 700019

West Bengal, India

Dear Sir,

JORC EQUIVALENT MINERAL RESOURCE AND ORE RESERVE STATEMENT FOR HINDUSTAN COPPER LIMITED, INDIA

Purpose of Report

This report has been prepared by IMC-SRG Consulting (P) Ltd ("IMC-SRG" or "IMC") for use by Hindustan Copper Limited ("HCL" or the "Company") in connection with the validation and audit of the resource and reserves stated by the Company.

IMC was instructed by the Chairman Cum Managing Director (CMD) of the Company to prepare an audit report for the copper assets of the Company. This report summarises the findings of IMC's review.

IMC has reviewed the practice and estimation methods undertaken by HCL for reporting resources and reserves and has reviewed the resources and reserves statements compiled by HCL 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, as well as all projections of future copper ore production, initially prepared by HCL have been substantiated by evidence reviewed during IMC's desk top review, including detailed project reports and feasibility reports for the expansion/reopening/opening of mines, namely Malanjkhand, Kolihan, Khetri, Banwas, Surda (both Phase I & II), Kendadih, Chapri-Sideshwar, Rakha (including Phase I, II, & Tamapahar) and beneficiation of lean ore at Malanjkhand, and are supported by details of drilling results, analyses and other evidence and take account of all relevant information supplied by the management of the Company. The previous report prepared by IMC dated 07th June 2010 is reviewed based on the above mentioned reports.

Capability and Independence

This report was prepared by IMC, the signatory to this letter. IMC operates as an independent technical consultant providing resource evaluation, mining engineering and mine valuation services to clients. IMC has received, and will receive, professional fees for its preparation of this report. However, neither IMC nor any of its directors, staff or sub consultants who contributed to this report has any interest in:

- The Company or HCL; or
- The mining assets reviewed; or
- The outcome of any potential financing initiative, including a share offering.

Drafts of this report were provided to HCL, 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 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 Scope of Work.

IMC has independently assessed the copper assets of HCL by reviewing pertinent data, including resources, reserves, and the life-of-mine ("LOM") plans relating to productivity, production, operating costs, capital expenditures and revenues.

All opinions, findings and conclusions expressed in this report are those of IMC 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.

CONTENTS

List of Tables

List of Figures

List of Appendices

Executive Summary

This report has been prepared by IMC-SRG Consulting (P) Ltd ("IMC-SRG" or "IMC") for use by Hindustan Copper Limited ("HCL") in connection with the validation and audit of the resource and reserves stated by the Company.

A summary of HCL resources converted to JORC code Mineral Resources is shown in the following Table.

Copper Resource Summary as on 01.04.2010									
		Measured		Indicated		Measured + Indicated		Inferred	
Group of Mines	**Mines**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**
ICC									
	Surda Phase I	3.88	1.21	3.86	1.55	7.74	1.38	15.75	1.14
	Surda Phase II	5.32	1.24	6.83	1.08	12.15	1.15	5.84	0.74
	Kendadih	4.02	1.28	9.27	1.14	13.30	1.18	4.54	1.44
	Sideshwar	0.45	1.89	11.27	1.50	11.72	1.51	2.01	1.13
	Chapri	35.77	1.09	11.77	0.95	47.54	1.05	2.30	0.84
	Rakha Phase I	6.42	1.15	0.00	0.00	6.42	1.15	0.00	0.00
	Rakha Phase II	15.84	0.89	25.00	0.95	40.83	0.93	0.26	1.10
	Tamapahar	2.36	0.92	16.87	0.85	19.23	0.86	7.23	0.90
Subtotal		**74.07**	**1.08**	**84.87**	**1.06**	**158.93**	**1.07**	**37.92**	**1.05**
KCC									
	Banwas	6.26	1.40	13.42	1.63	19.68	1.56	5.09	2.19
	Khetri	7.82	1.08	2.39	1.08	10.21	1.08	22.26	1.15
	Kolihan	11.04	1.21	1.92	1.59	12.95	1.27	6.50	1.43
	Chandmari Intermediate	0.00	0.00	4.33	1.08	4.33	1.08	7.78	0.99
	Chandmari	0.08	1.35	1.89	0.94	1.97	0.96	4.10	1.07
Subtotal		**25.19**	**1.22**	**23.94**	**1.42**	**49.13**	**1.32**	**45.74**	**1.27**
MCP									
	Malanjkhand .45% cutoff	102.09	1.31	73.34	1.33	175.43	1.32	42.01	1.28
	Malanjkhand .20 -.45% cutoff	58.12	0.30	34.36	0.31	92.49	0.30	21.66	0.31
Subtotal		**160.21**	**0.95**	**107.71**	**1.00**	**267.92**	**0.97**	**63.67**	**0.95**
Grand Total		**259.47**	**1.01**	**216.51**	**1.07**	**475.98**	**1.04**	**147.33**	**1.08**

A summary of HCL JORC code Ore Reserves is shown in the following Table.

Copper Reserve Summary as on 01.04.2010*							
		Proved		Probable		Total	
Group of Mines	**Mines**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**
ICC							
	Surda Phase I	2.35	1.11	2.46	0.99	**4.81**	**1.05**
	Surda Phase II	4.31	1.37	5.53	1.20	**9.85**	**1.27**
	Kendadih	2.79	1.48	6.48	1.36	**9.27**	**1.40**
	Sideshwar	0.30	2.73	7.38	2.17	**7.68**	**2.19**
	Chapri	31.30	1.18	10.30	1.03	**41.60**	**1.15**
	Rakha Phase I	3.36	1.14	0.00	0.00	**3.36**	**1.14**
	Rakha Phase II	11.88	1.13	18.75	1.21	**30.63**	**1.18**
	Tamapahar	1.77	1.16	12.65	1.07	**14.42**	**1.08**
Subtotal		**58.07**	**1.20**	**63.55**	**1.27**	**121.61**	**1.24**
KCC							
	Banwas	6.45	1.18	13.82	1.38	**20.27**	**1.32**
	Khetri	8.05	0.91	2.46	0.92	**10.51**	**0.91**
	Kolihan	11.48	0.98	1.99	1.29	**13.47**	**1.03**
	Chandmari Intermediate	0.00	0.00	0.00	0.00	**0.00**	**0.00**
	Chandmari	0.00	0.00	0.00	0.00	**0.00**	**0.00**
Subtotal		**25.98**	**1.01**	**18.27**	**1.30**	**44.25**	**1.13**
MCP							
	Malanjh Khand .45% cutoff	63.59	1.25	101.32	1.27	**164.90**	**1.26**
	Malanjh Khand .20 -.45% cutoff	40.32	0.30	40.44	0.29	**80.76**	**0.29**
Subtotal		**103.90**	**0.88**	**141.76**	**0.99**	**245.66**	**0.95**
Grand Total		**187.95**	**1.00**	**223.58**	**1.10**	**411.53**	**1.05**

* Includes discounts for ore loss and dilution. Reserves = Resources - Ore Loss + Dilution

1 GENERAL INTRODUCTION

IMC-SRG Consulting (P) Limited (“IMC-SRG” or “IMC” or “the Consultant”) was invited by Hindustan Copper Limited (“HCL” or “the Client” or “the Company”), an exploration and mining firm, to convert their various copper reserve and resource estimates obtained from different mining locations across India from UNFC classification to JORC classification.

The deposits are found in three areas, namely, the Khetri and adjoining deposits (KCC), the Rakha and adjoining deposits (ICC) and the Malanjkhand deposit. Documentation on the deposits of all three areas was reviewed with the objective of understanding the geology and the mining aspects of the operating mines and future development projects. Once this data had been analysed and the deposit assessed, IMC proceeded with an audit of the resource and reserve figures that have been provided by the Client.

1.1 Location and Topography of the Mining Areas

1.1.1 KCC deposits

Khetri (lat 28° 0'N, long 75° 47'E) was a centre of copper mining activity in the historic past. Extensive activity of the ancient miners in the region is evidenced from the old workings spread all over the belt, slag heaps sometimes of enormous sizes, as for example, near Singhana (lat 28° 08'N, long 76° 60'E), and dumps of mine waste near the portals of all the old slopes (vide Figure 1.1- Location map of Khetri Area)

The Khetri copper belt lies within the Survey of India topographic sheet Nos. 44 P/12, 16 and 45M/NE and SW. It takes its name after the town of Khetri, which is situated about 170 kilometres south-west of Delhi.

In some of the earlier unpublished reports of the Geological Survey of India, the Khetri copper belt has been described as extending from Singhana to Babai (lat 27° 63'N, long 76° 46'E), over a length of about 25 kilometres. But recent mapping of the areas further to the south has established that the belt stretches over a distance of 80 kilometres from Singhana to Raghunathgarh (17° 39': 75° 21') and probably even beyond, as one integrated copper belt with continuity of structural and geological features including copper mineralization.

Regional Geological Map of Khetri Copper Belt

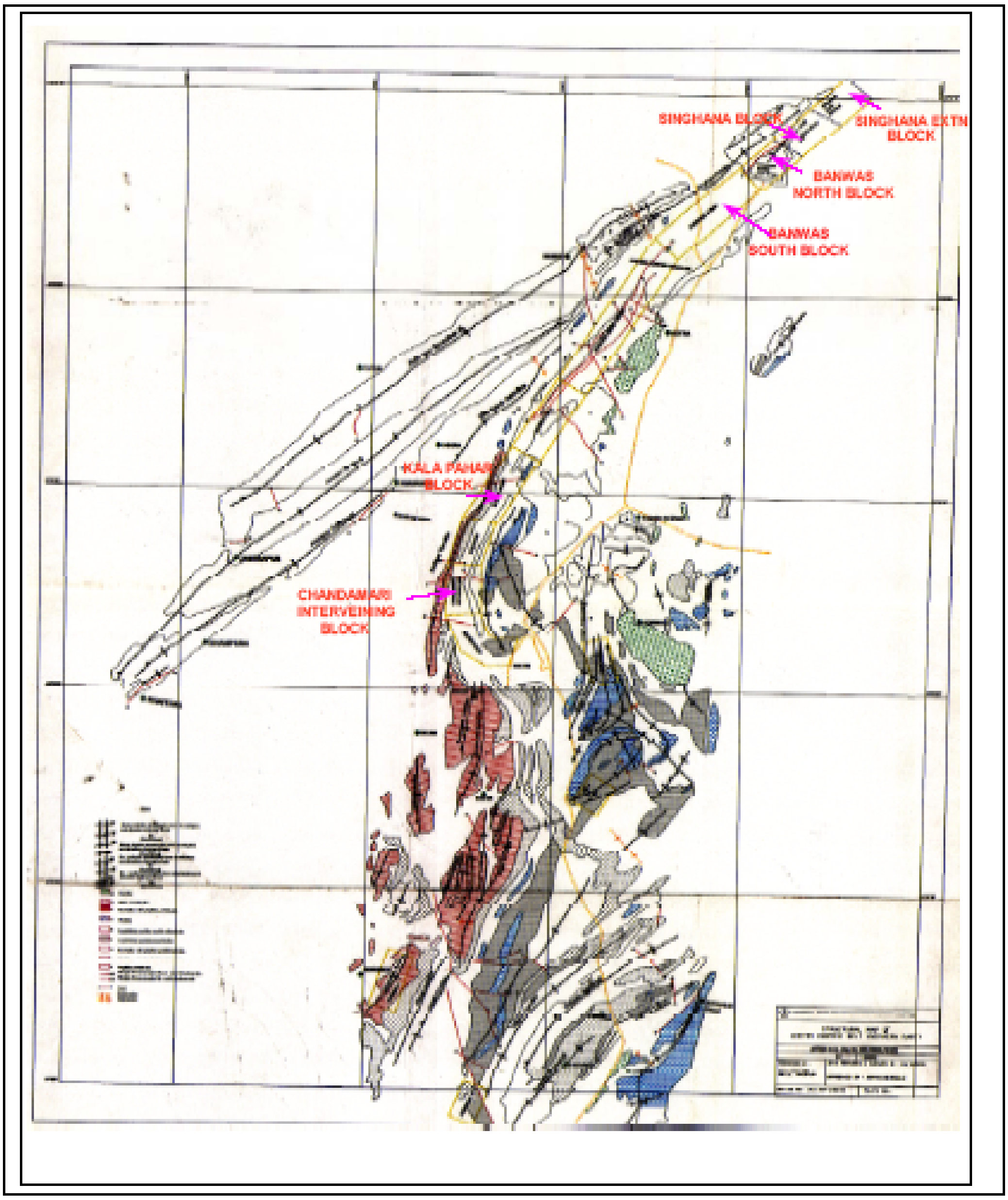


Figure 1.1 Location map of Khetri Area

1.1.2 ICC deposits

The Rakha group of mines are situated in the north of Mosaboni Mine, a closed mine. Rakha groups (22˚36’N to 22˚38’50”, 86˚21’08”E to 86˚24’E) are about 250 km from Kolkata in the west and about 40 km from Jamshedpur in the east. It may be approached by highway on Kolkata – Mumbai route and by rail from Kolkata to Mumbai (Shown in Figure 1.2)

The area has low lying hills on one side and Subarnarekha River on the other side with cultivated lands mainly for rice. The hills are mostly covered by medium dense forests.

The climatic conditions are tropical. Maximum temperature is around 45°C during summer (May-June) and moderately cold during winter (December-January). Rainy season is quite prominent in the area during the monsoon months of July through September.

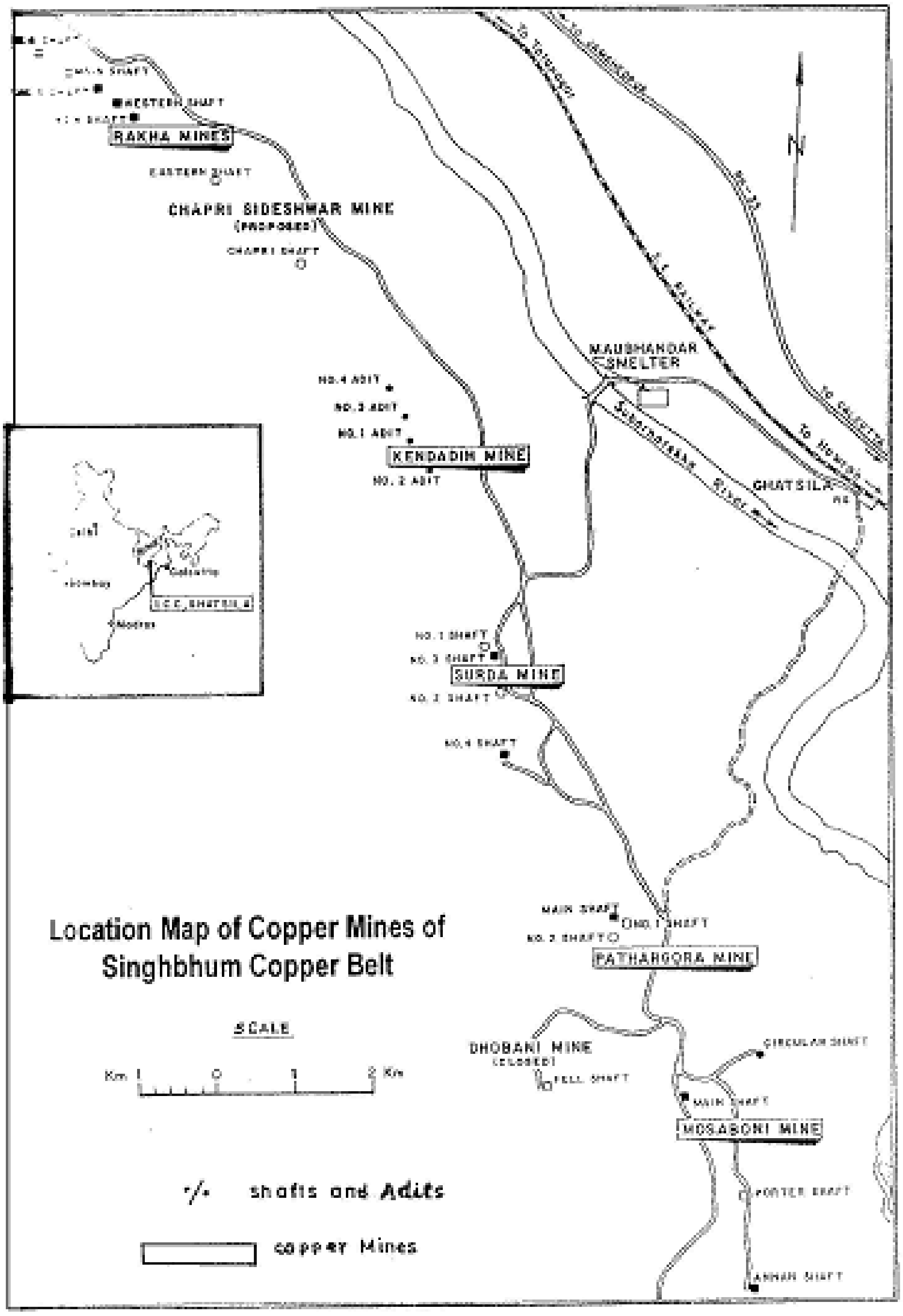


Figure 1.2 Location map of Rakha Area

1.1.3 Malanjkhand deposit

The Malanjkhand copper deposit (lat 22° 02' N, long 80° 43' E) is located 90 km north-east of Balaghat District of Madhya Pradesh in Central India. It is about 22 km south-west of Baihar and 300 km north-east of Nagpur. The area is within a radius of 50 km around the Malanjkhand Mine and is shown in Figure 1.3.

The deposit is located on a plateau at an average altitude of 575 meter above mean sea level. The area studied is a hilly terrain consisting of narrow basins and low mountains. The basins are covered by cultivated lands for rice and the mountains are covered mostly by dense forests. The nearest river is Banjar which flows in a NW direction at a distance of 2.2 km from the site.

The climatic conditions are tropical. Maximum temperature is 46°C during summer (May-June) and minimum temperature is 2°C during winter (December-January). Average annual rainfall in the area is approximately 1200 mm. Maximum rainfall is received during the monsoon months of July through September.

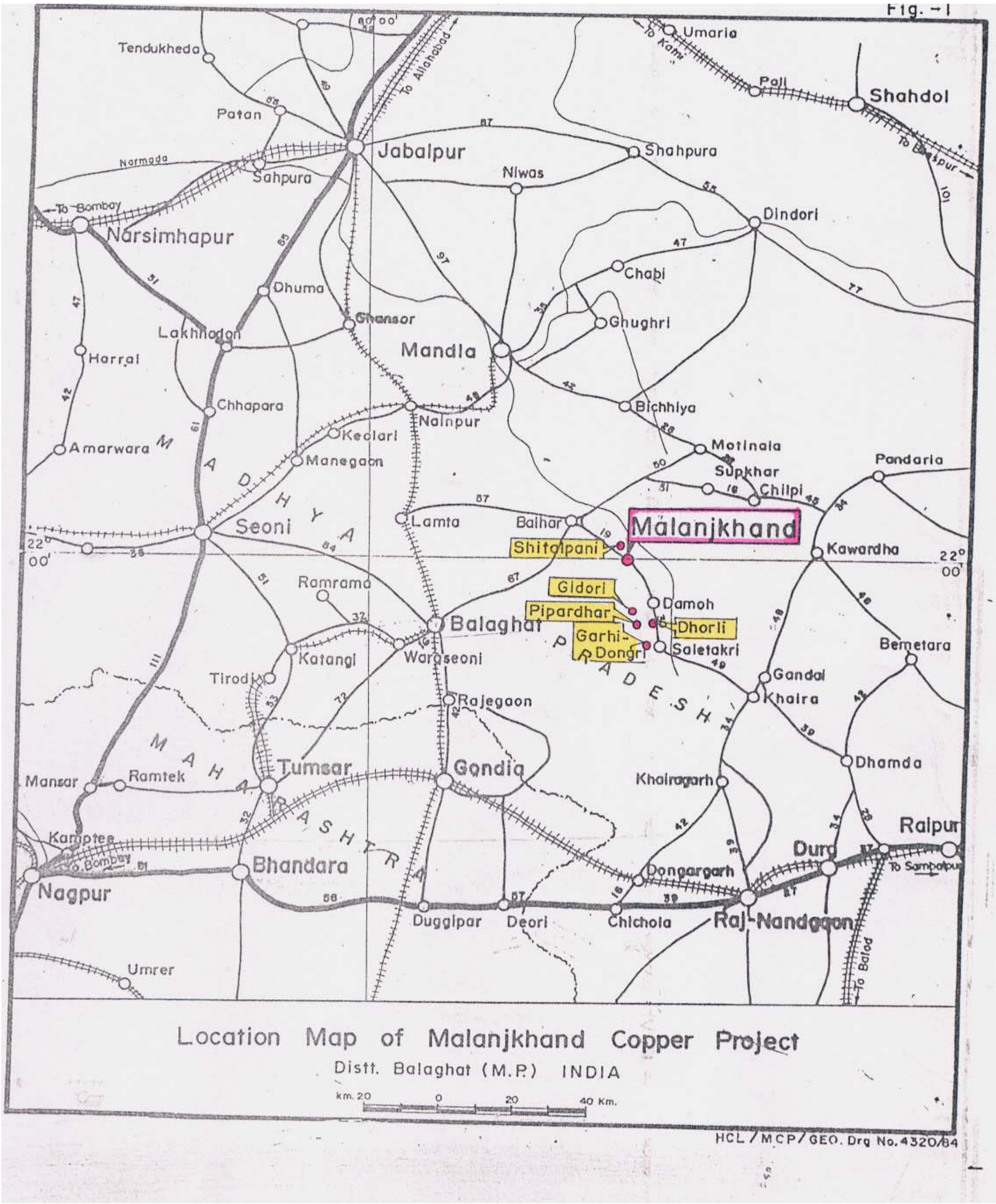


Figure 1.3 Location map of Malanjkhand Area

2 STATUTORY AUTHORISATIONS

Table 2-1 lists relevant mining licences for the areas under consideration.

