DRAFT RED HERRING PROSPECTUS
Dated September 19, 2014
Please read Section 32 of the Companies Act, 2013
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
Book Built Offer

RASHTRIYA ISPAT NIGAM LIMITED

Our Company was incorporated on February 18, 1982 in Visakhapatnam as a private limited company with the name of 'Rashtriya Ispat Nigam Limited', under the Companies Act, 1956 with the Registrar of Companies, Andhra Pradesh ("**RoC**"). Subsequently, pursuant to the approval of the Ministry of Steel (letter no. 5(5)/2010-VSP) dated December 21, 2011 and a resolution passed by the shareholders at the extraordinary general meeting dated April 21, 2012, our Company was converted into a public limited company and a fresh certificate of incorporation was issued by the RoC on May 10, 2012. For further details in relation to the corporate history of our Company and for details of changes in the registered office of our Company, see the section titled "***History and Certain Corporate Matters***" on page 130 of this Draft Red Herring Prospectus.

Registered and Corporate Office: Administrative Building, Visakhapatnam Steel Plant, Visakhapatnam – 530 031, Andhra Pradesh, India; **Telephone**: + 91 891 275 9482; **Facsimile**: +91 891 251 8249
Contact Person: Mr. P. Mohan Rao, Company Secretary and Compliance Officer; **Telephone**: + 91 891 251 8015; **Facsimile**: +91 891 251 8249; **Email**: csipo@vizagsteel.com; **Website**: www.vizagsteel.com
Corporate Identification Number: U27109AP1982GOI003404

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

PUBLIC OFFER OF 488,984,620 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF RASHTRIYA ISPAT NIGAM LIMITED ("RINL" OR "OUR COMPANY") THROUGH AN OFFER FOR SALE BY THE PRESIDENT OF INDIA, ACTING THROUGH THE MINISTRY OF STEEL, GOVERNMENT OF INDIA (THE "SELLING SHAREHOLDER") FOR CASH AT A PRICE OF ₹ [●]* PER EQUITY SHARE AGGREGATING UP TO ₹ [●] MILLION (THE "OFFER"). THE OFFER COMPRISES A NET OFFER TO PUBLIC OF 440,086,158 EQUITY SHARES (THE "NET OFFER") AND A RESERVATION OF 48,898,462 EQUITY SHARES FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION"). THE OFFER SHALL CONSTITUTE 10% OF THE POST OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY AND THE NET OFFER SHALL CONSTITUTE 9% OF THE POST OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE PRICE BAND, THE MINIMUM BID LOT, THE RETAIL DISCOUNT AND EMPLOYEE DISCOUNT WILL BE DECIDED BY THE SELLING SHAREHOLDER AND OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS ("BRLMS") AND ADVERTISED AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE IN All EDITIONS OF AN ENGLISH NATIONAL DAILY NEWSPAPER, A HINDI NATIONAL DAILY NEWSPAPER AND A TELUGU DAILY NEWSPAPER (WHICH ARE WIDELY CIRCULATED IN ENGLISH, HINDI AND TELUGU RESPECTIVELY, TELUGU BEING THE REGIONAL LANGUAGE OF ANDHRA PRADESH, WHERE OUR REGISTERED AND CORPORATE OFFICE IS LOCATED) AND SUCH ADVERTISEMENT SHALL BE MADE AVAILABLE TO THE BSE LIMITED AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITE*

A discount up to 5% (equivalent to ₹ [●]) on the Offer Price is being offered to Retail Individual Investors ("Retail Discount**") and to Eligible Employees Bidding in the Employee Reservation Portion (the "**Employee Discount**"). Eligible Employees and Retail Individual Investors should note that the benefit of the Retail Discount and Employee Discount can be availed at the time of submitting the Bid.*

THE FACE VALUE OF THE EQUITY SHARE IS ₹ 10 EACH

In case of any revision in the Price Band, the Offer Period shall be extended for a minimum three additional Working Days after such revision of the Price Band, subject to the Offer Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Offer Period, if applicable, shall be widely disseminated by notification to the BSE Limited (the "**BSE**") and the National Stock Exchange of India Limited (the "**NSE**"), together with the BSE, (the "**Stock Exchanges**") by issuing a press release, and also by indicating the change on the websites of the Book Running Lead Managers and at the terminals of the other members of the Syndicate and by intimation to Self Certified Syndicate Banks ("**SCSBs**") and the Registered Brokers.