Name of the Mining Leases	Unit	Area (in Hect.)	Valid up to
Surda (part Mosaboni)	ICC	388.68	15.06.2014
Khetri	KCC	395.07	22.02.2013
Kolihan	KCC	163.23	23.11.2016
Chandmari	KCC	148.45	26.12.2012
Malanjkhand			
a. Lease No.1	MCP	459.40	27.08.2013
a. Lease No.2	MCP	20.468	27.08.2013

Table 2-1 License Details

3 GEOLOGICAL CHARACTERISTICS OF THE DEPOSITS

3.1 KCC Area

3.1.1 Tectonic Structure

Structurally the area is complexly folded and many folds show evidences of refolding. The general strike of the formations varies between NNE-SSW and NE-SW. But there are many deviations from these trends at several places. The dips are high and vary between 50° and 70° westerly or easterly, but locally the dips may be sub-vertical or sub-horizontal.

The most conspicuous structural feature of the region is a series of large scale doubly plunging anticlinal folds, the core of which is occupied by the rocks of the Alwar series. The folds plunge either southwesterly or northeasterly with the axial traces trending generally NNE-SSW to NE-SW.

The axes of culminations and depressions arc not strictly at right angles to the axes of the main folds. Many minor fold axes run parallel to the trend of the axes of culminations and depressions. These latter folds appear to have been superposed on the earlier set.

Concomitantly with the folding, the area has also been subjected to intensive strike faulting, but there are not much of lateral shifts. Reverse faults are more common and the mineralization is associated with the openings produced by these faults. The major dip-slip faults are parallel to the strike of the formations or follow the contacts of quartzites and phyllites. Transverse faults trending across the major structure show minor displacement and are only locally mineralized.

3.1.2 Stratigraphy

The main rock types of the area can be broadly divided into sedimentary metamorphites and intrusive rocks of pre-Cambrian age and belonging to the Alwar and the Ajabgarh series of the Delhi system. The metamorphites include moderately metamorphosed schists, quartzites, marbles with intercalated calc-silicate rocks and amphibolites.

The rocks of the Alwar series are predominantly arenaceous, while the Ajabgarhs are mainly argillaceous. Although the contact between the two series is not sharp, there is a narrow but distinct zone of transition showing widely varying mineralogical assemblages. The proportion of chlorite and biotite increases sharply from the Alwar series to the Ajabgarh series.

The Alwar rocks are characterized by current beddings and ripple marks but these features are almost always absent in the Ajabgarh series. The proportion of chlorite and biotite increases sharply from the Alwar series to the Ajabgarh series. The zone has been further complicated by shearing, faulting, and iron-magnesia metasomatism attendant with mineralization.

The oldest intrusive rocks are represented by a distinct group of amphibolites (metamorphosed dolerites) occurring as sheets and lenses. Granites and the related pegmatites contain inclusions of older amphibolites. The last phase of igneous activity is represented by basic dykes (now occurring as epidiorites and amphibolites) cutting across all the rocks and structural features of the area.

REGIONAL STRATIGRAPHIC SUCCESSION

Younger: Chert-ankerite and/or quartz veins intrusives Younger Amphibolites, Mineralisation, Fe-Mg metasomatism Granites

Older Amphibolites

Ajabgarh Series (1300m) : Unit 8: Phyllites, schists, carbon phyllites etc.

Delhi System : Unit 7: Quartzites, phyllites schists etc.

: Unit 6: Phyllites, mica schists etc.

: Unit 5: Marbles, calc gneisses, amphibole quartzites etc.

: Unit 4: Phyllites and schists, greywackes etc.

------------------------ Gradational Contact ------------------------------- ----

Alwar Series : Unit 3: Amphibole quartzites, marbles etc.

: Unit 2: Quartzites of various types, (1300m) phyllites, schists etc.

: Unit 1: Mica schists, phyllites, greywackes etc.

--------------- base not exposed --

3.1.3 Mineralisation

Sulphide mineralisation in the Khetri area is localized along a broadly defined linear belt which is traceable from Singhana in the north to Raghunathgarh in the south.

The characteristic features of the mineralized zones are: (1) shear zones often showing stains of hydroxides of iron and rarely secondary copper minerals like malachite and azurite, (2) gossans of diagnostic colour showing boxwork of limonite, (3) old mines, prospect pits, debris of waste material, slag heaps, and (4) wall rock alterations. These criteria have obvious limitations in the case of buried deposits and in establishing the continuity, nature and intensity of mineralization in the intervening areas of the different prospects.

There is no particular host rock or rocks of mineralization but the most favoured rocks are schists and phyllites in the northern part of the belt, and quartzites and phyllites in its southern port. Locally, marble and amphibolites are also mineralized but the concentration of sulphide in them is of poor order only.

There is no definite stratigraphic control on mineralization in the bolt but in the northern part the mineralization is at the contact of the Alwar and the Ajabgarh series, whereas in the central part and near Akwali, the mineralization is in the schistose rocks of the Ajabgarh series and in the southern part it is mainly confined to quartettes of the Ajabgarh series.

The chief controlling feature of mineralization is a series of fairly large scale faults, both normal and reverse, and the accompanying shear zones as observed at Peeliwali, Dumdumwali, Kolihan, Khetri and Akwali. The mineralized zone at Satkui and Dhanaota in the southern part of the belt is mostly along a persistent fault zone. At Dhanaota, the structure appears to be further complicated by post-mineralisation faults, as a result of which the ore body is probably missing at a deeper level in spite of a thick gossan zone on the surface.

The faults are sub-parallel to the strike of the formations and mostly they are at the contacts of two different lithological units such as the Alwar quartzites and the Ajabgarh schists. As a consequence of faulting numerous shear zones were developed parallel to these faults which acted as good channel-ways for ore-bearing solution. Shear zones are of various patterns, the most important of which is the horse-tail structure developed at Madan and Kudan hills. It has been commonly observed that the shear planes are mostly mineralized wherever they are parallel to the bedding or foliation. Although the metalization is mainly restricted to the fault or shear zones, the mineralizing solutions permeated to varying widths from these zones as marked by the disseminated ores.

3.1.4 Exploration History

Systematic exploration was started by the GSI in 1954. Exploratory mining /diamond drilling was started in 1957. In 1961 NMDC took over the exploration. Later, in November 1967 after its formation, Hindustan Copper Limited took the charge of the project.

Exploratory work carried out by different agencies till 1-4-2003 is as follows.

Geological mapping in 1:1000/1:250 scale.

Trenching: 2 trenches of 150m lengths each by HCL.

Aditing: Adit no. (235 m) and adit No. 6 (220 m) by IBM; Ghatiwali adit (150 m), Lakhaniwali adit (125m), 421 m level adit (90 m) and 394 m level adit (125 m) by HCL.

Shaft: Shaft No. 1 (100m), shaft No. 2 (100m) and shaft No.3 (0to 50 m) by IBM. Remaining part of the shaft No.3 (50 to 350m) by HCL.

In Khetri Banwas area the surface diamond drilling carried out by various agencies till 31-3-2003 are around 88,604 m in 287 boreholes with spacing along strike at 30 m, 60 m and 120 m to intersect the lode in different horizon. The underground drilling carried out by different agencies are around 221,329 m in 2,600 boreholes with spacing along strike at 30 m, 60 m and 90 m to define the ore body very precisely. The Kolihan area has been covered by surface boreholes to the tune of 17,704 m by 45 holes and in underground to the tune of 97,506 m by 45 boreholes.

3.2 ICC Deposits Area

The stretch of Precambrian rocks of Singhbhum Copper Belt (SCB) is the well known metallogenic province for copper in India located within the arcuate Singhbhum Shear Zone (SSZ). Copper mineralization has taken place along the SSZ. The shear zone extends over a strike length of 128 km from Duarpuram (22°46’, 85°34’) in the west to Baharagora (22°16’, 86°43’) in an arcuate trend. Besides copper, economic deposits of radioactive minerals, apatite and kyanite are also occurring in the SSZ.

3.2.1 Tectonic Structure

Orogenic movements over a long period resulted formation of ‘geo-anticlines’ and ‘geosynclines’ with isoclinals folds which were subsequently overturned towards south culminating in the development of a major arcuate zone of shearing and overthrust along the overturned southern limb of the central ‘geo-anticline’. Thrusting resulted the older, more metamorphosed ‘Chaibasa Formation’ rocks in juxtaposition with the less metamorphosed, younger ‘Iron Ore Formation and ‘Chaibasa Formation’ rocks on the south.

The soda-granite consisting essentially of albite and quartz later intruded into the south-eastern and western part of the shear zone. The Singhbhum Granite massifs around which the shear zone appears to have been moulded lies to the south and south west of the shear zone. Singhbhum Granite is older than the soda-granite.

The Iron Ore Series rocks to the south of the shear zone is the oldest and was affected by an older orogeny, the ‘Iron Ore Orogeny’ while the ‘Chaibasa Stage’ rocks to the north of the shear zone belong to the part of younger ‘Singhbhum Series’. The ‘Dhanjori Stage’ rocks are younger than ‘Chaibasa Stage’ but both have been affected by younger orogeny known as ‘Singhbhum Orogeny’. The two orogenies were differently oriented and shear zone marks the boundary between them.

3.2.2 Stratigraphy

The rocks of the area are grouped into ‘Chaibasa Stage’, ‘Iron Ore Stage’ and ‘Dhanjori Stage’ of Precambrian Age. The Chaibasa Stage latter designated as Chaibasa Formation lies to the north of shear zone with high grade metamorphism is the oldest. The Iron Ore Stage, latter designated as Iron Ore Formation occupy the middle portion of the SSZ. The rocks of these two formations were folded before origin of the rocks of Dhanjori Stage/ Dhanjori Formation.

REGIONAL CHRONOSTRATIGRAPHIC SUCCESSION OF THE PRECAMBRIAN FORMATIONS IN SINGHBHUM - KEONJHAR – MAYURBHANJ AREAS

South of the shear zone	North of the Shear Zone	
End of Singhbhum Orogenic Cycle		
Newer Dolerite (c. 1600 - 950Ma)	c. 2220 - 1650 Ma	
		Soda granite,
		Granophyre,
		Chakradharpur
Mayurbhanj Granite		Granite-gneiss
Kuilapal Granite (c. 2100 Ma)		
Gabbro-anorthosite, Ultramaffic intrusions		
Kolhan Group (c. 2100Ma)		
----------------------Unconformity-------------------'		
Jagannathpur- Dhanjori-Simlipal lavas (>c. 2200 Ma)	Dhanjori Group	Dalma lavas with inter-trappen
Quartzite, Conglomerate		reworked lava conglomerate
--Unconformity---'		
	Dhalbhum Formation Singhbhum Group	
Chaibasa Formation	Chaibasa Formation	
----------------------Unconformity-------------------'		
Singhbhum Granite (Ph. III c. 2300 Ma)		
Iron Ore Orogeny		
Iron Ore Group (<3300 Ma)		
----------------------Unconformity-------------------'		
Singhbhum Granite (Ph. I & II c. 3300 Ma)		
Older Metamorphic Gneiss		
(Metamorphic age> c. 3300 Ma)		
OMG tonalite (c. 3800 Ma)		
O. M. Orogeny		
Older Metamorphic Group (>c. 3800 Ma)		

3.2.3 Mineralisation

Copper mineralization has a direct spatial relationship with the occurrence of basic lavas/altered basic lavas as it has been evidenced that copper lodes are ill-developed and impersistent in the south-eastern and western parts of the belt where Dhanjori lavas are absent or occur sporadically. Harder rocks like Dhanjori lavas, silicified and altered lavas, quartzites and conglomerates are strongly lineated and have yielded by fracturing. Ore shoots and lenses of massive ores are aligned parallel to the lineation direction which is mostly down dip. The fractures were healed by quartz-chalcopyrite veins. The swings in strike and dip influence the strength, persistence, shifting, shape and width of lodes. The dips of the host rock as well as the copper lodes range from 10˚ to 45˚.

Copper mineralization in the Singhbhum Copper Belt shows a remarkable consistency in regard to the nature and mode of occurrence of host rocks, ore, sulphides and gangue mineralogy, overall geometry and distribution pattern of lodes and wall rock alteration features which are the common features of all the mines of ICC (HCL) Group in this region. The copper bearing blocks undertaken for copper mining from north-west to south-east of the copper belt are Tamapahar block followed by Rakha block – Chapri block – Sideshwar block - Kendadih block and Surda block. The host rocks of copper lodes are biotite-chlorite-quartz-sericite schists; quartz-chlorite schist, quartzite and quartz pebble conglomerate along footwall adjacent to Dhanjori Formation together have been designated informally by HCL as "Mine Series". The "Mine Series" has an apparent true thickness in the order of 200-600 m with 'ore-grade' lodes generally occurring within a 100 m interval; however, the 'ore grade' lode system is not stratigraphically continuous to form a single lode system. The hill range hosting the copper mines from Surda to Tamapahar is a north-easterly facing dip slope nearly entirely towards lowermost Chaibasa Formation quartzites. The outcrop of the copper lodes at Rakha is in the valley between the frontal range of Chaibasa Quartzite and a second ridge formed by persistent footwall quartzite of the "Mine series". Copper lodes form an apparent en-echelon pattern in plan view with individual and multiple lodes for a variable distance ranging from 200 m to over 2 km before terminating or feathering into multiple narrow lodes. Arcuate nature of the Singhbhum Copper Belt is due to a series of straight line sectors each with approximate 10 degree strike realignment.

Chalcopyrite and pyrite are the principal sulphides in the mineralized zone of which chalcopyrite comprises about 70-80% by volume of the total sulphides. Pyrrhotite is developed locally and is more developed in the deeper levels (>300m). The other sulphides present are pentlandite, molybdenite, marcasite, tetrahedrite, cubanite and arsenopyrite. Chalcopyrite, the most dominant copper bearing sulphide occurs in two forms in the lodes. These are: i) as fine grained disseminated sulphide in massive quartz-granular rock and ii) as lenticular flames of massive sulphides in the quartz-chlorite schists. The principal host rocks are chlorite-biotite schist, quartz-chlorite-biotite schists. In general, it is established that vertical continuity of copper lodes are significantly greater than their horizontal continuity.

3.2.4 Exploration History

The earliest exploration was conducted around 1900. Sporadic mining was also started around that period. Systematic exploration through drilling was started by ICC, GSI around early 1960's.

Since then the Geological Survey of India (GSI) started systematic geological mapping, geochemical and geophysical surveys, pitting and trenching in different phases. Later in 1970's MECL also started drilling operation in this area.

Photo-geological studies were carried out to locate additional exploration target areas in Singhbhum Copper Belt by Robertson Research Australia from 1987 – 1989 along with the resource estimation and feasibility study from Surda to Tamapahar area. The study and the ground truth revealed six areas for detailed exploration and fifteen areas for preliminary exploration.

Diamond drilling was done in the area from Surda to Tamapahar on a pattern of approximately 60 m, along strike, to intersect the lode around 100 m vertically from surface, approximately 120 m apart to intersect the lode around 180 m from surface and around 240 m apart to intersect the lode around 300 m below surface. A few deep boreholes were drilled in Surda and Chapri area to intersect the lode around 500 m depth. A total of about 447 boreholes have been drilled till 1989 contributing about 23,325 samples.

In recent years MECL and Indian Resource Ltd has drilled deep bore holes to intersect the lode around 450 m depth.

3.3 Malanjkhand Area

The Malanjkhand Copper Deposit is located in the southern block of the Central Indian Precambrian shield. It is one of the largest copper deposits in India. The bulk of the mineralisation is confined to a silicified shear zone hosting a complex of quartz veins.

3.3.1 Tectonic Structure

A mineralized quartz vein, or reef, extends for 2,600 m along a north-south strike, up to 60 m in width and 600 m in depth, dipping at an angle of 60° to 70° to the east. The reef occupies an arcuate zone representing earlier tectonic activity. The quartz reef is fractured and displaced by late transverse faulting. It occupies a prominent shear zone within the granitoids, although no well defined shear pattern is discernible on a regional scale. The quartz reef is exposed on the hill ridges and faults are now marked by surface valleys.

The granitoids are sheared and the shearing is conspicuous on the hangingwall side of the deposit. The rocks are folded on the northern portion of the deposit at the upper level from 604-580 m RL. The folds are tight isoclinals at the footwall contact of the reef and transgress to open gentle folds towards the footwall and plunge to the south.

There are a number of NW-SE trending faults along which basic dykes have intruded in the mineralised zone. Various joints sets have been recorded which appear to be pervasive in nature and are found in the mineralised zone.

3.3.2 Stratigraphy

The geology of the Malanjkhand area consists of a Precambrian basement complex, comprising mainly granitoids and basic dyke rocks, and weakly metamorphosed sedimentary rocks of the Chilpi Ghat Series. The composition of the basement complex (the Malanjkhand granodiorite) ranges from granite, adamellite, granodiorite to tonalite. The texture is coarse to medium grained with a gneissic foliation developed in places.

The rocks of Malanjkhand area are of Proterozoic age and can be broadly grouped into two divisions, each with distinct characters, separated by an unconformity. The older group consists of basement Granitoids and the younger less metamorphosed sedimentary rocks of Chilpi Ghat series. The geological succession is as follows:-

		Quartz Veins
Shales/Phyllite		
UPPER	**Chilpi Ghat Series**	Sandstone/Quartzite
PROTEROZOIC		Arkosic grit/Arkose
		Conglomerate

---------------------------- **Unconformity** ---

		Basic rocks
MIDDLE	**Basement Complex**	Aplite
PROTEROZOIC		Quartz Reef/Veins
		Granitoids.

3.3.3 Mineralisation

Ore minerals are chalcopyrite, pyrite, molybdenite, magnetite and their oxidized equivalents. Near the surface the mineralized zone has been oxidized. The boundary of oxidized and primary ore zones is around 500 m RL. A secondary enrichment zone occurs horizontally in an irregular from at the base of the oxidized zone.

Adjacent to the large mineralized quartz reef, thin irregular mineralized quartz veins are observed in the granitoids. Away from the quartz reef, the mineralization in the granite diminishes in intensity. The mineralization is considered to be related to continuous hydrothermal activity associated with the igneous activity of the aplite intrusive. The hydrothermal solutions have intruded along the sheared zones, which are indicated as xylonite texture zones, in the granitoids. The centre of the path of the hydrothermal solution is considered to be located around Section 13-15 where the central barren zone is observed.

The quartz reef is the main host of sulphide mineralization and varies in composition from pure quartz to quartzo-felspathic rock. Besides the main mineralization in quartz reef, considerable amount of sulphide mineralization also occurs in the silicified altered granitic rock. The hydrothermal alterations observed in these rocks are sericitization, saussuritization, chloritization, potassic alteration and silicification. Among the above alterations, the mineralized granitoids (known as pink granite) are characterised by potassic alteration which is most conspicuous and wide spread. The intensity of mineralization within granitoids is mostly controlled by the intensity of potassic alteration and silicification. The far away areas occupied by granodiorite (known as gray granite) with no potassic alteration are generally devoid of mineralization. Three conspicuous mode of occurrence of mineralization have been observed:

- Mineralization solely associated with quartz which are essentially confined to the reef quartz as fracture fill type and can be classified as quartz ore.
- Mineralization associated with veins/veinlets of quartz and/or calcite and can be classified as stringer type. This stringer type ore occurs mostly within the granites.
- Disseminated ore within the granites and/or microgranites occurs in the interstices of constituent grains of the associated rocks.