This Offer being made is in terms with Rule 19(2)(c) of the Securities Contract (Regulation) Rules, 1957, as amended, (the "**SCRR**") and the offer is being made for atleast 10% of the post-offer paid-up Equity Share capital of our Company. The Offer is being made through Regulation 26(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, (the "**ICDR Regulations**"), through the Book Building Process, wherein 50% of the Net Offer will be Allotted on a proportionate basis to Qualified Institutional Buyers ("**QIBs**") ("**QIB Category**")*. Such number of Equity Shares representing 5% of the QIB Category shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Category shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Offer Price. In the event of under-subscription in the Mutual Fund Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the QIB Category and allocated proportionately to the QIBs (including Mutual Funds) subject to valid Bids being received from them at or above the Offer Price. In addition not less than 15% of the Net Offer will be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Net Offer will be available for allocation on a proportionate basis to Retail Individual Investors*, subject to valid Bids being received at or above the Offer Price. Further 48,898,462 Equity Shares shall be available for allocation on a proportionate basis to Eligible Employees (as defined hereafter), subject to valid Bids being received from them at or above the Offer Price in the Employee Reservation Portion. Any Bidder may participate in the Offer through the Application Supported by Blocked Amount ("**ASBA**") process by providing the details of the bank accounts in which the corresponding Bid Amounts will be blocked by the SCSBs. QIBs and Non-Institutional Investors are mandatorily required to utilize the ASBA process to participate in this Offer. Specific attention of investors is invited to the section titled "***Offer Procedure***" on page 407 of this Draft Red Herring Prospectus.

** In case of over-subscription in the Retail Category, the Selling Shareholder and our Company, in consultation with the BRLMs, may, at their sole discretion, decide to allocate up to 50% (but in no event less than 35%) of the Net Offer to Retail Individual Investors. In case of such increased allocation to Retail Individual Investors, the allocation in the QIB Category will be proportionately reduced.*

RISK IN RELATION TO FIRST OFFER

This being the first public offer of the Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10 each and the Floor Price is [●] times of the face value and the Cap Price is [●] times of the face value. The Offer Price (as determined by the Selling Shareholder and our Company, in consultation with Book Running Lead Managers, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process and as stated in the section titled "***Basis for Offer Price***" on page 83 of this Draft Red Herring Prospectus) should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the section titled 'Risk Factors' carefully before taking an investment decision in this Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section titled "***Risk Factors***" on page 19 of this Draft Red Herring Prospectus.

THE COMPANY'S AND THE SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

The Company having made all reasonable inquiries, accept responsibility for and confirm that this Draft Red Herring Prospectus contains all information with regard to our Company, the Selling Shareholder and this Offer, which is material in the context of this Offer, 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 makes 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.

The Selling Shareholder, having made reasonable enquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all statements in relation to itself and the Equity Shares offered by it in the Offer for Sale which are material in the context of the Offer for Sale and that all such statements are true and correct and in all material aspects, and are not misleading in any material respect.

LISTING

The Equity Shares offered through this Draft Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received in-principle approvals from the NSE and the BSE for listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively. For the purposes of this Offer, the BSE shall be the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE OFFER
UBS SECURITIES INDIA PRIVATE LIMITED 2/F, 2 North Avenue, Maker Maxity Bandra-Kurla Complex, Bandra East Mumbai – 400 051 Maharashtra, India Telephone: +91 22 6155 6000 Facsimile: +91 22 6155 6300 Email: OL-ProjectMani@ubs.com Website: www.ubs.com/indianoffers Investor Grievance Email: customercare@ubs.com Contact Person: Mr. Ankur Aggarwal SEBI registration number: INM000010809	**DEUTSCHE EQUITIES (INDIA) PRIVATE LIMITED** 14th floor, the Capital plot no. C-70 Bandra Kurla Complex Mumbai – 400 051 Maharashtra, India Telephone: +91 22 7180 4444 Facsimile: +91 22 7180 4199 Email: Rinl.ipo@db.com Website: www.db.com/India Investor Grievance Email: db.redressal@db.com Contact Person: Mr. Vivek Pabari SEBI registration number: INM000010833	**KARVY COMPUTERSHARE PRIVATE LIMITED** Plot No. 17 to 24, Vittal Rao Nagar Madhapur, Hyderabad – 500 081 Andhra Pradesh, India Telephone: +91 40 4465 5000 Facsimile: +91 40 2343 1551 Email: einward.ris@kravy.com Investor Grievance Email: rinl.ipo@karvy.com Website: www.karisma.karvy.com Contact Person: Mr. M. Murali Krishna SEBI Registration Number: INR000000221

OFFER PROGRAMME

FOR ALL BIDDERS	**OFFER OPENS ON [●]**
FOR QIBs	**OFFER CLOSES ON [●]**
FOR RETAIL AND NON-INSTITUTIONAL INVESTORS (INCLUDING ELIGIBLE EMPLOYEES BIDDING UNDER THE EMPLOYEE RESERVATION PORTION)	**OFFER CLOSES ON [●]**

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or requires, the following terms shall have the following meanings in this Draft Red Herring Prospectus. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

Unless the context otherwise indicates, all references in this Draft Red Herring Prospectus to "our Company" or to "Rashtriya Ispat Nigam" or to "Vizag Steel" or to "RINL" or to "Visakhapatnam Steel Plant" or to "VSP" are to Rashtriya Ispat Nigam Limited, a public limited company incorporated under the Companies Act, 1956 with its Registered and Corporate Office located at the Administrative Building, Visakhapatnam Steel Plant, Visakhapatnam - 530 031, Andhra Pradesh, India. All references in this Draft Red Herring Prospectus to "we" or "us" or "our" are to our Company and our Subsidiaries, on a consolidated basis.

Company Related Terms

Term	Description
AGM	Annual General Meeting
Alpha Coal	Alpha Coal Sales Co., LLC, USA
Anglo American	Anglo American Metallurgical Coal Pty. Limited
ANZ	The Australia and New Zealand Banking Group Limited
APMDC	Andhra Pradesh Mineral Development Corporation Limited
Articles/Articles of Association	The articles of association of our Company, as amended
Audit Committee	The audit committee constituted by our Board of Directors on July 26, 2006 and further reconstituted on October 15, 2010, May 16, 2012, May 5, 2014 and July 3, 2014
Bank of Tokyo	Bank of Tokyo-Mitsubishi UFJ Limited
BCPL	Bind and Company Private Limited
BCIPL	Balaji Coke Industry Private Limited
Behre Dolbear ISP Report	The executive summary of the report prepared by Behre Dolbear International Limited
BHP Billiton	BHP Billiton Marketing AG
BM Alliance	BM Alliance Coal Marketing Pty Limited
Board/ Board of Directors	The board of directors of our Company, including any duly constituted committee thereof
BPME	Bharat Process and Mechanical Engineers Limited
BSLC	The Bisra Stone Lime Company
CCL	Central Coalfields Limited
Citibank	Citi Bank, N.A.
CNMCL	China National Minerals Company Limited
DBS Bank	The Development Bank of Singapore Limited
Deutsche Bank	Deutsche Bank AG
Directors	The director(s) on the Board of Directors of our Company
EGM	Extra-Ordinary General Meeting
EIL	Eastern Investments, Limited
EIML	East India Minerals Limited
Equity Shares	The equity shares of our Company of face value of ₹ 10 each
GATI-KEE	GATI – Kentetsu Express Private Limited
GPL	Gangavaram Port Limited
HDFC	HDFC Bank Limited
HSBC	Hong Kong and Shanghai Banking Corporation Limited
HZL	Hindustan Zinc Limited
ICICI	Industrial Credit and Investment Corporation of India
ICVL	International Coal Ventures Private Limited
IDBI	The Industrial Development Bank of India
IEEL	Indian Energy Exchange Limited
IndusInd	IndusInd Bank
IPO Committee	The IPO committee constituted by our Board of Directors on July 3, 2014