The major ore minerals which occur in quartz reef and granitoids are:

- Primary Ore : Chalcopyrite, Pyrite, Molybdenite, Magnetite and Sphalerite
- Secondary Ore : Chalcocite, Bornite and Covellite
- Oxidised Ore: Malachite, Azurite, Cuprite and Native Copper.

Depending upon the size and spacing of fractures, massive or thin veinlets and stringers of sulphide minerals have been emplaced in quartz reef and/or granitic rocks. If the fracture are not well developed as in the granitic rocks the sulphides occur in the form of streaks, stringers, veinlets or more commonly disseminations. The lithological control thus is of secondary importance. Although the sulphides are found both in vein-quartz and adjoining granitic rocks, the concentration is more prominent in the reef-quartz.

3.3.4 Exploration History

The earliest exploration was conducted by the Directorate of Geology and Mining, Madhya Pradesh in 1963 and completed resistivity surveys in the area and drilled one hole in 1963-64 and two holes in 1967-68, but with little success.

The Geological Survey of India (GSI) started systematic geological mapping, geochemical and geophysical surveys, pitting and trenching in 1966 and diamond drilling during 1969.

During 1990-91 M/S Bishimetal Exploration Co. (BEC), Japan, conducted geophysical surveys including IP, SIP, TEM and magnetics around the deposit covering an area of 22.4 km^2 to locate possible extensions of the mineralisation in the vicinity. The anomalies obtained were tested through 4,583 m of diamond drilling in 10 boreholes. The results however were not encouraging.

Photo-geological studies using LANDSAT TM data were carried out to locate additional exploration target areas around Malanjkhand Copper Deposit. The photo-geological study and the ground truth revealed seven promising areas for exploration around the Malanjkhand deposit. Detailed exploration on these locations is yet to be undertaken.

Diamond drilling was undertaken initially on a grid pattern of approximately 100 m (along strike) x 50-60 m (along the dip). Borehole intersections were obtained between 175-500 m RL over the strike length of 2,600 m. Up to 1974-75 around 13,000 m of drilling in 58 boreholes was completed. The initial design of the open pit mine and production levels were established on the basis of this exploration. Diamond drilling however continued and final pit design was further modified on the basis of exploration completed up to 1978. Although the mine development, ore production and processing started at Malanjkhand during 1978-1982 period, the exploration through diamond drilling continued mainly to explore below the designed ultimate depth of the pit. During the period 1980 to 1990 around 62,000 m of diamond drilling was completed. This exploration conclusively established the persistence of the orebody, without any apparent deterioration in grade, down to a depth of 600-700 m.

A total of 96,158 m of drilling in 225 holes was undertaken to date over a length of 2.6 km and established the potential of the deposit in this area.

4 MINERAL RESOURCES AND ORE RESERVES

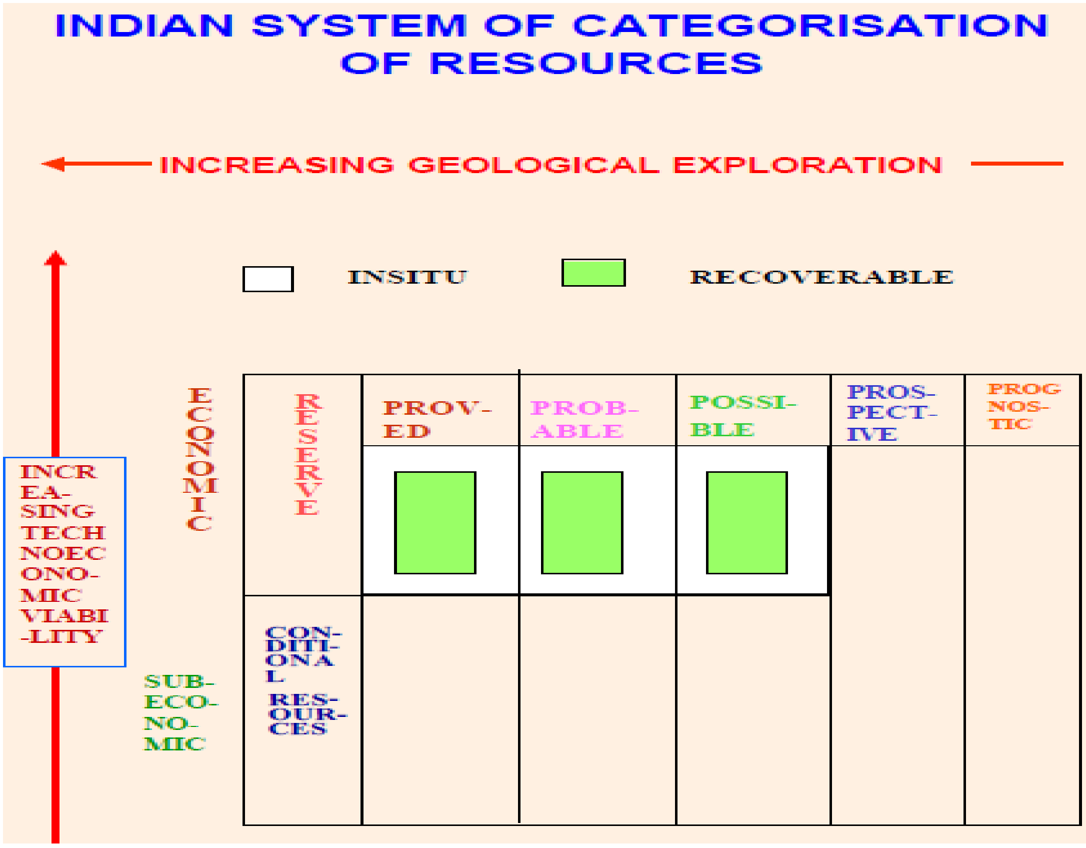
4.1 Principles of Resource and Reserve Classification

HCL mineral resources and ore reserves have been historically estimated by the company using the GSI system. Since 2005 the UNFC system has been introduced and most of the reserves have been adequately converted to this system. For conversion to the JORC Code attention has been paid to both previously used systems.

4.1.1 Principles of the GSI System

Prior to 1981, there was no nationally accepted system in India. Different agencies followed different systems such as USGS and Russian. In 1981, a system was standardised which underwent minor modifications later on to fit in with the practical data collected for the National Mineral Development database of IBM.

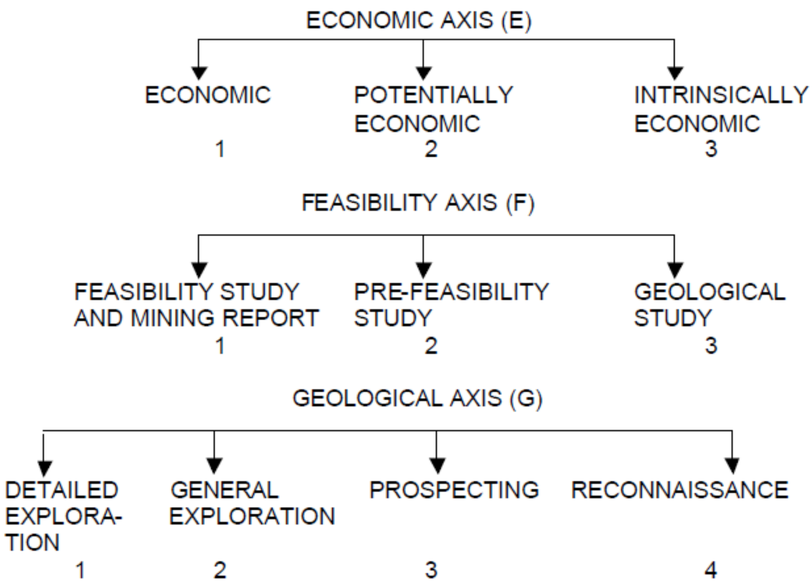
This system is schematically shown as follows:



As can be seen, the system is 2-dimensional with no distinction between technical and economic, and with an emphasis on geological axis. The parameters are also very few and, to a great extent, subjective. For geological axis the parameters are primarily spacing of the observation points (e.g. boreholes, pits, trenches), scale of geological maps, and inferences drawn there from. The techno-economic parameters are grade, amenability to beneficiation, thickness and depth (more particularly in case of coal) and some general conditions of constraints such as environment, forestry and markets. After a laborious and prolonged effort comprising training, conferences and interactions through the instrument of national mineral inventory, this classification system percolated down to the level of individuals and organisations concerned with exploration, mining, planning and administration in the mineral sector of India, and now, since 1981, is firmly entrenched in the Indian mindset.

4.1.2 Principles of the UNFC Code

UNFC is a 3 dimensional system, the 3 axes being economic, feasibility and geological. The categories of resource estimation are denoted by digital codes as follows.



Thus, the codes of categories can vary from the highest (111) to the lowest (334). The standard terms along with their codes are as follows.

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)

The UNFC system is relatively more objective, and because of the use of numerical codes, it is independent of language or country barriers, and hence, globally understandable.

4.1.3 Principles of the JORC Code

The JORC code is used as a reporting system in international exploration campaigns. The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore reserves was established in 1971 by the Joint Ore Reserves Committee (JORC) and is the fundamental reporting system in Australia, Canada, South Africa, USA, UK and Ireland. It is also accepted in many states in Europe following the agreement to incorporate the CMMI (Council of Mining and Metallurgical Institutions) definitions into the International Framework Classification for Reserves and Resources – Solid Fuels and Mineral Commodities, developed by the United Nations Economic Commission for Europe (UN-ECE).

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 mineralisation and type of deposit under consideration and to the activity which that person is undertaking. If the Competent

Person is estimating or supervising the estimation of mineral resources, the relevant experience must be in the estimation, assessment and evaluation of mineral resources.

The JORC code uses the following terms and definitions which are explained schematically in Figure 3-1.

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 and modification by realistically assumed 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. 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 and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time reporting that extraction could reasonably be justified.
- Proved Ore Reserve - is the economically mineable part of a Measured 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 and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time reporting that extraction could reasonably be justified.

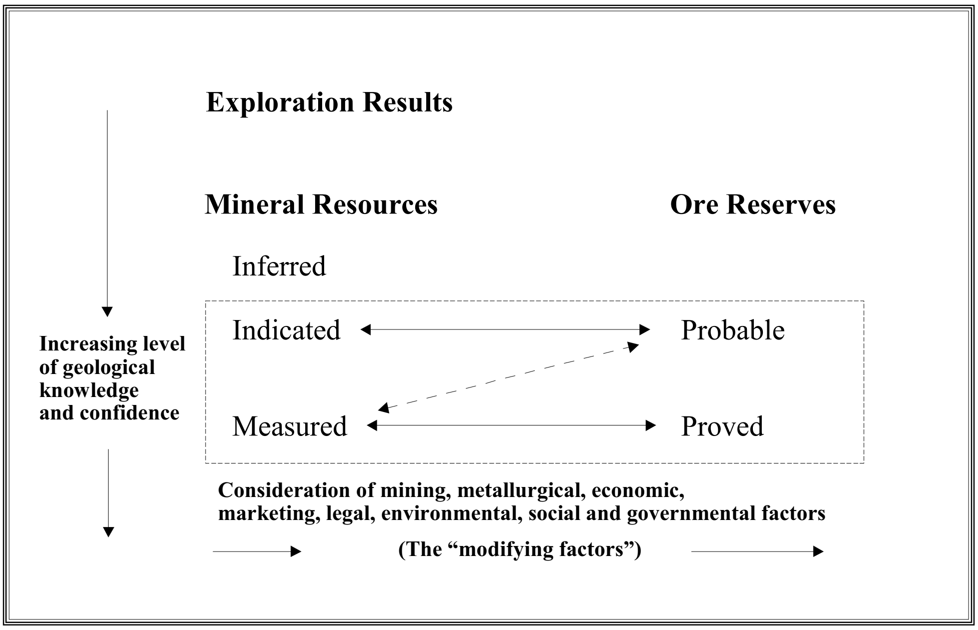


Figure 4-1 Principles behind the JORC Code

4.2 Nature of Evidence

4.2.1 KCC

4.2.1.1 Drilling Data

Exploration drilling on regular basis is undertaken to delineate the ore lenses precisely. Pneumatically operated drilling machines are used. It is generally done in AX size. Holes are plotted on the section considering deviations and other geological parameters. The drill sections are generally at 30 m and 25 m strike interval for Khetri and Kolihan mines respectively. The results of drilling facilitates up-gradation of ore reserves from drill category to partly blocked "B" category which in turn enables to initiate stope designing followed by stope preparation and ultimately for ore production.

4.2.1.2 Sampling and Assay Procedure

Following types of sampling is being carried out.

- Core sampling: Mainly done for borehole core samples received from the definition drilling done for delineating the ore body. During core logging the geologist examines the core for making detailed notes on lithology, structure and mineralogy. Every sample is taken for one meter core length. However, this is more or less dependent on the intensity of mineralisation and quantity of core.
- Chip sampling: These samples are taken from development heads namely crosscuts, drives, raises and winzes after thorough cleaning the surface to be sampled. Chip samples are collected on a 25cm x 25cm grid with samples being taken to a depth of 0.5cm.
- Grab sampling: Grab sampling is mainly done for ore production. It is done from the draw points of stopes and GB cars by taking representative portion of the material being drawn. The resulted sample is processed for crushing, grinding, coning and quartering and then sent to R & D for analysis.

Sample Preparation: The sampling facility consists of a three phase jaw crushing system reducing the sample down to approximately 20 mm grain size. The resulting sample is manually cone and quartered on a metal plate down to approximately 200 grams. The cone and quartering plate is kept clean with a rag or “jute”. The 200 gram sample is pulverised in a Tema mill down to -100 mesh. This sample is then cone and quartered on the same plate with half the sample being bagged for analysis.

Assay Procedure: KCC analyse all samples on site and analyse for Cu only. Analysis is carried out by Aqua regia digestion with a titrimetric finish. Two grams of the pulverised sample are taken for analysis. The pulverised samples are kept for a month to allow for a repeat analysis to be undertaken if it be deemed necessary. Checks are carried out on samples and paper documentation of these is made in the laboratory. The duplicate processed core samples are stored in packets for future check analysis.

4.2.1.3 Location of Data Points

All borehole collar positions have been surveyed by mine surveyors to a high level of accuracy. Down hole surveys were conducted by the acid etch method up to about 1975 and thereafter camera surveys were introduced.

4.2.1.4 Electronic Data and Database

All historical borehole and sampling data is now archived electronically. Modelling has been conducted in Datamine software but IMC is unsure as to the current status of this work.

4.2.2 ICC

4.2.2.1 Drilling Data

Underground exploration drilling on regular basis is undertaken to delineate the ore lenses precisely. Pneumatically operated drilling machines are used. It is generally done in EX size. Holes are plotted on the section considering drilling direction and other geological parameters. The drill sections are generally at 30 m interval on the levels along strike whereas at about 15m interval along raises and winzes. The results of drilling facilitate up-gradation of ore reserves by defining the orebody geometry and grade.

4.2.2.2 Sampling and Assay Procedure

The sampling procedures that have been followed in ICC group of mines for underground openings, underground and surface boreholes are described as follows.

- Core sampling: Mainly done for boreholes both underground as well as surface done either for definition drilling or for exploration from surface. During core logging the geologist examines the core for making detailed notes on lithology, structure and mineralogy. Sample length is dependent on the basis of rock type or on the intensity of mineralisation.
- Channel sampling: These samples are taken on all types of faces across true width of the mineralization. The standard procedure of taking channel sample is followed.
- Grab sampling: Grab sampling is mainly done for ore production. It is done from the draw points of stopes or from tramming cars by taking representative portion of the material being drawn. The resulted sample is processed for crushing, grinding, coning and quartering and then sent for analysis.

Sample Preparation: The samples are reduced in size by crushing and grinding. The quantity is reduced by manually cone and quartering. Sufficient quantity is bagged in paper bags and sent for analysis.

Assay Procedure: ICC analyses all samples on site and analyse for Cu only. Analysis is carried out first by digesting in acid and then titration by cyanide method. The samples are kept for a couple of days to allow for a repeat analysis to be undertaken if it be deemed necessary.

4.2.2.3 Location of Data Points

All borehole collar positions have been surveyed by mine surveyors to a high level of accuracy. Down hole surveys were conducted by the acid etch method up to about 1975 and thereafter both acid etch method and camera surveys were introduced depending upon the availability of camera.

4.2.2.4 Electronic Data and Database

All historical borehole and sampling data is stored electronically but IMC understands that the data is disseminated and not integrated into a single database. Modelling was conducted using Surpac software in 1987-89 but IMC understands that the model has not been updated since then and unsure as to the current status of this work.

4.2.3 Malanjkhand

4.2.3.1 Drilling Data

The diamond drilling has been undertaken along 29 section lines located at approximately 110 m intervals along the strike of the deposit. To allow for the curvature of the orebody, drilling section lines have been drawn perpendicular to the ore body. In the dip direction borehole spacing is at 50-155 m intervals.

The drilling reveals that the mineralisation continues in depth to -300 m RL. The deepest borehole (MDN-4) drilled is to a depth of 1003 m in section No.5.

4.2.3.2 Sampling and Assay Procedure

Borehole sample preparation of 1m length: The procedure for primary sample preparation is splitting of core longitudinally into two halves and crushing one half of the core to fine powder (-100 mesh) and then by coning and quartering method sample is reduced to 250gm which again is crushed to 200m mesh and samples are made for chemical analysis using the coning and quartering method. Usually the sample lengths are kept around 1 m. If there is core loss (usually less than 10%) is adjusted to make a sample of 1m length.

Borehole composite sample preparation of 5m length: Five metre sample is prepared from 5 one metre samples giving equal weight-age to all individual samples. For this 125 gm of powdered samples from each samples are put together to make a composite sample of 625 gm. Composite sampling is made based on major rock units which are of 4 types i.e., i) Granite rocks ii) vein quartz, iii) Basic rocks and iv) aplitic rocks. One rock type sample is not mixed with the other for chemical analysis but vein quartz rocks are considered along with the host rock for sampling.

Check sampling: Check samples for analysis are prepared from the duplicate half / halves following the same method of coning and quartering.

Check Assaying: Check analysis of 1m samples are carried out at a regular interval of every tenth sample starting from the first sample of each hole. Check analysis of 5m samples are carried out at a regular interval of every tenth sample starting from the first five metre composite sample. In addition, 20% of composite sample or every fifth sample of 5m composite samples is selected for analysis of following elements falling under 4 categories: i) Au, Pt, Pd and Rh ii) Pb, Sn, As, Sb, In, Bi, Se, Te, Ga and Ge iii) Zn, Ni and Co and iv) Hg and Re.

4.2.3.3 Location of Data Points

All borehole collar positions have been surveyed by mine surveyors to a high level of accuracy. Down hole surveys were conducted by the acid etch method up to about 1975 and thereafter camera surveys were introduced.

4.2.3.4 Electronic Data and Database

All historical borehole and sampling data is now archived electronically. Modelling has been conducted in Datamine software but IMC is unsure as to the current status of this work.

4.3 Resource Estimation Methods

4.3.1 KCC

The resource / reserve as estimated and classified in KCC is as follows.

The ore reserves estimations are made on the basis of exploration data generated from surface drilling, definition drilling from underground openings, primary and secondary mine development. The method of reserves calculation have taken due note of detail geological factors such as foliation, strike, pinching and swelling of ore body. Certain basic assumptions have been made to interpolate the characteristic of different ore bodies based on known inter sections. The various parameters used in ore reserves estimations are discussed as follows:

Cut off Grade: The cut off grade at which Geological Ore Reserves are calculated is 0.5 % Cu. While designing the stope on ore lenses shaped at 0.5 % Cu the average grade of the stope block is given weightage whether to consider the area for exploitation or not depending on the economics of the stope block. If the grade of the particular stope blocks does not become payable, stoping in the block is deferred for time being and reviewed in subsequent years for exploitation,

Pay Limit: The pay limit is 1% Cu.

Parting: Minimum parting of 10 m thickness has been considered between two ore lodes to treat them as separate mineable ore lodes. If the parting is less than 10 m, the ore lodes are merged and the two ore lodes are treated as one.

Specific Gravity: An average in-situ specific gravity of ore zone is considered as 3.0 and that of waste as 2.8 for purpose of ore reserves estimation.