Term	**Description**
Kotak Mahindra	Kotak Mahindra Bank Limited
Joint Auditors/Auditors	M/s. Rao & Kumar, Chartered Accountants and M/s. Tej Raj & Pal, Chartered Accountants
Joint Venture Companies/JVC(s)	The joint ventures of our Company as referred to in the section titled "***History and Certain Corporate Matters***" on page 130 of this Draft Red Herring Prospectus
JORC Code	The 2004 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves
JISL	JSW Ispat Steel Limited
JSPL	Jindal Steel Power Limited
JSW	Jindal South West Holdings
JSWL	JSW Steel Limited
Key Management Personnel	The personnel listed as Key Management Personnel in the section titled "***Our Management***" on page 155 of this Draft Red Herring Prospectus
KIOCL	KIOCL Limited
Logan & Kanawha	Logan & Kanawha Coal Company, LLC
MECON	MECON Limited
Memorandum of Association	The memorandum of association of our Company, as amended
MIEL	Monnet Ispat and Energy Limited
MMTC	Minerals and Metal Trading Corporation Limited
MOIL	MOIL Limited
MSTC	MSTC Limited
NMDC	NMDC Limited
NTPC Limited	National Thermal Power Company Limited
OMDC	The Orissa Minerals Development Company Limited
OSPCB	State Pollution Control Board, Odisha
OSL	Orissa Stevedors Limited
Promoter	The President of India, acting through the Ministry of Steel, Government of India
PGCIL	Power Grid Corporation of India Limited
PTC	PTC India Limited
Ras Al Khaimah	Ras Al Khaimah Rock Company, United Arab Emirates
Redeemable Preference Shares	7% non-cumulative redeemable preference shares of ₹ 10 each
Registered and Corporate Office	Administrative Building, Visakhapatnam Steel Plant, Visakhapatnam – 530 031, Andhra Pradesh, India
Nomination and Remuneration Committee and Stakeholders Relationship Committee	The remuneration committee constituted by our Board of Directors on October 15, 2010 and further reconstituted in line with Companies Act, 2013 as Nomination and Remuneration Committee and Stakeholders Relationship Committee on May 5, 2014
RBS	The Royal Bank of Scotland N.V.
RINL	Rashtriya Ispat Nigam Limited/Vizag Steel
RMFA	RINMOIL Ferro Alloys Private Limited
RoC/Registrar of Companies	Registrar of Companies, Andhra Pradesh, situated at 2nd Floor, CPWD Building, Kendriya Sadan, Sultan Bazar, Koti, Hyderabad – 500 195, Andhra Pradesh & Telangana, India
Selling Shareholder	The President of India, acting through the Ministry of Steel, Government of India
Shareholders'/Investors' Grievance Committee	The shareholders'/investors' grievance committee constituted by our Board of Directors on May 16, 2012 and further reconstituted on May 5, 2014
Subsidiaries	The direct subsidiaries of our Company i.e., EIL and URRKL and the indirect subsidiaries i.e., BSLC and OMDC
SBI	State Bank of India
SAIL	Steel Authority of India Limited
SCCVPL	Sarat Chatterjee & Co. (Visakhapatnam) Private Limited
SFA	Sharp Ferro Alloys Limited
Solid Energy	Solid Energy New Zealand Limited
TEFR	Techno-Economic Feasibility Report
THDC	Tehar Hydo Development Corporation
UCO Bank	UCO Bank, formerly United Commercial Bank
URRKL	Uttarbanga RINL Rail Karkhana Limited

Term	Description
VITPL	Valency International Trading Private Limited
VMPL	Visakha Machinery Private Limited
VPT	Vishakhapatnam Port Trust
VSL	Visa Steel Limited
VSP	Vishakapatnam Steel Plant
WAPCOS	Water and Power Consultancy Services