Strike and Dip influence: Around each mineralized inter-sections through bore-holes panels are made by considering 12.5 m/15 m strike influence on both sides and half way either side influence of inter-section in dip direction. Width of the each inter-sections are taken from the geological cross-sections which are prepared at 25 m/30 m strike interval. Cross sections are prepared at 25 m/30 m interval. Level Plans are prepared at the main mine level i.e. at 60 m vertical interval as well as its drill level. Assay Plan is prepared at main levels as well as their drill levels.

Tonnage is calculated from cross sections prepared:

Tonnage = Cross sectional area x strike influence x specific gravity

Grade is calculated by dividing each cross sectional area into several small geometrical shapes depending on the bore holes inter sections and weighted grade average of entire cross sectional is calculated.

Ore reserves of the mine are categorized on the basis of intensity of exploration data and mine development. Exploration data includes surface diamond drilling, underground definition diamond drilling, wall chip samples, face chip samples vertical raise samples etc.

In Khetri Copper Mine ore reserves have been classified as Blocked Category and Drill Category:

The Blocked category of ore reserves, which includes Fully Blocked, Partly Blocked “A” and Partly Blocked “B” category are equivalent to Proved Ore Reserves. Ore reserves are blocked initially on stope designing followed by stope preparation through mine development and finally blasting is done, which ultimately leads to ore production. At every stage in the entire process ore reserves are calculated on the basis of available data of surface diamond drilling, underground definition diamond drilling, wall chip samples, raise samples and muck samples.

Since, these reserves are calculated by considering all the parameters like geological assessment, feasibility and economical viability, these are codified as (111) as per UNFC classification. Before calculating these reserves geological studies like mapping at 1:250 scale, closed spaced definition diamond core drilling at 30 m (Khetri) and 25 m (Kolihan) strike interval (if required it is also done at 15 m intervals), ground condition studies and proper core logging are done. These are followed by proper mine planning and economic assessment considering the market trend. Safety aspects are also taken into account for exploiting the ore.

Fully Blocked Ore Reserves: These reserves are estimated on stope ring design. Fully Blocked ore reserves are upgraded from Partly Blocked "A" category of ore reserves, after incorporating assay data obtained from wall chip, face chip and muck sampling of secondary mine development carried out. These reserves are ready for production. The tonnage and grade are recorded in Grade Control Charts (GC).

Partly Blocked Ore Reserves: Initially these ore reserves are computed on longitudinal vertical sections of the ore lenses after completion of definition diamond core drilling and incorporating all the data pertaining lithology, assay values, poor core recovery zones and any structural feature encountered in core drilling. These ore reserves are called as Partly Blocked "B" ore reserves. Stope limits are marked on longitudinal sections and level plans are made.

Drill indicated ore reserves: Reserves are calculated by taking 15 m influence on all four sides of bore hole/cross cut intersections on the longitudinal section. In case of Khetri Copper Mine surface bore hole data have been used for calculating drill indicating ore reserves. The ore reserves of this category are equivalent to Probable Ore reserves.

Drill inferred ore reserves: These reserves are estimated on the longitudinal sections of the area beyond the limit of drill indicated reserves category up to the lens boundary. For calculating the ore reserves the influence between the two bore holes is taken in strike direction. Likewise vertical influence is also taken between two boreholes. In the case of open ore body, keeping in view all geological aspects, reasonable extrapolation is considered. In case of Khetri Copper Mine these ore reserves have been calculated by considering surface borehole details. These ore reserves are equivalent to Possible Category of ore reserves.

In case of Khetri Copper Mine the present infrastructure is available to cater the ore production upto 60 ML. Hence, all the drill reserves upto 60 ML are codified as (122) as per UNFC Classification. Here the confidence level of forecast for tonnage and grade is very high. With secondary development these reserves can be exploited in short time and with less investment.

To exploit the ore body between 60 ML and up to -300 ML infrastructure is yet to be developed. However, the tonnage, densities, shape, physical characteristic, grade and mineral content have been estimated with reasonable level of confidence based on exploration. Ore body is open at the bottom. Ore zones have been extrapolated downwards for calculating the ore reserves. As per UNFC Classification these have been classified as Indicated Mineral Resources and codified as (332).

4.3.2 ICC

The area under consideration from Surda mine to Tamapahar has been estimated by Robertson Research Australia (RRA) except the mining underground area. The mining areas have been calculated by classical method from plans and sections incorporating face samples and underground borehole samples.

RRA was of the opinion that because of the narrow stratiform character of the lodes, a procedure was required that could closely model the outline of the interpreted ore zone. Geometry was therefore a primary consideration in the selection of a suitable ore reserve methodology. RRA used digital terrain models of the hanging wall and footwall surfaces and forming polygons from these. A fundamental requirement of such modelling was the need to identify each independent lode and treat its assays as a discrete population.

The preliminary delineation of mineralised intersections was based on a 0.5% copper assay cut-off. The algorithm used to calculate mineralised zones allowed a violation of the 0.5% threshold for up to 2 m, provided an additional above cut-off sample was found within this margin. At all times the zone was not permitted to fall below the cut-off.

Observations by RRA personnel on site were that the current minimum stoping width of 1.5 m was rarely achieved, and hence a minimum zone true width of 2 m was selected as more appropriate. Any intersections failing to reach this criterion were diluted out to 2 m.

Most drillholes intersected several mineralised intervals that conformed to the criteria.

The process of zone identification was complicated by the source data having been collected using selective core sampling. In several instances unsampled intervals were observed within the boundaries of an interpreted ore horizon. These were necessarily assigned grades of 0% Cu. This clearly represents a conservative stance which, although not able to be quantified, should be considered in the reading of the resource estimates.

The preliminary zone boundaries were modified, where necessary, according to geometrical and geological considerations. Lode nomenclature had been guided by HCL practice and discussions with senior geological staff. In addition several small lodes of limited extent were identified and named but not included in resource computations because of lack of continuity or limited intersections. When the interpretation was completed, the downhole depths of both hanging wall and footwall positions were recorded and the corresponding grid co-ordinates computed for use in geometric modelling.

The co-ordinated points representing the intersections of drillholes with (a) the hanging wall and (b) the footwall surfaces form two spatial sets from which a geometric model of the orebody could be constructed. Further control of the orebody margins was achieved by recording the co-ordinates of the lode projections to surface and to depth. The combined set of intersection and projection co-ordinates for each lode was used to construct a digital terrain model (DTM) of the hanging wall and footwall respectively.

The DTM surfaces provide a base from which ore outlines either as cross-section profiles or contours could be taken. Initially, east-west cross-sections were extracted from the DTMs at 25 m intervals for the open pit and 50 m for the underground. The resulting hanging wall and footwall profiles were joined to yield a closed lode outline on each section. The upper lode projections were edited graphically to conform to topography.

Horizontal slices at 5 m intervals for the open pit and 50 m for the underground were taken through the lode shapes in cross-section to produce ore outlines on levels. Block widths in the easting direction were variable, being a function of lode horizontal width. The format of the block data was such that it could be modified by the mining engineers to conform to relevant mine levels. At this point the blocks were ready for the assignment of grade estimates.

For the purposes of grade estimation each interpreted lode was treated as a statistical subpopulation. A secondary estimation database for each lode was constructed, in the case of the open pit study consisting of the midpoint co-ordinates of l m sample composites, and for the underground study, the midpoints of each intersection and the corresponding grade and thickness values.

Variography: In the open pit, the response to three-dimensional variography was tested on Lode 6 using sample composites of l m and satisfactory variograms were obtained in both strike and dip directions. Variography was unsuccessful for the remaining lodes. However, in the underground, two-dimensional variography was carried out for both copper accumulations (grade x thickness) and lode true thickness. Satisfactory variograms were obtained for the major lodes. The improved structure relative to three-dimensional variography was to be expected, since the compositing of samples over the full intersection widths had a smoothing effect. The best variograms were typically found to be parallel or sub-parallel to strike. Two primary directions (strike and dip) were routinely assessed and used for modelling.

Experimental variograms were modelled using computer assisted graphical techniques. Spherical models were applied and the required parameters (nugget, sill and range) derived. The nugget effect was typically the most difficult parameter to fix, essentially because of the paucity of closely spaced intersections.

Those lodes whose variograms could be modelled satisfactorily were estimated by either three- or two-dimensional ordinary kriging. The remainder were estimated by inverse distance squared weighting (IDW). IDW does not employ an experimentally defined model of the spatial relationship between samples as kriging does. In the absence of variogram parameters it was selected as the "next best" in that it takes into account a number of sample points and weights these according to their proximity to the block to be estimated.

In the case of IDW, raising to the second power leads to much greater weight being placed on the nearer samples; hence the search radius had marginal effect on the result. The search radius was therefore selected to ensure that adequate sample points were captured.

For three-dimensional estimation, grades were estimated at the centroid of the relevant orthogonal blocks and these were then matched to the appropriate blocks derived from the DTM.

For two-dimensional estimation both accumulation and thickness were determined for all blocks and the respective grades obtained by dividing the accumulation by the thickness. The individual grades were then matched with the corresponding block outlines obtained from the DTM.

Where relevant, the ore outlines were trimmed to exclude those portions that fell within the boundaries of the mining area. Beyond the workings, topography rather than base of oxidation was used as an upper boundary, the location of the oxide-sulphide boundary being treated as a mine planning consideration.

Tonnage and grade figures were computed lode-by-lode and detailed by level. An overall bulk density value of 2.89 tonnes per cubic metre was applied.

The classification of the ore reserves by RRA had been guided by the 1981 report of the Geological Survey of India Committee on Standardisation of Terminology and Classification of Ore Reserves.

The process of kriging had the advantage of inherently computing the estimation variance for a block of ore. Thus, when grade was estimated, these values could be used to guide the classification of individual blocks. In two-dimensional kriging however, accumulations and thicknesses not grades were estimated. The estimation variances for grade were therefore not directly available.

A practical alternative method of classifying a given block was to note the number of data observations (in this case, intersection) used to estimate a given block. By knowing the distribution of "number of observations" (no of obs) for all the blocks, different thresholds could be selected to separate the different ore classes. One problem was that this represents a relative breakdown since the thresholds were not easily calibrated to reality. It would be preferred if a yardstick were available to which the "no of obs" could be related.

RRA evolved such a yardstick by the simulation of various regular drilling grids. The spacing of the grids corresponds to an assigned level of confidence and hence reserves classification. The grids were then kriged and the distributions of "no of obs" examined to determine the thresholds. The individual estimated blocks could then be classified according to how the "no of obs" relate to the thresholds.

After consideration of the definitions of the Geological Survey of India, the geological characteristics of the mineralisation and previous HCL criteria, different threshold grid sizes were obtained for different mines.

4.3.3 Malanjkhand

The resources have been estimated from the 592 m RL to 0 m RL by level plans and below 0 m RL by cross-section making use of all the available geological data up to March, 1994. A total drilling of 96,158m in 225 holes was considered. A total strike length of 2,600 m was considered. Other assumptions made were:-

- The area of influence along the strike has been taken as half the distance between two adjoining cross sections. The sections in general are 100 m apart and the influence varied from 48 m to 122 m.
- When the sections are not parallel, the strike influence has been calculated by giving due consideration to the angle of convergence of the sections and relative locations of the blocks in the sections with reference to the central reference line.

- An influence of 75 m from the intersection was considered along the dip, where continuity is established. However, in isolated intersections, only 50 m was considered.
- The ore zones of all the available boreholes intersections have been computed at 0.20% and 0.45% Cu cut-off grades.
- The minimum mineable width of the ore zones has been considered as 5 m. In case of ore zones less than 5 m but are more than 3m, adjacent values were taken to compute less than the cut-off grade.
- Lean and barren partings of more than 5 m have been demarcated separately. If they are less than 5 m in width and fall within the ore zones they have amalgamated within the major ore zones, provided the average grade does not fall below the cut-off grade.
- The overall core recovery in the mineralised zone in general is always more than 90% except in a few instances. Wherever the core recoveries are less, the non recovered portion has been considered as barren. Sludge sample values have been reduced to half.
- The average grade of the ore zones were computed by weighting method. The earlier drilled hole samples were less than 1 m and those were normalised to 1 m sample to make uniform sample lengths after giving due consideration of recovery for the purpose of zone computation.

Depending on the reliability, projected ore zones have been classified in to Proved, Probable and Possible GSI categories in the cross sections. These have been transferred on to the level plans.

The areas of the ore bodies have been calculated by category on each level plan to avoid any errors in estimations. The areas were then multiplied by bench height to obtain the volumes. The tonnages have been obtained by multiplying the volumes with the specific gravity of 2.69 and the average grades have been calculated on a tonnage weighted basis.

The reserve between (-) 60 m RL to (-) 300 m RL for a depth of 240 m is only about 9 Mt. Such low reserve cannot justify mine for a depth of (-) 300 m RL. Therefore the mine in first phase is planned to (-) 60 m RL. However, the major installations have been designed for (-) 300m RL.

4.4 Statement of JORC Mineral Resources

A summary of HCL resources converted to JORC code Mineral Resources is shown in Table 4-1. Tabulations of the converted JORC code Mineral Resources at individual mines are shown in Table 4-2 to 4-21.

Copper Resource Summary									
		Measured		Indicated		Measured + Indicated		Inferred	
Group of Mines	Mines	Tn (Mn tonne)	Gr (%Cu)	Tn (Mn tonne)	Gr (%Cu)	Tn (Mn tonne)	Gr (%Cu)	Tn (Mn tonne)	Gr (%Cu)
ICC									
	Surda Phase I	3.88	1.21	3.86	1.55	7.74	1.38	15.75	1.14
	Surda Phase II	5.32	1.24	6.83	1.08	12.15	1.15	5.84	0.74
	Kendadih	4.02	1.28	9.27	1.14	13.30	1.18	4.54	1.44
	Sideshwar	0.45	1.89	11.27	1.50	11.72	1.51	2.01	1.13
	Chapri	35.77	1.09	11.77	0.95	47.54	1.05	2.30	0.84
	Rakha Phase I	6.42	1.15	0.00	0.00	6.42	1.15	0.00	0.00
	Rakha Phase II	15.84	0.89	25.00	0.95	40.83	0.93	0.26	1.10
	Tamapahar	2.36	0.92	16.87	0.85	19.23	0.86	7.23	0.90
Subtotal		**74.07**	**1.08**	**84.87**	**1.06**	**158.93**	**1.07**	**37.92**	**1.05**
KCC									
	Banwas	6.26	1.40	13.42	1.63	19.68	1.56	5.09	2.19
	Khetri	7.82	1.08	2.39	1.08	10.21	1.08	22.26	1.15
	Kolihan	11.04	1.21	1.92	1.59	12.95	1.27	6.50	1.43
	Chandmari Intermediate	0.00	0.00	4.33	1.08	4.33	1.08	7.78	0.99
	Chandmari	0.08	1.35	1.89	0.94	1.97	0.96	4.10	1.07
Subtotal		**25.19**	**1.22**	**23.94**	**1.42**	**49.13**	**1.32**	**45.74**	**1.27**
MCP									
	Malanjh Khand .45% cutoff	102.09	1.31	73.34	1.33	175.43	1.32	42.01	1.28
	Malanjh Khand .20 -.45% cutoff	58.12	0.30	34.36	0.31	92.49	0.30	21.66	0.31
Subtotal		**160.21**	**0.95**	**107.71**	**1.00**	**267.92**	**0.97**	**63.67**	**0.95**
Grand Total		**259.47**	**1.01**	**216.51**	**1.07**	**475.98**	**1.04**	**147.33**	**1.08**

Table 4-1 Resource of All the HCL mines

4.4.1 ICC Group of Mines

Copper Resource Summary For Tamapahar as on 01.04.2010								
Lode	**MEASURED**		**INDICATED**		**MEASURED + INDICATED**		**INFERRED**	
	Tn (Mn tonne)	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**
1F	0.10	0.72	2.51	0.75	**2.61**	**0.75**	1.37	0.80
1	0.06	0.84	4.20	0.88	**4.26**	**0.88**	1.05	0.99
2F	1.07	0.89	3.56	0.88	**4.64**	**0.88**	3.42	0.92
2	1.12	0.97	6.60	0.85	**7.71**	**0.86**	1.39	0.88
Subtotal	**2.36**	**0.92**	**16.87**	**0.85**	**19.23**	**0.86**	**7.23**	**0.90**

Table 4-2 Resource of Tamapahar

Copper Resource Summary For Rakha Phase I as on 01.04.2010								
Lode	**MEASURED**		**INDICATED**		**MEASURED + INDICATED**		**INFERRED**	
	Tn (Mn tonne)	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**
3	0.56	1.13	0.00	0.00	**0.56**	**1.13**	0.00	0.00
4	0.90	1.15	0.00	0.00	**0.90**	**1.15**	0.00	0.00
5	1.11	1.19	0.00	0.00	**1.11**	**1.19**	0.00	0.00
6	1.84	1.13	0.00	0.00	**1.84**	**1.13**	0.00	0.00
7	2.01	1.17	0.00	0.00	**2.01**	**1.17**	0.00	0.00
Subtotal	**6.42**	**1.15**	**0.00**	**0.00**	**6.42**	**1.15**	**0.00**	**0.00**

Table 4-3 Resource of Rakha Phase I

Copper Resource Summary For Rakha Phase II as on 01.04.2010								
Lode	**MEASURED**		**INDICATED**		**MEASURED + INDICATED**		**INFERRED**	
	Tn (Mn tonne)	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**
2F	0.52	0.74	8.73	1.04	**9.25**	**1.02**	0.26	1.10
2	3.10	0.74	11.86	0.93	**14.96**	**0.89**	0.00	0.00
2H	0.75	0.66	1.17	0.66	**1.93**	**0.66**	0.00	0.00
4	0.65	0.91	0.60	0.84	**1.25**	**0.88**	0.00	0.00
4H	1.57	0.87	0.10	0.71	**1.67**	**0.86**	0.00	0.00
5	0.52	1.11	2.16	0.96	**2.68**	**0.99**	0.00	0.00
6	8.72	0.97	0.38	0.79	**9.09**	**0.96**	0.00	0.00
Subtotal	**15.84**	**0.89**	**25.00**	**0.95**	**40.83**	**0.93**	**0.26**	**1.10**

Table 4-4 Resource of Rakha Phase II

Copper Resource Summary For Chapri as on 01.04.2010								
Lode	**MEASURED**		**INDICATED**		**MEASURED + INDICATED**		**INFERRED**	
	Tn (Mn tonne)	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**
5: South	0.00	0.00	0.19	1.26	**0.19**	**1.26**	0.00	0.00
5: Central	4.86	1.07	2.60	0.98	**7.46**	**1.04**	0.00	0.00
5: North	0.41	1.06	0.08	0.78	**0.49**	**1.02**	0.00	0.00
6	24.94	1.12	1.72	1.03	**26.66**	**1.11**	0.00	0.00
7	3.50	0.84	3.06	0.89	**6.56**	**0.86**	0.71	0.92
8	2.06	1.18	4.13	0.93	**6.19**	**1.02**	1.59	0.81
Subtotal	**35.77**	**1.09**	**11.77**	**0.95**	**47.54**	**1.05**	**2.30**	**0.84**

Table 4-5 Resource of Chapri

Copper Resource Summary For Sideshwar as on 01.04.2010								
Lode	**MEASURED**		**INDICATED**		**MEASURED + INDICATED**		**INFERRED**	
	Tn (Mn tonne)	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**
5	0.00	0.00	2.65	1.07	**2.65**	**1.07**	1.96	1.11
6	0.41	1.81	2.11	1.29	**2.52**	**1.38**	0.00	0.00
9	0.04	2.65	6.51	1.74	**6.55**	**1.74**	0.05	1.83
Subtotal	**0.45**	**1.89**	**11.27**	**1.50**	**11.72**	**1.51**	**2.01**	**1.13**

Table 4-6 Resource of Sideshwar

Copper Resource Summary For Kendadih Mine area as on 01.04.2010								
Level	**MEASURED**		**INDICATED**		**MEASURED + INDICATED**		**INFERRED**	
	Tn (Mn tonne)	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**
2L	0.05	1.73	0.06	1.59	**0.11**	**1.65**	0.00	0.00
3L	0.10	1.75	0.09	1.71	**0.20**	**1.73**	0.00	0.00
4L	0.15	2.16	0.15	1.72	**0.30**	**1.94**	0.00	0.00
Subtotal	**0.31**	**1.95**	**0.31**	**1.69**	**0.61**	**1.82**	**0.00**	**0.00**

Table 4-7 Resource of Kendadih

Copper Resource Summary For Kendadih other area as on 01.04.2010								
Lode	**MEASURED**		**INDICATED**		**MEASURED + INDICATED**		**INFERRED**	
	Tn (Mn tonne)	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**
Z	0.00	0.00	0.13	0.62	**0.13**	**0.62**	3.40	1.41
1	0.89	1.36	2.32	1.19	**3.20**	**1.24**	0.89	1.69
1H	0.68	0.85	1.05	0.80	**1.73**	**0.82**	0.07	0.81
2F	0.79	0.87	2.68	0.80	**3.47**	**0.82**	0.17	1.07
2	0.73	2.04	1.52	2.02	**2.25**	**2.03**	0.00	0.00
2H	0.08	0.53	0.17	0.53	**0.25**	**0.53**	0.00	0.00
3	0.54	0.99	1.11	0.96	**1.65**	**0.97**	0.00	0.55
Subtotal	**3.72**	**1.22**	**8.97**	**1.12**	**12.68**	**1.15**	**4.54**	**1.44**

Table 4-8 Resource of Kendadih Drill Area

Copper Resource Summary For Surda Phase I									
Lode	MEASURED		INDICATED		MEASURED + INDICATED		INFERRED		
	Tn (Mn tonne)	Gr (%Cu)	Tn (Mn tonne)	Gr (%Cu)	Tn (Mn tonne)	Gr (%Cu)	Tn (Mn tonne)	Gr (%Cu)	
4L	0.20	1.28	0.05	1.26	**0.25**	**1.27**	0.00	0.00	
5L	0.29	1.19	0.14	1.30	**0.43**	**1.22**	0.00	0.00	
6L	0.60	1.17	0.17	1.15	**0.77**	**1.17**	0.00	0.00	
7L	0.54	1.38	0.32	1.32	**0.86**	**1.36**	0.07	0.87	
8L	0.78	1.17	0.28	1.30	**1.06**	**1.21**	0.27	1.26	
9L	0.44	1.21	0.46	1.16	**0.90**	**1.19**	0.46	1.22	
10L	1.01	1.15	0.50	1.17	**1.51**	**1.16**	0.79	1.19	
11L	0.01	1.98	1.53	1.89	**1.54**	**1.89**	1.28	1.19	The resource is now excavated under Surda Phase II
12L	0.00	0.00	0.09	1.90	**0.09**	**1.90**	2.62	1.13	
13L	0.01	1.85	0.07	1.85	**0.08**	**1.85**	2.57	1.13	
14L	0.00	0.00	0.08	1.85	**0.08**	**1.85**	2.57	1.13	
15L	0.00	0.00	0.08	1.85	**0.08**	**1.85**	2.57	1.13	
16L	0.00	0.00	0.08	1.85	**0.08**	**1.85**	2.57	1.13	
Subtotal	**3.88**	**1.21**	**3.86**	**1.55**	**7.74**	**1.38**	**15.75**	**1.14**	

Table 4-9 Resource of Surda Phase I

Copper Resource Summary For Surda Phase II Drilled by HCL as on 01.04.2010								
Level	**MEASURED**		**INDICATED**		**MEASURED + INDICATED**		**INFERRED**	
	Tn (Mn tonne)	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**
3	0.00	0.00	0.00	0.00	**0.00**	**0.00**	0.00	0.00
4	0.65	1.43	0.35	1.43	**1.00**	**1.43**	0.09	0.01
5	0.73	1.37	0.25	1.41	**0.98**	**1.38**	0.08	0.01
6	0.83	1.28	0.40	1.35	**1.23**	**1.30**	0.14	0.01
7	0.51	1.25	0.55	1.25	**1.06**	**1.25**	0.21	0.01
8	0.27	1.17	0.33	1.26	**0.60**	**1.22**	0.27	0.01
9	0.23	1.18	0.13	1.17	**0.36**	**1.18**	0.10	0.01
10	0.11	1.09	0.24	1.20	**0.35**	**1.17**	0.09	0.01
11	0.00	0.00	0.13	1.08	**0.13**	**1.08**	0.11	0.01
12	0.00	0.00	0.00	0.00	**0.00**	**0.00**	0.00	0.00
Subtotal	**3.33**	**1.30**	**2.38**	**1.29**	**5.71**	**1.30**	**1.08**	**0.01**

Table 4-10 Resource of Surda Phase II area

Copper Resource Summary For Surda Phase II done by RRA as on 01.04.2010								
Lode	**MEASURED**		**INDICATED**		**MEASURED + INDICATED**		**INFERRED**	
	Tn (Mn tonne)	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**
1H	1.99	1.13	0.93	1.02	**2.93**	**1.09**	0.02	0.89
1	0.00	0.00	0.57	1.04	**0.57**	**1.04**	0.20	1.18
1F	0.00	0.00	1.04	0.84	**1.04**	**0.84**	0.15	0.73
A	0.00	0.00	0.46	0.76	**0.46**	**0.76**	0.90	0.58
B	0.00	0.00	0.32	0.88	**0.32**	**0.88**	0.79	1.25
B2	0.00	0.00	0.46	1.11	**0.46**	**1.11**	0.92	1.00
C	0.00	0.00	0.67	1.08	**0.67**	**1.08**	1.77	0.83
Subtotal	**1.99**	**1.13**	**4.45**	**0.96**	**6.44**	**1.01**	**4.76**	**0.90**

Table 4-11 Resource of Surda Phase II area studied by RRA

4.4.2 KCC Group of Mines

Copper Resource Summary For Banwas Stopes as on 01.04.2010								
Level	MEASURED		INDICATED		MEASURED + INDICATED		INFERRED	
	Tn (Mn tonne)	Gr (%Cu)	Tn (Mn tonne)	Gr (%Cu)	Tn (Mn tonne)	Gr (%Cu)	Tn (Mn tonne)	Gr (%Cu)
180	0.59	0.88	0.00	0.00	**0.59**	**0.88**	0.00	0.00
120	0.92	1.58	0.00	0.00	**0.92**	**1.58**	0.00	0.00
Subtotal	**1.51**	**1.31**	**0.00**	**0.00**	1.51	1.31	**0.00**	**0.00**

Table 4-12 Resource of Banwas Mines area under stoping

Copper Resource Summary For Banwas Drilled area as on 01.04.2010								
Level	MEASURED		INDICATED		MEASURED + INDICATED		INFERRED	
	Tn (Mn tonne)	Gr (%Cu)	Tn (Mn tonne)	Gr (%Cu)	Tn (Mn tonne)	Gr (%Cu)	Tn (Mn tonne)	Gr (%Cu)
240	0.87	0.86	0.43	0.97	**1.29**	**0.90**	0.00	0.00
180	0.59	0.95	1.97	1.04	**2.55**	**1.02**	0.00	0.00
120	0.97	1.13	3.72	1.19	**4.68**	**1.17**	0.00	0.00
60	1.39	1.70	3.27	1.75	**4.66**	**1.73**	0.00	0.00
0	0.94	2.16	3.55	2.22	**4.49**	**2.21**	0.00	0.00
-60	0.00	0.00	0.49	2.85	**0.49**	**2.85**	2.29	2.22
-120	0.00	0.00	0.00	0.00	**0.00**	**0.00**	2.00	1.98
-180	0.00	0.00	0.00	0.00	**0.00**	**0.00**	0.80	2.65
Subtotal	**4.75**	**1.43**	**13.42**	**1.63**	18.17	1.58	**5.09**	**2.19**

Table 4-13 Resource of Banwas Mines drilled area

Copper Resource Summary For Khetri Stopes as on 01.04.2010								
Lode	MEASURED		INDICATED		MEASURED + INDICATED		INFERRED	
	Tn (Mn tonne)	Gr (%Cu)	Tn (Mn tonne)	Gr (%Cu)	Tn (Mn tonne)	Gr (%Cu)	Tn (Mn tonne)	Gr (%Cu)
180	0.41	0.96	0.00	0.00	**0.41**	**0.96**	0.00	0.00
120	1.32	1.08	0.00	0.00	**1.32**	**1.08**	0.00	0.00
60	2.52	1.15	0.00	0.00	**2.52**	**1.15**	0.00	0.00
Subtotal	**4.25**	**1.11**	**0.00**	**0.00**	**4.25**	**1.11**	**0.00**	**0.00**

Table 4-14 Resource of Khetri Mines area under stoping

Copper Resource Summary For Khetri Drilled area as on 01.04.2010								
Lode	MEASURED		INDICATED		MEASURED + INDICATED		INFERRED	
	Tn (Mn tonne)	Gr (%Cu)	Tn (Mn tonne)	Gr (%Cu)	Tn (Mn tonne)	Gr (%Cu)	Tn (Mn tonne)	Gr (%Cu)
120	0.67	1.15	0.00	0.00	**0.67**	**1.15**	0.00	0.00
60	2.90	1.01	0.00	0.00	**2.90**	**1.01**	0.00	0.00
0	0.00	0.00	0.67	1.07	**0.67**	**1.07**	6.07	1.17
-60	0.00	0.00	0.61	1.05	**0.61**	**1.05**	5.27	1.16
-120	0.00	0.00	0.24	1.05	**0.24**	**1.05**	2.79	0.96
-180	0.00	0.00	0.28	1.09	**0.28**	**1.09**	2.87	1.16
-240	0.00	0.00	0.29	1.11	**0.29**	**1.11**	2.83	1.17
-300	0.00	0.00	0.29	1.20	**0.29**	**1.20**	2.44	1.26
Subtotal	**3.57**	**1.04**	**2.39**	**1.08**	**5.96**	**1.06**	**22.26**	**1.15**

Table 4-15 Resource of Khetri Mines drilled area

Copper Resource Summary For Kolihan Stopes as on 01.04.2010								
Level	**MEASURED**		**INDICATED**		**MEASURED + INDICATED**		**INFERRED**	
	Tn (Mn tonne)	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**
306	0.04	0.88	0.00	0.00	**0.04**	**0.88**	0.00	0.00
246	1.36	0.94	0.00	0.00	**1.36**	**0.94**	0.00	0.00
184	1.96	1.24	0.00	0.00	**1.96**	**1.24**	0.00	0.00
124	2.33	1.17	0.00	0.00	**2.33**	**1.17**	0.00	0.00
64	0.32	1.43	0.00	0.00	**0.32**	**1.43**	0.00	0.00
Subtotal	**6.01**	**1.15**	**0.00**	**0.00**	6.01	1.15	**0.00**	**0.00**

Table 4-16 Resource of Kolihan Mines area under stoping

Copper Resource Summary For Kolihan Drilled area as on 01.04.2010								
Level	**MEASURED**		**INDICATED**		**MEASURED + INDICATED**		**INFERRED**	
	Tn (Mn tonne)	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**
246	0.30	0.97	0.00	0.00	**0.30**	**0.97**	0.00	0.00
184	1.37	1.06	0.00	0.00	**1.37**	**1.06**	0.00	0.00
124	1.63	1.45	0.47	1.43	**2.10**	**1.45**	0.95	1.48
64	1.72	1.35	0.52	1.92	**2.24**	**1.48**	1.95	1.48
0	0.00	0.00	0.93	1.49	**0.93**	**1.49**	2.79	1.42
-60	0.00	0.00	0.00	0.00	**0.00**	**0.00**	0.81	1.34
Subtotal	**5.03**	**1.28**	**1.92**	**1.59**	**6.94**	**1.37**	**6.50**	**1.43**

Table 4-17 Resource of Kolihan Mines drilled area

Copper Resource Summary For Chandmari as on 01.04.2010								
Level	MEASURED		INDICATED		MEASURED + INDICATED		INFERRED	
	Tn (Mn tonne)	Gr (%Cu)	Tn (Mn tonne)	Gr (%Cu)	Tn (Mn tonne)	Gr (%Cu)	Tn (Mn tonne)	Gr (%Cu)
374-354	0.08	1.35	0.00	0.00	**0.08**	**1.35**	0.00	0.00
354-300	0.00	0.00	1.89	0.94	**1.89**	**0.94**	0.23	0.88
outpit	0.00	0.00	0.00	0.00	**0.00**	**0.00**	3.87	1.08
Subtotal	**0.08**	**1.35**	**1.89**	**0.94**	**1.97**	**0.96**	**4.10**	**1.07**

Table 4-18 Resource of Chandmari Mine

Copper Resource Summary For Chandmari Intervening block as on 01.04.2010								
Level	MEASURED		INDICATED		MEASURED + INDICATED		INFERRED	
	Tn (Mn tonne)	Gr (%Cu)	Tn (Mn tonne)	Gr (%Cu)	Tn (Mn tonne)	Gr (%Cu)	Tn (Mn tonne)	Gr (%Cu)
448-400	0.00	0.00	0.10	0.94	**0.10**	**0.94**	0.00	0.00
266-180	0.00	0.00	0.36	1.98	**0.36**	**1.98**	0.00	0.00
204--48	0.00	0.00	2.25	0.96	**2.25**	**0.96**	3.96	0.95
436-120	0.00	0.00	1.62	1.06	**1.62**	**1.06**	3.57	1.05
Misc	0.00	0.00	0.00	0.00	**0.00**	**0.00**	0.24	0.90
Subtotal	**0.00**	**0.00**	**4.33**	**1.08**	**4.33**	**1.08**	**7.78**	**0.99**

Table 4-19 Resource of Chandmari Intervening block area

4.4.3 Malanjkhand Mine

Copper Resource Summary For Malanjkhand .45% cutoff as on 01.04.2010								
Details	**MEASURED**		**INDICATED**		**MEASURED + INDICATED**		**INFERRED**	
	Tn (Mn tonne)	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**
inpit	15.37	1.10	0.78	1.06	**16.15**	**1.10**	0.00	0.00
outpit	23.84	1.26	14.43	1.26	**38.27**	**1.26**	4.19	1.36
UG	62.87	1.38	58.13	1.35	**121.01**	**1.37**	37.82	1.28
Subtotal	**102.09**	**1.31**	**73.34**	**1.33**	**175.43**	**1.32**	**42.01**	**1.28**

Table 4-20 Resource of Malanjkhand Mine (for 0.45% and above)

Copper Resource Summary For MalanjhKhand .2 - .45%								
Details	**MEASURED**		**INDICATED**		**MEASURED + INDICATED**		**INFERRED**	
	Tn (Mn tonne)	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**
inpit	8.85	0.31	1.27	0.31	**10.12**	**0.31**	0.04	0.30
outpit	12.38	0.29	8.57	0.30	**20.94**	**0.30**	3.44	0.30
UG	25.83	0.31	24.53	0.31	**50.36**	**0.31**	18.17	0.31
L oredump	3.00	0.31	0.00	0.00	**3.00**	**0.31**	0.00	0.00
L ore waste	8.07	0.30	0.00	0.00	**8.07**	**0.30**	0.00	0.00
Subtotal	**58.12**	**0.30**	**34.36**	**0.31**	**92.49**	**0.30**	**21.66**	**0.31**

Table 4-21 Resource of Malanjkhand Mine (for 0.2% - 0.45%)

4.5 Basis for Resource to Reserve Conversion

4.5.1 KCC Area

In KCC area Khetri, Banwas and Kolihan are working mines. The resources in the mines depending on the confidence are transferred to the reserve figure. Detailed project report for Expansion of Kolihan and Khetri prepared by HCL and financial appraisal done by ICRA Management Consulting Services Limited has been considered for converting resource to reserve.

The tonnage and grade conversion of the mines for the previous 20 years have been taken into consideration while calculating the tonnage loss and grade dilution.

4.5.2 ICC Area

The feasibility study has been done by RRA where the dilution has been taken into consideration. HCL has reopened Surda mine and it is in working condition. Further HCL have plans to reopen the other closed mines and are in the process of reopening by contract mining. Some of the closed mines are water logged. Upon discussion with HCL it has been informed that there are quite a few mines of other companies which have been closed and water logged in past and are now reopened and worked. Detailed project reports / feasibility reports prepared by HCL for Surda (both Phase I & II), Kendadih, Sideshwar & Chapri, Rakha Phase I, Rakha Phase II & Tamapahar have been considered for converting resource to reserve.

Taking all of the above into consideration some of the resource in the area are converted to reserve.

4.5.3 Malanjkhand Area

Malanjkhand is a working mine. The resources in the mine depending on the confidence are transferred to the reserve figure. Further the Detailed project report approved by HCL board for Underground working of Malanjkhand has also been considered. A financial analysis prepared by HCL shows that beneficiation of lean ore at Malanjkhand is economically viable and by increasing the concentrator plant capacity to 2.5 Mt for treating 2.2 Mt normal grade ore and 0.3 Mt of lean grade ore per annum will increase revenue generation by ₹13 crores per annum with capital investment of only ₹1.5 cr.

The tonnage and grade conversion of the mines for the previous 20 years have been taken into consideration while calculating the tonnage loss and grade dilutions.

4.6 Statement of Ore Reserves

A summary of HCL JORC code Ore Reserves is shown in Table 4-22. Tabulations of the JORC code Ore Reserves at individual mines are shown in Table 4-23 to 4-40.

Copper Reserve Summary as on 01.04.2010*

Group of Mines	Mines	Proved		Probable		Total	
		Tn (Mn tonne)	Gr (%Cu)	Tn (Mn tonne)	Gr (%Cu)	Tn (Mn tonne)	Gr (%Cu)
ICC							
	Surda Phase I	2.35	1.11	2.46	0.99	**4.81**	**1.05**
	Surda Phase II	4.31	1.37	5.53	1.20	**9.85**	**1.27**
	Kendadih	2.79	1.48	6.48	1.36	**9.27**	**1.40**
	Sideshwar	0.30	2.73	7.38	2.17	**7.68**	**2.19**
	Chapri	31.30	1.18	10.30	1.03	**41.60**	**1.15**
	Rakha Phase I	3.36	1.14	0.00	0.00	**3.36**	**1.14**
	Rakha Phase II	11.88	1.13	18.75	1.21	**30.63**	**1.18**
	Tamapahar	1.77	1.16	12.65	1.07	**14.42**	**1.08**
Subtotal		**58.07**	**1.20**	**63.55**	**1.27**	**121.61**	**1.24**
KCC							
	Banwas	6.45	1.18	13.82	1.38	**20.27**	**1.32**
	Khetri	8.05	0.91	2.46	0.92	**10.51**	**0.91**
	Kolihan	11.48	0.98	1.99	1.29	**13.47**	**1.03**
	Chandmari Intermediate	0.00	0.00	0.00	0.00	**0.00**	**0.00**
	Chandmari	0.00	0.00	0.00	0.00	**0.00**	**0.00**
Subtotal		**25.98**	**1.01**	**18.27**	**1.30**	**44.25**	**1.13**
MCP							
	Malanjh Khand .45% cutoff	63.59	1.25	101.32	1.27	**164.90**	**1.26**
	Malanjh Khand .20 -.45% cutoff	40.32	0.30	40.44	0.29	**80.76**	**0.29**
Subtotal		**103.90**	**0.88**	**141.76**	**0.99**	**245.66**	**0.95**
Grand Total		**187.95**	**1.00**	**223.58**	**1.10**	**411.53**	**1.05**

* Includes discounts for ore loss and dilution. Reserves = Resources - Ore Loss + Dilution

Table 4-22 Reserve of All the HCL mines

4.6.1 For ICC Group of Mines

Copper Reserve Summary For Tamapahar as on 01.04.2010*						
Lode	**PROVED**		**PROBABLE**		**Total**	
	Tn (Mn tonne)	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**
1F	0.08	0.92	1.88	0.95	**1.96**	**0.95**
1	0.05	1.06	3.15	1.12	**3.20**	**1.12**
2F	0.81	1.12	2.67	1.11	**3.48**	**1.11**
2	0.84	1.23	4.95	1.07	**5.79**	**1.09**
Subtotal	**1.77**	**1.16**	**12.65**	**1.07**	**14.42**	**1.08**

* Includes discounts for ore loss and dilution. Reserves = Resources - Ore Loss + Dilution

Table 4-23 Reserve of Tamaphar

Copper Reserve Summary For Rakha Phase I as on 01.04.2010*						
Level	**PROVED**		**PROBABLE**		**Total**	
	Tn (Mn tonne)	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**
3	0.37	1.14	0.00	0.00	**0.37**	**1.14**
4	0.33	1.13	0.00	0.00	**0.33**	**1.13**
5	0.30	1.18	0.00	0.00	**0.30**	**1.18**
6	0.99	1.12	0.00	0.00	**0.99**	**1.12**
7	1.38	1.15	0.00	0.00	**1.38**	**1.15**
Subtotal	**3.36**	**1.14**	**0.00**	**0.00**	**3.36**	**1.14**