Offer Related Terms and Abbreviations

Term	Description
Allot/Allotment/Allotted	The allotment of Equity Shares pursuant to this Offer to successful Bidders/Applicants
Allottee	A Bidder/Applicant to whom Equity Shares are Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchange
Application Supported by Blocked Amount or ASBA	The application, (whether physical or electronic) by an ASBA Bidder to make a Bid authorizing the relevant SCSB to block the Bid Amount in the relevant ASBA Account
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/Applicant
ASBA Bidder(s)/Applicant(s)	Prospective Bidders/Applicants in the Offer who Bid/apply through the ASBA process
Banker(s) to the Offer/Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as bankers to an issue and with whom the escrow account and public issue account will be opened, in this case being [●], [●] and [●]
Basis of Allotment	The basis on which Equity Shares will be Allotted to successful bidders under the Offer and which is, described in the section titled "***Offer Procedure***" on page 407 of this Draft Red Herring Prospectus
Bid(s)	An indication to make an offer during the Offer Period by a Bidder to subscribe to purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto, to the extent permissible under the ICDR Regulation
Bid Amount	The highest value of the optional Bids indicated in the Bid-cum-Application Form and payable by the Bidder/blocked in the ASBA account on submission of the Bid in the Offer. For Retail Individual Investors and Eligible Employees Bidding in the Employee Reservation Portion, the Bid shall be net of the Retail Discount and Employee Discount, as applicable
Bid-cum-Application Form	The form in terms of which the Bidder shall make a bid and which shall be considered as the application for Allotment of Equity Shares pursuant to the terms of the Red Herring Prospectus and the Prospectus
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid-cum-Application Form
Bidding	The process of making a Bid
Bidding Centres	A centre for acceptance of the Bid-cum-Application Form
Bid Price	The prices indicated against each optional Bid in the Bid-cum-Application Form
Bid/Offer Closing Date	The date after which the Syndicate and the SCSBs will not accept any Bids, which shall be notified in an English national daily newspaper, a Hindi national daily newspaper and a Telugu daily newspaper, (i.e., all editions of [●], [●] and [●]), each with wide circulation and in case of any revision, the extended Offer Closing Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the ICDR Regulations In case of QIBs, the Bidding may close one Working Day prior to the Offer Closing Date
Bid/Offer Opening Date	The date on which the Syndicate and the SCSBs shall start accepting Bids, which shall be the date notified in a English national daily newspaper, a Hindi national daily newspaper and a Telugu daily newspaper, (i.e., all editions of [●], [●] and [●]), each with wide circulation and in case of any revision, the extended Bid/Offer Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the ICDR Regulations
Book Building Process	The book building process as described in Part A Schedule XI of the ICDR Regulations and in terms of which this Offer is being made

Term	Description
BRLMs/Book Running Lead Managers	Book Running Lead Managers to this Offer, in this case being, UBS Securities India Private Limited and Deutsche Equities (India) Private Limited
Broker Centre	Broker centres notified by the Stock Exchanges, where Bidders can submit the Bid-cum-Application Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
CAN/Confirmation of Allotment Note	The note or advice or intimation sent to each successful Bidder/Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Cap Price	The higher end of the Price Band, in this case being ₹ [●], and any revisions thereof, above which the Offer Price will not be finalized and above which no Bids will be accepted
Controlling Branch	Such branches of the SCSBs which co-ordinate Bids under this Offer by the ASBA Bidders with the Book Running Lead Managers, the Registrar to the Offer and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other website as may be prescribed by SEBI from time to time
Cut-off Price	Any price within the Price Band determined by the Selling Shareholder and our Company in consultation with the Book Running Lead Managers, at which only the Retail Individual Investors and Eligible Employees are entitled to Bid
Demographic Details	The address, bank account details, MICR Code, name of Bidder's father/husband, investor status and occupation of a Bidder
Depository	A depository registered with SEBI under the Depositories Act
Depository Participant or DP	A depository participant as defined under the Depositories Act
DP ID	Depository Participant's identification number
Designated Branches	Such branches of the SCSBs which shall collect the Bid-cum-Application Form used by ASBA Bidders and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account or the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Offer Account or the Refund Account, as appropriate, or the amount blocked by the SCSB is transferred from the bank accounts of the ASBA bidder to the public offer account after the Prospectus is filed with the RoC, following which the board of directors shall Allot Equity Shares to successful Bidders in the fresh Offer may give delivery instructions transfer of the Equity Shares constituting the Offer for Sale
Designated Stock Exchange	BSE Limited
DEIPL	Deutsche Equities (India) Private Limited
Draft Red Herring Prospectus or DRHP	This draft red herring prospectus dated September 19, 2014 issued in accordance with the Companies Act and ICDR Regulations, filed with SEBI and which does not contain complete particulars of the price at which the Equity shares would be offered
Eligible Employees	A permanent and full-time employee of our Company or a Director of our Company (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines), as on the date of filing of the Draft Red Herring Prospectus with the RoC, who are Indian nationals and are based, working and present in India as on the date of submission of the Bid-cum-Application Form and who continue to be in the employment of our Company until submission of the Bid-cum-Application Form. The Directors, Key Management Personnel and other Company employees involved in the price fixation process cannot participate in the Offer (as per Model Conduct, Discipline and Appeal Rules of CPSEs and Office memorandum of DPE dated June 16, 2009 and July 28, 2009) and will not constitute eligible employees for the purposes of this Offer An employee of our Company who is recruited against a regular vacancy but is on probation as on the date of submission of the Bid-cum-Application Form will also be deemed a 'permanent employee' of our Company The maximum Bid Amount under the Employee Reservation Portion by an Eligible

Term	Description
	Employee cannot exceed ₹ [●]
Eligible NRIs	NRIs from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Draft Red Herring Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
Eligible QFIs	Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Draft Red Herring Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares offered thereby and who have opened demat accounts with SEBI registered qualified depositary participants, and who are deemed as FPIs under the SEBI FPI Regulations
Employee Discount	A Discount upto 5% on the Offer Price shall be offered to Eligible Employees Bidding in the Employee Reservation Portion. The Employee Discount constitutes ₹ [●] which is the difference between the Offer Price and the price at which our Company and the Selling Shareholder may decide to Allot Equity Shares to Eligible Employees Bidding in the Employee Reservation Portion. The Rupee amount of the Employee Discount will be published by our Company at least five Working Days prior to the Bid/Offer Opening Date, in all editions of a widely circulated English national daily newspaper, all editions of a widely circulated Hindi national daily newspaper and a widely circulated edition of Telugu newspaper (i.e., all editions of [●], [●] and [●])
Employee Reservation Portion	The portion of the Offer being 48,898,462 Equity Shares available for allocation to Eligible Employees on a proportionate basis
Escrow Account(s)	Account opened with Escrow Collection Bank(s) for the Offer and in whose favor the Bidder (except the ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount when submitting the Bid
Escrow Agreement	An agreement to be entered among our Company, the Selling Shareholder, the Registrar to the Offer, the Escrow Collection Bank(s), the Refund Bank(s), the Book Running Lead Managers and the Syndicate Members for the collection of Bid Amounts and where applicable, remitting refunds of the amount, (excluding the ASBA Bidders) collected to the 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
Floor Price	The lower end of the Price Band below which the Offer Price shall not be finalized and below which no Bids will be accepted and which shall not be less than the face value of the Equity Shares, in this case being ₹ [●], subject to any revisions thereof
FCNR Account	Foreign Currency Non-Resident Account
FII(s)	Foreign Institutional Investors as defined under SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
FPIs	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations, provided that any QFI or FII who holds a valid certificate of registration shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
FVCI Regulations	SEBI (Foreign Venture Capital Investors) Regulations, 2000
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Listing Agreement	The listing agreement to be entered into by our Company with the Stock Exchanges
MICR	Magnetic Ink Character Recognition
Mutual Funds	Mutual funds registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Fund Portion	5% of the QIB Category, available for allocation to Mutual Funds only, being [●] Equity Shares
Net Offer	The Offer less the Employee Reservation Portion
Non-Institutional Investors	All Bidders, including sub accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals and FPIs which are Category II foreign portfolio investors, that are not QIBs or Retail Individual Investors and who have Bid for Equity Shares for cumulative amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of this Offer being not less than 15% of the Offer consisting of [●] Equity