* Includes discounts for ore loss and dilution. Reserves = Resources - Ore Loss + Dilution

Table 4-24 Reserve of Rakha Phase I

Copper Reserve Summary For Rakha Phase II as on 01.04.2010*						
Lode	**PROVED**		**PROBABLE**		**Total**	
	Tn (Mn tonne)	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**
2F	0.39	0.94	6.55	1.31	**6.94**	**1.29**
2	2.33	0.94	8.89	1.18	**11.22**	**1.13**
2H	0.56	0.84	0.88	0.84	**1.44**	**0.84**
4	0.49	1.16	0.45	1.06	**0.94**	**1.11**
4H	1.18	1.10	0.08	0.90	**1.25**	**1.09**
5	0.39	1.40	1.62	1.21	**2.01**	**1.25**
6	6.54	1.23	0.28	1.00	**6.82**	**1.22**
Subtotal	**11.88**	**1.13**	**18.75**	**1.21**	**30.63**	**1.18**

* Includes discounts for ore loss and dilution. Reserves = Resources - Ore Loss + Dilution

Table 4-25 Reserve of Rakha Phase II

Copper Reserve Summary For Chapri as on 01.04.2010*						
Lode	**PROVED**		**PROBABLE**		**Total**	
	Tn (Mn tonne)	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**
5: South	0.00	0.00	0.16	1.37	**0.16**	**1.37**
5: Central	4.25	1.16	2.28	1.07	**6.53**	**1.13**
5: North	0.36	1.15	0.07	0.85	**0.43**	**1.11**
6	21.82	1.22	1.51	1.12	**23.33**	**1.21**
7	3.06	0.91	2.67	0.97	**5.74**	**0.94**
8	1.81	1.28	3.61	1.01	**5.42**	**1.10**
Subtotal	**31.30**	**1.18**	**10.30**	**1.03**	**41.60**	**1.15**

* Includes discounts for ore loss and dilution. Reserves = Resources - Ore Loss + Dilution

Table 4-26 Reserve of Chapri

Copper Reserve Summary For Sideshwar as on 01.04.2010*						
Lode	**PROVED**		**PROBABLE**		**Total**	
	Tn (Mn tonne)	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**
5	0.00	0.00	1.74	1.55	**1.74**	**1.55**
6	0.27	2.63	1.38	1.88	**1.65**	**2.00**
9	0.03	3.84	4.26	2.52	**4.29**	**2.53**
Subtotal	**0.30**	**2.73**	**7.38**	**2.17**	**7.68**	**2.19**

* Includes discounts for ore loss and dilution. Reserves = Resources - Ore Loss + Dilution

Table 4-27 Reserve of Sideshwar

Copper Reserve Summary For Kendadih Mine Area as on 01.04.2010*						
Level	**PROVED**		**PROBABLE**		**Total**	
	Tn (Mn tonne)	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**
2L	0.04	1.49	0.04	1.36	**0.07**	**1.42**
3L	0.07	1.50	0.06	1.45	**0.13**	**1.47**
4L	0.09	1.40	0.10	1.46	**0.18**	**1.43**
Subtotal	**0.19**	**1.45**	**0.20**	**1.44**	**0.39**	**1.44**

* Includes discounts for ore loss and dilution. Reserves = Resources - Ore Loss + Dilution

Table 4-28 Reserve of Kendadih Mine area

Copper Reserve Summary For Kendadih other area as on 01.04.2010*						
Lode	**PROVED**		**PROBABLE**		**Total**	
	Tn (Mn tonne)	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**
Z	0.00	0.00	0.09	0.76	**0.09**	**0.76**
1	0.62	1.65	1.62	1.44	**2.24**	**1.50**
1H	0.48	1.04	0.73	0.97	**1.21**	**1.00**
2F	0.55	1.05	1.88	0.97	**2.43**	**0.99**
2	0.51	2.48	1.06	2.46	**1.57**	**2.47**
2H	0.06	0.64	0.12	0.65	**0.17**	**0.65**
3	0.38	1.20	0.77	1.16	**1.16**	**1.18**
Subtotal	**2.60**	**1.49**	**6.28**	**1.36**	**8.88**	**1.40**

* Includes discounts for ore loss and dilution. Reserves = Resources - Ore Loss + Dilution

Table 4-29 Reserve of Kendadih Drill Area

Copper Reserve Summary For Surda Phase I as on 01.04.2010*							
Level	**PROVED**		**PROBABLE**		**Total**		
	Tn (Mn tonne)	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**	
4L	0.16	1.01	0.03	1.01	**0.19**	**1.01**	
5L	0.09	0.99	0.09	1.04	**0.18**	**1.02**	
6L	0.38	0.94	0.11	0.93	**0.49**	**0.94**	
7L	0.33	2.04	0.21	1.06	**0.54**	**1.66**	
8L	0.64	0.93	0.18	1.05	**0.82**	**0.95**	
9L	0.24	0.99	0.30	0.94	**0.53**	**0.96**	
10L	0.49	0.95	0.31	0.94	**0.80**	**0.95**	
11L	0.01	1.52	0.97	0.87	**0.98**	**0.88**	The resource is now excavated under Surda Phase II
12L	0.00	0.00	0.06	1.52	**0.06**	**1.52**	
13L	0.01	1.48	0.05	1.48	**0.05**	**1.48**	
14L	0.00	0.00	0.05	1.47	**0.05**	**1.47**	
15L	0.00	0.00	0.05	1.47	**0.05**	**1.47**	
16L	0.00	0.00	0.05	1.47	**0.05**	**1.47**	
Subtotal	**2.35**	**1.11**	**2.46**	**0.99**	**4.81**	**1.05**	

* Includes discounts for ore loss and dilution. Reserves = Resources - Ore Loss + Dilution

Table 4-30 Reserve of Surda Phase I

Copper Reserve Summary For Surda Phase II Drill data as on 01.04.2010*						
Level	**PROVED**		**PROBABLE**		**Total**	
	Tn (Mn tonne)	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**
3	0.00	0.00	0.00	0.00	**0.00**	**0.00**
4	0.53	1.59	0.29	1.59	**0.81**	**1.59**
5	0.59	1.52	0.20	1.57	**0.79**	**1.53**
6	0.67	1.42	0.33	1.50	**1.00**	**1.45**
7	0.41	1.39	0.44	1.39	**0.86**	**1.39**
8	0.22	1.30	0.27	1.40	**0.49**	**1.36**
9	0.19	1.31	0.11	1.30	**0.30**	**1.31**
10	0.09	1.21	0.19	1.33	**0.28**	**1.30**
11	0.00	0.00	0.10	1.20	**0.10**	**1.20**
12	0.00	0.00	0.00	0.00	**0.00**	**0.00**
Subtotal	**2.70**	**1.45**	**1.93**	**1.44**	**4.63**	**1.44**

* Includes discounts for ore loss and dilution. Reserves = Resources - Ore Loss + Dilution

Table 4-31 Reserve of Surda Phase II Zone drilled by HCL

Copper Reserve Summary For Surda Phase II done by RRA as on 01.04.2010*						
Lode	**PROVED**		**PROBABLE**		**Total**	
	Tn (Mn tonne)	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**
1H	1.61	1.25	0.76	1.14	**2.37**	**1.21**
1	0.00	0.00	0.46	1.16	**0.46**	**1.16**
1F	0.00	0.00	0.84	0.93	**0.84**	**0.93**
A	0.00	0.00	0.38	0.84	**0.38**	**0.84**
B	0.00	0.00	0.26	0.98	**0.26**	**0.98**
B2	0.00	0.00	0.37	1.23	**0.37**	**1.23**
C	0.00	0.00	0.54	1.19	**0.54**	**1.19**
Subtotal	**1.61**	**1.25**	**3.61**	**1.07**	**5.22**	**1.12**

* Includes discounts for ore loss and dilution. Reserves = Resources - Ore Loss + Dilution

Table 4-32 Reserve of Surda Phase II other area

4.6.2 KCC Group of Mines

Copper Reserve Summary For Banwas stopes as on 01.04.2010*						
Level	**PROVED**		**PROBABLE**		**Total**	
	Tn (Mn tonne)	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**
180	0.60	0.75	0.00	0.00	**0.60**	**0.75**
120	0.95	1.34	0.00	0.00	**0.95**	**1.34**
Subtotal	**1.56**	**1.11**	**0.00**	**0.00**	**1.56**	**1.11**

* Includes discounts for ore loss and dilution. Reserves = Resources - Ore Loss + Dilution

Table 4-33 Reserve of Banwas Mines area under stoping

Copper Reserve Summary For Banwas Drilled area as on 01.04.2010*						
Lode	**PROVED**		**PROBABLE**		**Total**	
	Tn (Mn tonne)	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**
240	0.89	0.73	0.44	0.82	**1.33**	**0.76**
180	0.61	0.80	2.02	0.88	**2.63**	**0.86**
120	1.00	0.95	3.83	1.00	**4.82**	**0.99**
60	1.43	1.44	3.37	1.48	**4.80**	**1.47**
0	0.96	1.83	3.66	1.88	**4.62**	**1.87**
-60	0.00	0.00	0.50	2.41	**0.50**	**2.41**
-120	0.00	0.00	0.00	0.00	**0.00**	**0.00**
-180	0.00	0.00	0.00	0.00	**0.00**	**0.00**
Subtotal	**4.89**	**1.21**	**13.82**	**1.38**	**18.71**	**1.33**

* Includes discounts for ore loss and dilution. Reserves = Resources - Ore Loss + Dilution

Table 4-34 Reserve of Banwas Mines drilled area

Copper Reserve Summary For Khetri stopes as on 01.04.2010*						
Level	**PROVED**		**PROBABLE**		**Total**	
	Tn (Mn tonne)	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**
120	1.36	0.92	0.00	0.00	**1.36**	**0.92**
180	0.43	0.81	0.00	0.00	**0.43**	**0.81**
60	2.59	0.97	0.00	0.00	**2.59**	**0.97**
Subtotal	**4.38**	**0.94**	**0.00**	**0.00**	**4.38**	**0.94**

* Includes discounts for ore loss and dilution. Reserves = Resources - Ore Loss + Dilution

Table 4-35 Reserve of Khetri Mines area under stoping

Copper Reserve Summary For Khetri Drilled area as on 01.04.2010*						
Lode	**PROVED**		**PROBABLE**		**Total**	
	Tn (Mn tonne)	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**
120	0.68	0.97	0.00	0.00	**0.68**	**0.97**
60	2.99	0.86	0.00	0.00	**2.99**	**0.86**
0	0.00	0.00	0.69	0.90	**0.69**	**0.90**
-60	0.00	0.00	0.62	0.88	**0.62**	**0.88**
-120	0.00	0.00	0.25	0.89	**0.25**	**0.89**
-180	0.00	0.00	0.29	0.92	**0.29**	**0.92**
-240	0.00	0.00	0.30	0.94	**0.30**	**0.94**
-300	0.00	0.00	0.30	1.02	**0.30**	**1.02**
Subtotal	**3.67**	**0.88**	**2.46**	**0.92**	**6.13**	**0.89**

* Includes discounts for ore loss and dilution. Reserves = Resources - Ore Loss + Dilution

Table 4-36 Reserve of Khetri Mines drilled area

Copper Reserve Summary For Kolihan stopes as on 01.04.2010*						
Level	**PROVED**		**PROBABLE**		**Total**	
	Tn (Mn tonne)	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**
306	0.04	0.71	0.00	0.00	**0.04**	**0.71**
246	1.41	0.76	0.00	0.00	**1.41**	**0.76**
184	2.04	1.00	0.00	0.00	**2.04**	**1.00**
124	2.43	0.95	0.00	0.00	**2.43**	**0.95**
64	0.33	1.16	0.00	0.00	**0.33**	**1.16**
Subtotal	**6.25**	**0.93**	**0.00**	**0.00**	**6.25**	**0.93**

* Includes discounts for ore loss and dilution. Reserves = Resources - Ore Loss + Dilution

Table 4-37 Reserve of Kolihan Mines area under stoping

Copper Reserve Summary For Kolihan Drilled area as on 01.04.2010*						
Lode	**PROVED**		**PROBABLE**		**Total**	
	Tn (Mn tonne)	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**
246	0.32	0.79	0.00	0.00	**0.32**	**0.79**
184	1.42	0.86	0.00	0.00	**1.42**	**0.86**
124	1.70	1.17	0.49	1.15	**2.19**	**1.17**
64	1.79	1.09	0.54	1.55	**2.33**	**1.20**
0	0.00	0.00	0.97	1.21	**0.97**	**1.21**
-60	0.00	0.00	0.00	0.00	**0.00**	**0.00**
Subtotal	**5.23**	**1.04**	**1.99**	**1.29**	**7.22**	**1.11**

* Includes discounts for ore loss and dilution. Reserves = Resources - Ore Loss + Dilution

Table 4-38 Reserve of Kolihan Mines drilled area

4.6.3 Malanjkhand Mine

Copper Reserve Summary For Malanjkhand .45% cutoff as on 01.04.2010*						
Detail	**PROVED**		**PROBABLE**		**Total**	
	Tn (Mn tonne)	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**
inpit	14.45	1.05	0.73	1.02	**15.18**	**1.05**
outpit	0.00	0.00	35.98	1.21	**35.98**	**1.21**
UG	49.13	1.31	64.61	1.31	**113.75**	**1.31**
Subtotal	**63.59**	**1.25**	**101.32**	**1.27**	**164.90**	**1.26**

* Includes discounts for ore loss and dilution. Reserves = Resources - Ore Loss + Dilution

Table 4-39 Reserve of Malanjkhand Mine (for 0.45% and above)

Copper Reserve Summary For MalanjhKhand .2 - .45%						
Lode	**PROVED**		**PROBABLE**		**Total**	
	Tn (Mn tonne)	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**
inpit	8.32	0.30	1.19	0.29	**9.51**	**0.30**
outpit	0.00	0.00	19.68	0.28	**19.68**	**0.28**
UG	20.93	0.30	19.56	0.30	**40.50**	**0.30**
L oredump	3.00	0.31	0.00	0.00	**3.00**	**0.31**
L ore waste	8.07	0.30	0.00	0.00	**8.07**	**0.30**
Subtotal	**40.32**	**0.30**	**40.44**	**0.29**	**80.76**	**0.29**

* Includes discounts for ore loss and dilution. Reserves = Resources - Ore Loss + Dilution

Table 4-40 Reserve of Malanjkhand Mine (for 0.2% - 0.45%)

5 DESCRIPTION OF OPERATIONS

5.1 KCC Area

The Khetri Copper complex consists of two underground mines; Khetri and Kolihan. The mines are situated in Rajasthan in North West India. The Khetri mine has on-site concentrator and smelter. Ore from Kolihan mine is transported 10 km by aerial ropeway to Khetri for processing. The Khetri and Kolihan mines were opened in 1971 and 1974 respectively. The Banwas lease area is now being attacked from Khetri

5.1.1 Description of Khetri – Banwas Mine

The Khetri mine is a conventional, tracked operation using locos and rocker shovels to produce ore from large stopes mined by sublevel open stoping. Khetri differs from Kolihan in that the orebody is divided into smaller lenses which require additional sublevels to extract orebody effectively. The Khetri orebody is not considered narrow by international standards but they are discrete lenses compared to the "massive" Kolihan orebody which carries payable grades over a continuous 600 m of strike length. The dip of Khetri orebody averages around 65^{o}.

The Khetri Mine has been operating for some 38 years. Current production is 0.64 Mtpa which is processed in the Khetri concentrator, which also receives ore from the satellite mine at Kolihan. The Khetri complex processes ore in the onsite concentrator, smelter and refinery to produce copper metal.

Recently, neighbouring Banwas Block is being developed on several levels and some mining is being undertaken. The resources/reserves at Banwas reported by HCL have an indication that at Banwas is of higher average grade than Khetri.

5.1.1.1 Conceptual Mining Plan for Khetri

The present production target is to produce 1800 tonnes of ore per day, which will be gradually increased upto 2850 by 2012-13. To achieve the production, mine development, underground definition diamond drilling is to be done in advance. In general, it takes 5 to 7 years to bring an area on a level into production.

5.1.1.2 Ventilation systems

Service shaft works as main intake while production shaft and North ventilation shaft as main returns. A 175 KW Sirocco axial flow fan of 9400 cum/min is installed at the production shaft. A 125 KW Sirocco axial flow fan of 6081 cum/min is also installed at the north ventilation shaft.

5.1.1.3 Mine Drainage

Water required for mining operations like drilling, dust suppression, drinking and equipment cleaning is supplied to the mine through 4" dia. water line. From this main water line at different levels it is supplied through pipeline of 2" diameter. Used water is channeled to the main sump. In addition to the water supplied from the surface for mine operation, there is also inflow in the mine through bore holes and fissure zones. Entire water is collected into the sumps. There are two sumps in the mine, one at 0 ML of 3875 M3 capacity and another at 180 ML of 4300 M3 capacity.

5.1.1.4 Ore Hoisting

With the present infra-structure of the mine, ore blocks upto 60 m level in depth and in horizontal extension the ore blocks bounded by the property i.e. lying within the lease area can be mined.

From existing production shaft regular ore hoisting can be done upto 120 ML. For hoisting below 120 ML i.e. 60 ML and 0 ML a secondary ore pass system is proposed from 180 ML to 0 ML. The system comprises development of ore pass between 180 ML to 0 ML. A feeder will be installed at 0 ML. The ore will be transported to existing ROM bin using dumpers.

For mining ore below 0 ML, it is proposed to deepen the existing shaft to a further depth of 300 m enabling mining of ore up to(–) 300 ML. This will be the second phase of the mine. This proposal is in conceptual stage.

5.1.1.5 Waste Generation

Out of the total waste rock generation, 50 % waste rock, is being dumped into underground open stopes and remaining is being hoisted through shaft to ultimately dump into the dumping yard, situated nearby, over 14.69 hectare rocky barren land.

The hoisted rocks are first carried to hopper through GBs. The waste collected in hopper is filled in dumpers, which carries the material to a suitable place in waste yard to arrange systematically.

5.1.1.6 Disposal of Tailing

Tailings from the ore beneficiation plant and the slag treatment plant are pumped to tailing dam after thickening to about 50 percent solids. It is transported through pipes laid out upto tailing pond. Some quantity of water is recovered from tailing pond for reuse in the plant and some quantity of water evaporates.

5.1.2 Description of Kolihan Mine

The Kolihan mine currently produces 0.64 Mtpa which is transported 10 km to the nearby Khetri concentrator, smelter and refinery to produce copper metal.

The Kolihan mine is a mechanised operation that uses predominantly trackless equipment to produce ore from large stopes mined by sublevel open stoping. The orebody dips at around 85 ^{o}.

5.1.2.1 Conceptual Mining Plan for Kolihan

Kolihan mine is producing u/g mine .It has a well established Production- cum Service Shaft. The shaft has been divided into two segments, one segment serves for the ore hoisting system, the other for men and material hoisting.

5.1.2.2 Ventilation systems

The mine is ventilated by two nos. double stage axial flow fans; one of these fans has been installed at 460 ml on surface where as the other at the mouth of the decline. A quantity of 20,000 M^3 of air is exhausted per minute from the mine by these fans. In spite of these two main fans auxiliary booster fans have been installed at “0” ml, 124 ml and 246 ml for better coursing of air at the working places, The intake air is coursing through 424 ml, there after the production shaft up to the bottom most part of the mine where as the decline and the ventilation adit are main return air ways. The loading and transportation of the broken ore inside the mine is carried out by the diesel equipments. The fumes generated by the diesel equipments and blasting are diluted towards the safe limit by maintaining the air velocity more than 30 meters per minute.

New ventilation systems for stoping on lower levels have been planned. In this system the decline and the production shaft both will work as intake air ways and a combination of adit at 460 ml and a ventilation raise at southern end of the mine will work as only return of the mine. 280 KW, two stage axial flow exhaust fan has been installed at the 460 ml adit mouth to handle the mine air.

5.1.2.3 Mine Drainage

Though in Kolihan Mining Lease, there is no surface and ground water body. The fresh water is sent at different levels / faces of the mine for drilling purposes and used water gets accumulated in the underground water tanks at different levels. This used accumulated water is pumped out to the surface and half of it is again sent back to mine for drilling. The re-circulation of water is the continuous process. The water discharged from the mine is non –toxic and the analysis shows that it confirms with the parameters fixed by the pollution control board. The discharge water is regularly monitored.

5.1.2.4 Ore Hoisting

The ore is hoisted by a pair of 6 ton capacity skips in balance which is operated by an 800 HP Koepe Winder. The skip loading / unloading system is fully automatic and is interlocked with each other. It is controlled by the PLC (Programmable Logic Controller) installed at -21 ml. The transfer cars and measuring hoppers are rubber lined for increasing the life of the equipment and reducing the noise level.

The ore from 424 ml is loaded into a train of Granby Cars (10 tonnes) by means of pneumatically operated chutes and hauled to the surface by a 16 tonnes trolley wire Goodman Locomotive and dumped in the 300 tonnes RCC bin at the surface.

Ore from the surface RCC bin is conveyed to the surface stockpile (31000 m3 capacity) via conveyor belt rising at gradient of 1 in 4. Through another belt conveyor the ore is fed to the aerial ropeway system for onward dispatch to the mill for processing.

5.1.2.5 Waste Generation

The area proposed for waste dumping is near the Central Office. The capacity of the proposed waste dumping site can accommodate another around 155000 tonnes of waste. The waste generation up to "0" ml can easily be accommodated in the proposed site, after which secondary development will commence and there will be no further waste generation from the mine.

The proposed waste dumping area is located on the slope of the hill in non-agricultural land. There is no threat to any nearby green field or forest. The waste dumps will be stabilized by the proposed plantation around the dumps @ 150 trees every year for the next 05 years.

5.2 ICC Deposits Area

In ICC the following stoping methods are being used and envisaged to be used in the mines that will be reopened.

5.2.1 Stoping Methods

Three principal stoping methods are employed, depending primarily on the width and strike length of the orebody. The methods are Room and pillar, Horizontal cut and fill and Post pillar.

5.2.1.1 Room and pillar

This method is used where the orebody width is between 1.5 to 4.0m. A pilot raise is put along the H/W contact from one level to next level. A wooden chute is installed at the lower level, together with a 2 drum electric scraper winch. Leaving a pillar of 5m above the lower level and a crown pillar of 5m. below the upper level, the side walls are progressively stripped, using air leg mounted jack hammers. After blasting, the roof is secured and bolted using 1.5m long and x 20mm diameter torsteel cement grouted bolts on a 1.2m x 1.2m grid pattern, and the broken ore is scraped down the chute. The room is generally made 10-15m wide leaving a 3-4m wide rib pillar, thus ore extraction is about 65%. Floor stripping is undertaken where width of ore body exceeds 2.5m.

5.2.1.2 Horizontal Cut and Fill

Where width of orebody is 4-6m with a strong back, horizontal cut and fills method is used. Stope is started with pilot raises at two ends and an initial stope drive above a sill pillar of 8m.

Drilling of back within the stope is carried out using airleg mounted jackhammers or stope wagons. Mechanised loading and transport to orepasses is undertaken using 0.76cu.m LHDs. Stope back is roof bolted at 1.5m x 1.5m centers. Deslimed mill tailings are used as back fill providing horizontal platform for men and machine. Two panels are generally prepared one for production and other being available for filling and consolidation. Back stripping is carried out in panels with 2.5m vertical cut at a time.

Stope orepasses and access ladderways are built through the fill zone out of 10mm thick curved steel plates welded together to make continuous inclined cylinders of 1.6m diameter

5.2.1.3 Post Pillar Stoping

The method is an extension of horizontal cut and fill and used in cases where width of the orebody is more than 6m. In this method 4m square pillars are left in the ore at regular intervals (13m along strike and 9m across). The pillars give additional strength to prevent closure after stoping, while the fill material surrounding pillars provides them with lateral support and prevents failures.

5.3 Malanjkhand Area

5.3.1 Mining

HCL is operating an opencast mine of 2Mt per annum production capacity in Malanjkhand since 1982. Opencast mine was initially planned to a depth of 412 m RL which is finally extended to a depth of 340 m RL. As per the Re-designed Open Pit Plan, it is proposed to deepen the pit up to 340m RL at the Central Sector, up to 352m RL at the North sector & up to 400m RL in the South Sector. The present lowest level is 412m RL. Detailed exploration has been carried out by Geological Survey of India, Hindustan Copper Limited and Bishimetal Exploration Co. Ltd., Japan.

It is proposed to engage an Outside Agency for Excavation Work of 32 Million M3 for the next 5 years period and balance quantity of 15 Million M3 is planned for next 5 years through departmentally and hired resources and the existing excavation contract, which was available till December 2009.

It is proposed that below the opencast UG mine will be developed.

For Underground operations HCL prepared departmental DPR considering the orebody geometry, geotechnical parameters and production capacity. A crown pillar of 30m height is proposed as the boundary pillar in between the ultimate pit floor of opencast mine and underground operations. The underground mine is designed for a total production of 5Mtpa.

5.3.2 Method of Mining

Opencast mining with conventional method has been adopted. Presently it extends approximately over a strike length of 2200 meters and is around 600 meters wide. The open pit has been designed to cover a strike length of 2200 meters and will reach from ground level to a depth of 300mts. Conventional drilling-blasting and shovel-dumper combination is proposed for both removal of waste and extraction of Copper ore. The mining operations are fully mechanized.

For UG the main proposed mining method is Slot and Mass blast system with hangingwall caving in DPR. Drilled and blasted ore will be handled by LHD and hoisted on the pit-top by skips. The mine is divided in two parts *viz.* north mine and south mine, separated by a 200 m wide regional pillar formed by the aplite and a major dolerite dyke.. Each mine will be designed for a production of 3.125 Mtpa and will effective produce 2.5 Mtpa. The ore body in both north & south mine will be developed in two vertical lifts; the upper lift extending from the bottom of the open pit at 340 m RL to 130 m RL and the lower lift from 130 m RL down to -60 m RL.

5.3.3 Final Pit Outline

- Total Balance Excavation (as on 01/04/2009) shall be approx. 264.00 Lakh M3.
- Total Balance Ore (as on 01/04/2009) shall be approx. 180.00 Lakh Tonnes x 1.10 % Cu Ore.
- Overall Stripping Ratio shall be 1: 2.95
- Bench slope shall be 71^0
- Berm width shall be 6m in hard rock and 10 m in weathered rock.

- Overall Pit Slope Angle shall be 47^0.
- Life of the re-designed Open Pit producing Ore @ 20 Lakh Tonnes per annum shall be 9 years (as on 01.04.2009).
- The life of the Open Pit Mine shall get extended from 5/ 6 years (prior to re-designing) to 9 years (as on 01.04.2009).

5.3.4 Production Phasing

Present excavation of copper ore of 2Mtpa will be phased out in a time span of around 9 years as per the mining scheme and successively underground development work will be started and will start producing targeted production of 5Mtpa in a span of 9 years. Extended pit boundaries will be achieved using the existing machineries.

The UG is designed for operations up to -300m RL depth. The exploration data are available for a depth of -8m RL. Underground operation may go up to a depth of -300m RL depending upon the exploration results and economic viability of operations. The location of production shaft, service shafts and ventilation shafts are kept outside the influence zone created by hanging wall caving considering operational depth at -300m RL.

5.3.5 Mine Sequencing

It is proposed to excavate the benches from 568m RL to 376m RL for advancing pit boundaries to excavate locked deposit in the bottom most area and to gain the ultimate pit floor at 340m RL in the re-designed mine. Both waste and ore will be excavated sequentially from different benches.

The UG production is proposed to start in 9 years time period. The construction period is estimated of 6 years. Initial production at the rate of 2 Mt will commence from seventh year and the rated production will reach in the 9th year. The open pit operations will taper down from 7th year and cease in the eight year.

5.3.6 Extractable Ore & Life of Mine

The balance reserves within the Re-designed Open Pit limits (as on 01.04.2009) have been estimated at 18.00 Million Tonnes. The balance life of the Open pit has been estimated as 9 years (as on 01.04.2009) producing ore @ 2.0 Million Tonnes/ Annum.

The ore body is large, with an expected underground proved and probable extraction reserve in the order of 152 Mt that could support a production capacity of 5.0 Mtpa for about 30 years.

5.3.7 Quality

The ore zones of all the available boreholes intersections have been computed at 0.20% and 0.45% Cu cut-off grades. The average grade of ore production is at an average of 1.2%.

5.3.8 Mine Operations

Existing mining operation is conventional way of extraction of ore and disposal of waste by drilling-blasting & shovel –dumper combination method. The Re-designed pit is proposed to excavate by the existing machinery and manpower. Ore and waste both are excavated with a fleet of different size of excavators and dumpers at a bench height of 12m. The overall stripping ratio is proposed as 1:2.95 with an overall pit slope angle of 47^0.

For UG operation it is considered that mine construction and operation (ore production) will be outsourced. Entire resources required to operate mine like mobile machinery, manpower, maintenance and operation of machinery, materials, spares, safety appliances, tools and tackles etc. and finance (till the generation revenue from the executed work) will be arranged by the contractor. It is considered that HCL will supply permanent installation like winders and ore handling facilities; power, water and explosive supply at surface at one point.

5.3.9 Mine Equipment

Malanjkhand is a fully mechanised opencast mine with existing fleet comprises of both electric and diesel equipments for production and development, which IMC considers appropriate and adequate for this scale of production. Following are some major production equipments:

- Excavators – Electric excavators like HEC – EQC 4.6B (4.6cum), P&H – 1900AL (9.2cum) and diesel excavators like BEML – BE1000 (4.5cum)
- Dumpers – BEML 210M, Caterpillar – HM 773B & HM 773D of 50T capacity and BEML-KOMATSU HD-785-2, BEML BH 85, BEML BH 85-1 & Caterpillar – HM 777B of 85T capacity.

For UG operations latest mining machinery like electro-hydraulic twin boom drill jumbo, high capacity loaders (Load, haul and dump machines LHD), dumpers, rock bolters, raise borers etc. are considered. For safe, efficient and ease of operation, site mixed pumpable emulsion explosive has been preferred.

5.3.10 Waste Management

Currently, separate dumps for overburden, topsoil and tailings are maintained. For re-designed pit the excessive amount of overburden will dumped in two separate lifts of 20m with a berm width of 20m and at a slope angle of 35^0 for each of the lift. Topsoil generated will be used to spread at inactive dumps for plantation purpose, while extra generated tailings and sub-grade minerals will be collected at tailing dam & sub-grade dump yards respectively.

For UG operations the waste management will be the same though some of the waste will be dumped in stopes to avoid air blasts

5.3.11 Infrastructure & Manpower

The infrastructure and Manpower will be the same for UG and opencast

5.3.11.1 On-Site Infrastructure

From the documents and the financial model provided, IMC considers that HCL have adequately planned for land acquisition for mining, mine access roads development and surface infrastructure for mining.

5.3.11.2 Crushing & Beneficiation

The existing system comprises of primary, secondary and tertiary crushing and screening operations to convert 1200mm sized ROM ore to (-) 12mm sized fines, which further grinded to a (-) 200mm mesh size for concentrator. Primary crusher is of Gyratory typed with a capacity of 872tphr. The concentrator plant operates on a cut-off grade of 1.2% and produces tailing at a 0.07% grade.

No changes in beneficiation of copper ore including arrangement for disposal of tailings is proposed in mining scheme, though provision for another 3Mtpa concentrator plant is envisaged for handling the production from underground operations.

5.3.11.3 Utilities

While mining activities are in existence from 1982 and re-designed mining scheme is of same capacity the existing utilities such as explosive storage, power sourcing like DG set for mines & concentrator, laboratories etc found sufficient for the project with an extension of 9 year life.

5.3.11.4 Manpower

Existing manpower of around 1000 personnel will continue the extension plan and successive mine closure plan. Provisions are considered in mining scheme for manpower retrenchment and compensations at mine closure.

6 PROPOSED EXPANSION PROJECTS

India consumes about half a million tonne (Mt) copper annually. The demand is projected to grow at 7% rate. India has total installed capacity of 9,99,500 tonne (t) of refined copper production per annum. HCL proposes to expand / augment its installed capacity of copper production from mine, concentrator and plants to about 13 million tonne in ore and metal in concentrate by about 1,18,000 tonnes by 2017-18. The following table represents the yearly expected copper ore production of the different mines of HCL as presented in the various Feasibility Reports, Mining Plan and other reports. The expected capacity of these mines should equal at least the production targets in the below table.

Hindustan Copper - Expansion Plan										
Mine / Year			**2010-11**	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**	**2016-17**	**2017-18**
Malanjkhand	Production	Million Tonne	2.2	2.52	2.57	5.0	5.5	5.5	5.5	5.5
	Grade	% Cu	1.1	1.1	1.1	1.15	1.15	1.2	1.2	1.2
Khetri	Production	Million Tonne	0.6	0.6	0.82	0.86	0.89	0.94	1	1
	Grade	% Cu	0.94	0.97	0.9	1.06	1.03	0.95	0.95	0.95
Kolihan	Production	Million Tonne	0.64	0.67	0.75	0.9	0.9	1.1	1.2	1.5
	Grade	% Cu	1.05	1.12	1.12	1.12	1.12	1.12	1.12	1.12
Banwas	Production	Million Tonne		0.022	0.045	0.103	0.6	0.6	0.6	0.6
	Grade	% Cu		0.8	0.8	0.96	1.24	1.1	1.1	1.1
Surda	Production	Million Tonne	0.42	0.42	0.42	0.52	0.7	0.9	0.9	1
	Grade	% Cu	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Rakha	Production	Million Tonne			0.05	0.162	0.39	1.15	1.5	1.58
	Grade	% Cu			1.03	1.03	1.03	1.05	1.05	1.05
Kendadih	Production	Million Tonne			0.08	0.13	0.18	0.21	0.21	0.21
	Grade	% Cu			1.22	1.22	1.22	1.22	1.22	1.22
Chapri-Sideshwar	Production	Million Tonne					0.03	0.7	1.5	1.5
	Grade	% Cu					1.17	1.17	1.17	1.17
Total	**Production**	**Million Tonne**	**3.86**	**4.23**	**4.74**	**7.68**	**9.19**	**11.10**	**12.41**	**12.89**
	Grade	**% Cu**	**1.05**	**1.06**	**1.05**	**1.12**	**1.12**	**1.12**	**1.12**	**1.12**

Table 6-1 Hindustan Copper - Expansion Plan

Mine	**Life in years (from start of production to end of production)**
Khetri	24 years
Kolihan	12 years
Malanjkhand	32 years
Surda	18 years
Rakha	34 years
Chapri-Sideshwar	35 years
Kendadih	46 years

Table 6-2 Life of mine as per the Expansion Plan

6.1 KCC Area

6.1.1 Khetri Mine Expansion

The expansion of the Khetri mine consists of the following features:

6.1.1.1 Service Shaft and Waste pass

This shaft and waste pass are proposed to be excavated simultaneously. Waste pass has been located around 30 metre distance from the service shaft for constructing these facilities, twin shaft technology is proposed to be adopted wherein, the smaller size Waste Shaft will be developed first through conventional shaft sinking and the bigger size Service Shaft will be developed through Drop Raising method followed by conventional stripping and lining. The conventional shaft sinking for waste pass will lead the drop raising shaft by 120 metre.

6.1.1.2 Production Shaft & Auxiliary (BGML) Shaft

The Production Shaft and BGML Shaft are also proposed to be developed through twin shaft technology similar to the process described above. Subsequently the Production Shaft will be used for regular production work while the BGML shaft will be used for ventilation and spillage cleaning shaft.

6.1.1.3 Ore Pass Crusher and Allied Excavations

The position of main ore pass is proposed to be shifted 200m from its current position away from the mineralized zone in the compact ground. The location will add to ground stability and improve productivity because of its proximity to the mineralized area. The ore pass is proposed to be constructed through conventional sinking method. A crusher chamber and all allied excavation are proposed to be done through this entry.

6.1.1.4 Tramming Layout

Five production levels viz. (-) 60, (-) 120, (-) 180, (-) 240 & (-) 300 mRL will be opened from the Service Shaft. Platt opening designs of existing 180 mRL and 0 mRL will be repeated in (-) 180 mRL and (-) 320 mRL. The existing designs of conveyor belt drive, Fine Ore Bin and Ore loading arrangements will be repeated in phase - II. The excavation level opening and concreting design will be similar to the design of the Phase - I of mine.

Keeping in view of current operation, it is considered that deepening of shafts and mine development will be outsourced. Entire resources required for the expansion project like mobile machinery, manpower, maintenance and operation of machinery, materials, spares, safety appliances, tools and tackles etc. will be arranged by the contractor.

6.1.2 Kolihan Mine Expansion

The present hoisting system of Kolihan Copper Mine has a capacity of around 0.9 million tonne per annum. But the mine had produced maximum 0.6 million tonnes for 3 years only during the period 1987-88 to 1989-90. As a first step to reach 0.9 million tonnes ore production per annum, it is essential to free the shaft from man and material lowering & hoisting, so that more time is available for ore hoisting and also waste rock hoisting. Waste rock hoisting will enable more levels to be developed for production. To further increase the production from 0.9 million tonnes to 1.5 million tonnes per annum, it is necessary that an additional ore hoisting system along with waste rock handling system be established in the mine.

6.1.2.1 Construction of a decline of 750m length

In the first stage of the Kolihan mine expansion project, a decline of 750 metre length at 1 in 7 gradients will be excavated from surface and hole through to the existing decline below 322 mRL.

6.1.2.2 Establishment of an additional ore hoisting system

In the expansion project of the Kolihan mines it is proposed that an additional ore hoisting system along with waste rock handling system will be established to raise the production capacity to 1.5 million ton per annum.

The system will include the following activities to be undertaken:

a) The existing 2nd outlet shaft between 306 mRL to 0 mRL be enlarged to 4.6 m x 2.6 m cross section with PCC lining.

b) A shaft from Adit level 425 mRL of 4.6 m x 2.6 m to be sunk and holed into the existing 2nd outlet shaft at 306 mRL.

c) A hoisting winder of capacity 220 tons per hour to be installed at the Adit level of the shaft.

d) The ore will be hoisted up to 364 mRL & dumped in to an ore bin and from there the ore will be hauled to the surface by using 50 T LPDT through 1 in 7 decline. The waste rock generated would either be hoisted up to 364 mRL by the winder & brought up to surface for dumping or the waste rock could be hoisted up to 184 mRL and dumped in the available void stopes.

e) The new shaft will be then extended up to (-) 102 mRL from 0 mRL with same cross section.

f) The proposed shaft will have two skip compartment & one service compartment for handling spillage & providing other services.

The estimated construction period is 6 years after the award of work and mobilization of resources. The capital expenditure is estimated at about Rs. 147.80 crore. The rated production will reach in the 9th year after the initiation of the expansion project.

6.1.3 Concentrator Plant Expansion

The current capacity of the KCC concentrator plant is 1.84 million tonne. However, the expansion of Khetri and Kolihan project will render the capacity insufficient to process the output from both the mines. It is therefore proposed to expand the capacity of the concentrator plant to 3 million tons per annum. The expansion of the concentrator plant will enable the increased output to be processed as per the current process. The expansion of concentrator plant will also mandate the increase in capacity of the 10 km long aerial rope way currently being used to transfer the ore from Kolihan mine to the concentrator plant. The cost of expansion will be shared on pro-rata basis by the two mines Khetri and Kolihan.

6.2 ICC Deposits Area

6.2.1 Surda Mine Expansion

Surda block is being presently worked upto 10th level by contractual mining. The block extends 4.5 km in strike between 19000N to 23500N on Phase II and existing phase – I operation is in between 20280N to 21800N. The average width of the ore body is 5.5 metre, dipping at 30^0 to 35^0.

The major activities proposed to be undertaken for opening of Surda Phase II are enumerated below:

- Sinking of Vertical shaft of 6 m diameter from surface to 18th level for a depth of 600 m. The vertical shaft is proposed to have two compartments, one for ore hoisting and another for men & material. The shaft will be located to intersect the ore body at 13th level.
- Deepening of Existing 25 S winze from 13th L to 18th level.
- Deepening of existing sub incline shaft from 13th level to 18th level.
- Inter connection cross cut between 25 S winze and sub incline shaft from 13th level to 18th level.
- Deepening of existing 1200 S winze from 12th level to 16th level.

- Level connection from 11th level to 16th level between 1200 S winze to sub incline shaft.
- Level and stope development from 16L to 9L, number of lifts will depend upon the worked out area.
- Development of haulage drive at 12th level & 16th level.
- Installation of Ore handling system, i.e. crusher, feeder, surge Bin, measuring hopper, spillage handling system etc below 16th level.

6.2.1.1 Implementation Scheme

Shaft: Conventional mechanized shaft sinking method by using sinking winder, multi boom drill jumbo, grabs or crawler mounted loader is considered for shaft sinking

Mine Development: Face drilling by Jack hammer with air leg and Drill jumbo are considered for faster development. Loading and transportation of rock is considered by 824 Loader with a combination of mine car.

Blasting: Emulsion explosive in cartridge form (25 mm Ø or 40 mm Ø) will be used depending upon the size of the drilled holes. Blasting will be done by indirect initiation Method. Milli-second delay and half second delay detonator will be used for development face blasting but the length of the lead wire will vary depending upon the drilled depth.

In case of vertical raise slurry explosive in the form of cartridge (83 mm Ø or 125 mm Ø) will be used. Milli second detonator will be used for initiation and vertical Crater Retreat method will be adopted.

6.2.1.2 Disposal of Waste

The waste rock generated disposed off during shaft sinking will be hoisted to surface. Waste rock from development headings disposed off in stoped out areas.

6.2.2 Reopening and Expansion of Kendadih Mine

6.2.2.1 Present Status

Since suspension of mining in 2000, the underground workings are water-logged, due to absence of pumping/dewatering. Therefore for revival of underground activity initially dewatering and then re - establishment of levels and shaft are to be made.

6.2.2.2 Future Proposal

Considering the ore-body geometry it is proposed to develop the ore both north & south side of the existing incline shaft and stoping priority will be initially in northern side stopes.

6.2.2.3 Development Schedule/ Sequence

The proposed major development work is as follows

- Dewatering and renovation of old workings.
- Development of stoping reserves on 3rd level, mine ventilation connection drives at the top of the individual lodes on 2, 3, 4, 5 & 6 level.
- Drive northwards on both levels with lode drives leading.
- Stope raises are mined first from 3rd level to 2nd level.

6.2.2.4 Mine Equipments

The major equipments proposed to be used in the mine are as follows:

- Rock-drills & Air-legs for conventional development and purposes

- DTH for drilling pilot holes for stopes and pilot raises
- Pneumatic hopper loader—0.3 cu. M. bucket capacity, for loading and transportation
- Battery- locomotive ; Granby car with tipping ram
- Impact hammer for ore breaking
- 22Kw Slusher winch , Tugger hoist
- Hoist- Main shaft hoist- 425 m. depth for hoisting, both ore hoisting & man winding-5.5 tonne skip & 5m./ sec. speed , hoisting capacity 85 tph.

6.2.2.5 Ventilation

Ventilation design for Kendadih is designed on

- production rate
- number & type of equipment
- depth & lateral extent of workings.

The method of ventilation will be accessional & the system will ensure 0.5 metre/second air velocity & volume of air requirement is 125 cubic metre /second.

6.2.2.6 Filling Requirement

For every 0.21 million tonnes of production, 95% is reported as tailing of which 0.14 million tonnes (or 70% of the available tailings) is needed for back-filling of Kendadih mine.

6.2.2.7 Gestation Period

About 15 months will be required for de-watering & subsequent re-establishment of existing workings and starting underground development work. A total Gestation period of around 4 years is estimated to meet the desired production target of 600 tpd.

6.2.3 Opening of Chapri – Sideshwar Mine

6.2.3.1 Development of Chapri – Sideshwar Mine

Exploitation of Chapri - Sideshwar Mine is based on synchronous schedule development of Chapri Sideshwar Blocks. The two major accesses from the surface are required:

- A vertical hoisting shaft located at 29050 N, 13400 E.
- A 1 in 8 decline with portal located at 28740 N, 13550 E.

The sequence of operation proposed in opening up the mine is as follows:

- Sink the vertical hoisting shaft from surface to 9th level and establish storage, crushing and skip loading facility below 6th level.
- Drive the decline to 6 level and connect through to the hoisting shaft. All main development in Chapri Sideshwar will be effected with latest generation trackless hydraulic drill rigs, loading and haulage equipment. The main decline will be continued down to 9th level.

Fresh air supply for decline development will be provided by regular connections through to Eastern shaft. Eastern shaft will be stripped and equipped with an up cast fan. During decline development it will be refurbished and extended downwards in a series of inclined legs to connect with cross cuts from the decline.

Mining is based on the Chapri hoisting shaft and decline being the main intake airways for the Chapri area of the mine. Return air will be channeled through ventilation raises to level 2 where it will traverse along a ventilation drive and be exhausted to atmosphere via Eastern shaft.

Skip discharge and load out facilities will be located on surface at the hoisting shaft. Other surface facilities will be located between the shaft and decline. The decline will be used for all routine access for men, materials and equipment to underground. An underground workshop will be established on 6th level close to the decline.

Development priorities will be to carry out stope development of the hanging wall lodes first, consistent with rock mechanics recommendations, and push development to Sideshwar to bring higher grade ore there into production as early as practical.

Once Phase 1 ore reserves above 6th level come into production, development can also be directed towards extending the main hoisting shaft to 13th level and decline to 14th level. The Phase 2 ore reserves between 6th and 10th level can be introduced in an orderly manner to maintain production as phase 1 reserve become depleted.

6.2.4 Reopening and Expansion of Rakha Mine including Tamapahar Mine

6.2.4.1 Rakha Existing Mine

Present Rakha mine working extends over a strike length 1,300 metre and depth upto 200 metre i.e. 7th level with vertical level interval of 35.0 metre. The mine was accessed and developed by incline & vertical shaft with winzes. Mining operation of Rakha mine was suspended in July 2001. The mine is waterlogged and water level is approximately 30 metre from surface. It requires dewatering for making entry to the mine. All the surface installations including concentrator plant have been removed and disposed off and important infrastructures like administrative building, compressor house etc exist but in dilapidated condition.

The mine will be developed in two phases – Phase I will be limited to the earlier capacity of 1000 tpd and extend from 3L to 7L. Phase II will encompass north west of Rakha 3L to 7L and 7L to 13L below both NW and existing mine.

It is considered that once the development for the phase -I has been completed and stoping is in progress, the phase-II below 7L will begin by deepening the operation and extending them to include the reserves below Phase I.

6.2.4.2 Rakha North-West (NW) Block:

In this block, there exist old workings in the vicinity of the old Main Inclined no. 6 Shaft. The old working extends 200 metre either side of the main shaft and extends from near surface to a depth which is approximately equivalent to Rakha Mine 6L. The old mine in the Rakha NW block is connected to 3rd level of the existing Rakha Mine. A proper sealing was done at 3rd level from existing Rakha Mine.

There is seepage of water in the block due to a seasonal river/rivulet flowing on surface mainly during monsoon months.

It is proposed to develop the 6L drive north from the existing Rakha mine and proceed towards the 6L of NW block in order to dewater the submerged NW old working by taking all systematic method for dewatering. It is also suggested to undertake the filling of the voids in order to mine the remaining ore reserves between 3L to 7L of NW block.

6.2.4.3 Tamapahar

Due to the position of the Tamapahar block relative to the existing location and proposed operation at Rakha, the most favorable exploitation strategy would appear to develop the mine as an extension of the Rakha mine. The Tamapahar block, strike length of approximately 3000 metre, is located around 1.8 km north of existing no. 4 shaft of Rakha mine which is a virgin block having a in situ resource of 26.46 million tonne @ average grade of 0.97 % Cu. This block will be exploited by driving in all levels from Rakha block. The broken ore & waste can be trammed in underground through the proposed new 7.1 metre diameter vertical Rakha hoisting shaft. Men & materials can enter the mine through proposed Rakha decline.

6.2.4.4 Salient construction features

Following are the salient features for construction and revamping of the mine and proposed expansion:

- Dewatering, establishment of ventilation and re-equip the mine including power, shafts, winders, winzes, compressors, workshop etc to start mining operation.
- A new vertical shaft, having a finished diameter of 7.1 metre will be sunk to a depth of 330 metre depth upto 14 Level equipped with winder for hoisting of ore & waste.
- Shaft conveyances will be a 13 tonne skip & 11 tonne skip-over-cage hoisting in balance. A double drum ground mounted winder has been selected. The winder should be fully automatic for rock hoisting with an RMS power rating of 1500 KW, maximum speed of hoisting @ 10 metre/second.
- A decline in 1 in 7 of 5.5m X 4.5m from surface to 14 Level for taking fresh air and movement of trackless equipment.

6.2.4.5 Gestation Period

About 18 months will be required for de-watering & subsequent re-establishment of existing workings and starting underground development work.

6.3 Malanjkhand Area

A feasibility study was conducted regarding the treatment of lean grade ore through existing treatment plant and the result thus analyzed found to be viable under certain economic condition.

6.3.1 Treatment of lean grade ore

Breakeven grade (BEG) calculated at Malanjkhand Copper Project (MCP) is 0.55% Cu.

In case recovery at concentrator falls to 85% due to addition of low grade ore with the mine ore then BEG will be 0.60% Cu. This BEG can safely be taken for mining of MCP under the prevailing operating costs of mining, milling, and realization. Recovery of 85% at concentrator is very conservative.

The economics of lean grade ore mixing with normal mine ore has been calculated on the following variables:

i. Feed Composition: Three types of feed composition with the lean grade along with the normal mine production are as follows:
   - Existing utilization of milling capacity (2.2 Mt per annum, entire ore from pit)
   - Optimum utilization of milling capacity (2.3 million t per annum, 1.955 Mt from pit and 0.345 from lean grade) (lean ore 10% of the mine ore)
   - Increased capacity (2.5 million t per annum, 2.2 Mt from pit and 0.3 Mt lean grade ore) of the plant (lean ore 12% of the mine ore)

ii. Mining of lean grade ore will not incur any additional expenditure as it has to be removed from the pit as overburden and a part of it has already been removed. Overburden removal is considered into cost of mining.

iii. The milling plant will require additional expenditure of ₹ 1.5 crores to increase the throughput from current optimum 2.3 million tonne per annum to 2.5 million tonne per annum.

iv. Milling of additional 0.3 milling tonne will be at incremental cost basis as the fixed cost will remain unaltered. Depreciation of ₹ 1.5 crore will be charged to lean grade ore only over a period of six years on straight line basis that is ₹ 1.5 cr divided by 1.8 million tonne ore. This works out to be ₹ 8.33 per tonne of ore.

v. The incremental cost of milling variable cost plus depreciation of additional investment will be ₹ 340 per t of ore.

6.3.1.1 Salient feature

- Treatment of lean grade of ore of 0.3% Cu (mean grade) is economically viable in the existing concentrator plant. There is hardly any impact on economics if the lean grade varies from 0.27 to 0.30% as the overall grade remains almost the same
- It is recommended to blend 10% lean ore with the normal ore and utilize plant optimally to the capacity of 2.3 Mt per annum.
- Increase the plant capacity to 2.5 Mt and treat 2.2 Mt normal grade ore and 0.3 Mt lean grade ore per annum. This will increase revenue generation by ₹ 13 crores per annum with capital investment of only ₹ 1.5 cr.

6.4 Capital cost incurred for the expansion

The capital expenditure estimated is around ₹~3,700 crores for the different mines including the concentrator plant enhancement or new construction. The mine wise distribution of CAPEX is given in Table 6-3.

Estimated CAPEX expenditure for the Expansion Plan	
Mine	**₹ (Crores)***
Malanjkhand Mine	2,020
Khetri	174
Kolihan	274
Banwas	91
Surda	215
Rakha	346
Kendadih	87
Chapri-Sideshwar	468
Total	**3,676**

*The above figures is rounded upto nearest crores

Table 6-3 Estimated CAPEX expenditure for the Expansion Plan

7 COST FIGURES

The details of the cost estimates of HCL mines are provided in Appendix B.

Yours Faithfully,

Simon Richards Pepper (BSc. Hons., MSc. CEng)

Principal Consultant (Mining Geology)

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

Synopsis of JORC Resource/Reserve vis-a-vis
HCL coded Reserve/Resource

Synopsis of JORC Resource/Reserve vis-a-vis HCL coded Reserve/Resource

MINE / AREA	COMMENTS	RL / LODE / LEVEL	JORC CLASSIFICATION				
			RESOURCE			RESERVE	
			MEASURED	INDICATED	INFERRED	PROVED	PROBABLE
MCP							
MALANJHKHAND OPENPIT							
.45 CUTOFF							
INPIT	Present Pit	**484 - 400mRL**	PV+PB+PS			PV+PB+PS	
INPIT	Future pit	**400 - 340mRL**	PV+PB	PS		PV+PB	PS
OUTPIT		**568 - 340mRL**	PV	PB	PS		PV+PB
MALANJHKHAND UG							
.45 CUTOFF							
UNDERGROUND		**340-300mRL**	PV	PB	PS	PV+PB	
UNDERGROUND		**300-0mRL**	PV	PB	PS	PV	PB
UNDERGROUND		**0 TO -60mRL**	PV	PB	PS		
MALANJHKHAND							
0.2-.45% Cu lean ore							
MALANJHKHAND		**568 TO -60mRL**	PV	PB	PS		
MALANJHKHAND DUMP							
0.2-.45% Cu lean ore							
DUMP			PV				
KCC							
KHETRI / BANWAS STOPING							
KHETRI / BANWAS STOPING		**180ML**	111			111	
KHETRI / BANWAS STOPING		**120ML**	111			111	
KHETRI STOPING		**60ML**	111			111	
BANWAS DRILL							
BANWAS DRILL		**240, 180, 120, 60,0 ML**	111 + 122	122		111 + 122	122
BANWAS DRILL		**-60ML**		222	222		
BANWAS DRILL		**-120, -180ML**			222		
KHETRI DRILL							
KHETRI DRILL		**120, 60 ML**	122			122	
KHETRI DRILL		**0ML**		122	122		122
KHETRI DRILL		**-60, -120, -180, -240, -300ML**		222	222		
KOLIHAN STOPING							
	TYPE OF BLOCKS						
STOPING	FULLY	**306 & 246ML**	111			111	
STOPING	FULLY & PARTLY A	**184ML**	111			111	
STOPING	PARTLY A	**124 & 64ML**	111			111	
KOLIHAN DRILL							

Synopsis of JORC Resource/Reserve vis-a-vis HCL coded Reserve/Resource

MINE / AREA	COMMENTS	RL / LODE / LEVEL	JORC CLASSIFICATION				
			RESOURCE			RESERVE	
			MEASURED	INDICATED	INFERRED	PROVED	PROBABLE
	TYPE OF BLOCKS						
DRILL	PARTLY B	246 & 184ML	111			111	
DRILL		124 & 64ML	111	122	122	111	122
DRILL		0		122	122		122
DRILL		-60			222		
CHANDMARI OPEN PIT							
OPEN PIT		374-354ML	111				
OPEN PIT		354-300ML		111 + 122	122		
OPEN PIT		OUTPIT			OUTPIT		
CHANDMARI INTERVENING BLOCK							
INTERVENING BLOCK		448-400ML		PB	PS		
INTERVENING BLOCK		266-180ML		PB			
INTERVENING BLOCK		204-48ML		PB	PS		
INTERVENING BLOCK		436-120ML		PB	PS		
INTERVENING BLOCK		MISC			MISC		
ICC							
TAMAPAHAR							
	METHOD OF ESTIMATION						
DRILL	2DKRG	1F	D.PRV	D.PRB	D.POS		
DRILL	ISD	1	D.PRV	D.PRB	D.POS		
DRILL	2DKRG	2F	D.PRV	D.PRB	D.POS		
DRILL	2DKRG	2	D.PRV	D.PRB	D.POS		
RAKHA PH I PRESENT MINING AREA							
RAKHA PH I		1LEVEL	PR				
RAKHA PH I		2LEVEL	PR				
RAKHA PH I		3LEVEL	PR				
RAKHA PH I		4LEVEL	PR				
RAKHA PH I		5LEVEL	PR				
RAKHA PH I		6LEVEL	PR				
RAKHA PH II							
	METHOD OF ESTIMATION						
DRILL	2DKRG	2F	D.PRV	D.PRB	D.POS		
DRILL	2DKRG	2	D.PRV	D.PRB	D.POS		
DRILL	ISD	2H	D.PRV	D.PRB	D.POS		
DRILL	ISD	4	D.PRV	D.PRB	D.POS		
DRILL	ISD	4H	D.PRV	D.PRB	D.POS		
DRILL	2DKRG	5	D.PRV	D.PRB	D.POS		
DRILL	2DKRG	6	D.PRV	D.PRB	D.POS		
CHAPRI							

Synopsis of JORC Resource/Reserve vis-a-vis HCL coded Reserve/Resource

MINE / AREA	COMMENTS	RL / LODE / LEVEL	JORC CLASSIFICATION				
			RESOURCE			RESERVE	
			MEASURED	INDICATED	INFERRED	PROVED	PROBABLE
	METHOD OF ESTIMATION						
DRILL	2DKRG	**5S, 5C, 5N,6,7,8**	D.PRV	D.PRB	D.POS		
SIDHESWAR							
	METHOD OF ESTIMATION						
DRILL	ISD	**5**	D.PRV	D.PRB	D.POS		
DRILL	2DKRG	**6 & 9**	D.PRV	D.PRB	D.POS		
KENDADIH							
	METHOD OF ESTIMATION						
MINE AREA	CLASSICAL	**LEVEL 2, 3 & 4**	PR	PB			
DRILL	ISD	**Z, 1, 1H, 2F, 2, 2H & 3**	D.PRV	D.PRB	D.POS		
SURDA							
	METHOD OF ESTIMATION						
MINE AREA	CLASSICAL	**LEVEL 4 TO 14**	PR	PB		PR	PB
DRILL	ISD	**1H, 1 & 1F**	D.PRV	D.PRB	D.POS		
DRILL	CONTINUITY FROM UGD	**A, B, B2 & C**		D.PRV+D.PRB	D.POS		

ANNEXURE B

Road Map showing estimated cost details

ROAD MAP SHOWING COST DETAILS

Capital Expenditure Phasing (₹ Crores)								
Mine	**Total**	**2010-11**	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**	**2016-17**
Malanjkhand Mine	2,020		154	511	754	366	236	
Khetri	174	3	23	34	39	51	16	8
Kolihan	274	3	13	29	80	70	59	21
Banwas	91	7	14	24	25	21		
Surda	215		67	85	27	22	15	
Rakha	346		48	22	45	102	84	46
Kendadih	87		24	15	19	19	5	5
Chapri-Sideshwar	468		1	2	88	148	125	104
Total	**3,676**	**14**	**343**	**721**	**1,076**	**800**	**539**	**184**

*The above figures is rounded upto nearest crores

ANNEXURE C

Level wise Resource/Reserve statement for Malanjkhand UG

Level wise Resource/Reserve statement for Malanjkhand UG

Copper Resource Summary For UG Malanjkhand .45% cutoff								
Level	**MEASURED**		**INDICATED**		**MEASURED + INDICATED**		**INFERRED**	
	Tn (Mn tonne)	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**
340-300	10.60	1.44	7.33	1.44	**17.93**	**1.44**	3.08	1.41
300-240	13.66	1.51	12.02	1.50	**25.68**	**1.51**	5.48	1.47
240-180	11.53	1.45	10.32	1.53	**21.85**	**1.49**	6.15	1.41
180-120	10.23	1.31	8.46	1.34	**18.68**	**1.32**	5.73	1.26
120-60	7.09	1.27	7.78	1.18	**14.88**	**1.22**	5.15	1.16
60 - 0	4.69	1.33	5.64	1.12	**10.33**	**1.22**	4.77	1.09
below 0	5.07	1.11	6.59	1.13	**11.66**	**1.12**	7.46	1.18
Subtotal	**62.87**	**1.38**	**58.13**	**1.35**	**121.01**	**1.37**	**37.82**	**1.28**

Table showing resource for proposed UG in Malanjkhand Lease Area

Level wise Resource/Reserve statement for Malanjkhand UG

Copper Reserve Summary For UG Malanjkhand .45% cutoff						
Level	**PROVED**		**PROBABLE**		**Total**	
	Tn (Mn tonne)	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**	**Tn (Mn tonne)**	**Gr (%Cu)**
340-300	0.00	0.00	16.85	1.38	**16.85**	**1.38**
300-240	12.84	1.45	11.29	1.44	**24.14**	**1.44**
240-180	10.84	1.39	9.70	1.46	**20.54**	**1.42**
180-120	9.61	1.25	7.95	1.28	**17.56**	**1.27**
120-60	6.67	1.22	7.32	1.13	**13.99**	**1.17**
60 - 0	4.41	1.27	5.30	1.07	**9.71**	**1.16**
below 0	0.00	0.00	0.00	0.00	**0.00**	**0.00**
Subtotal	**44.37**	**1.34**	**58.42**	**1.33**	**102.79**	**1.34**

Table showing reserve for proposed UG in Malanjkhand Lease Area