Term	Description
	Shares, available for allocation to Non-Institutional Investors, subject to valid bids being received at or above the offer price
Non-Resident Indian/NRI	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FIIs, FPIs, QFIs and FVCIs registered with SEBI
Offer/Offer for Sale	Public offer of 488,984,620 Equity Shares through an offer for sale by the Selling Shareholder for cash at a price of ₹ [●] per Equity Share, aggregating up to ₹ [●] million, consisting of the Net Offer and the Employee Reservation Portion
Offer Agreement	The agreement dated September 18, 2014 entered into among our Company, the Selling Shareholder and the Book Running Lead Managers, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer Period	The period between the Bid/Offer Opening Date and the Offer Closing Date (inclusive of both days) and during which Bidders can submit their Bids, inclusive of any revision thereof
Offer Price	The final price (net of Retail Discount and Employee Discount as applicable) at which Allotment will be made, as determined by the Selling Shareholder and our Company in consultation with the Book Running Lead Managers
Price Band	Price band of a minimum price (Floor Price) of ₹ [●] and the maximum price (Cap Price) of ₹ [●] and include revisions thereof. The Price Band and the minimum Bid lot for the Offer will be decided by the Selling Shareholder and our Company, in consultation with the BRLMs, and advertised in all editions of one English national daily and all edition ns of one Hindi national daily, and all editions of one Telugu daily, each with wide circulation in which the pre-Offer advertisement was issued, at least five Working Days prior to the Bid/Offer Opening Date, with the relevant financial ratios calculated to the Floor Price and at the Cap Price and shall be made available to the Stock Exchanges for the purpose of uploading on their websites
Pricing Date	The date on which the Offer Price is finalized by the Selling Shareholder and our Company, in consultation with the Book Running Lead Managers
Prospectus	The prospectus, to be filed with the RoC pursuant to Section 26 of the Companies Act, 2013 containing, *inter alia*, the Offer Price that is determined at the end of the Book Building Process, size of the offer and certain other information
Public Offer Account	The bank account(s) opened with the Banker to the Offer to receive money from the Escrow Accounts on the Designated Date and where the funds transferred by the SCSBs from the ASBA Accounts shall be received by the Selling Shareholder
Qualified Foreign Investor(s) or QFIs	Non-resident investors, other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs, who meet 'know your client' requirements prescribed by SEBI and are resident in a country which is (i) a member of Financial Action Task Force or a member of a group which is a member of Financial Action Task Force; and (ii) a signatory to the International Organization of Securities Commission's Multilateral Memorandum of Understanding or a signatory of a bilateral memorandum of understanding with SEBI Provided that such non-resident investor shall not be resident in country which is listed in the public statements issued by Financial Action Task Force from time to time on: (i) jurisdictions having a strategic anti-money laundering/combating the financing of terrorism deficiencies to which counter measures apply; (ii) jurisdictions that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the Financial Action Task Force to address the deficiencies
Qualified Institutional Buyers or QIBs	A qualified institutional buyer as defined under Regulation 2(1)(zd) of the ICDR Regulations
QIB Category	The portion of the Offer, being 50% of the Net Offer or 220,043,079 Equity Shares, available for allocation to QIBs on a proportionate basis* **In case of over-subscription in the Retail Category, the Selling Shareholder and our Company, in consultation with the BRLMs, may, at their sole discretion, decide to allocate up to 50% (but in no event less than 35%) of the Net Offer to Retail Individual Investors. In case of such increased allocation to Retail Individual Investors, the allocation in the QIB Category will be proportionately reduced.*
RHP or Red Herring Prospectus	The red herring prospectus, including any addenda or corrigenda thereto, issued in accordance with Section 32 of the Companies Act 2013 and the ICDR Regulations which does not have complete particulars of the price at which the Equity Shares are offered.

Term	Description
	The Red Herring Prospectus will be filed with the RoC at least three days before the Bid/Offer Opening Date and will become a Prospectus upon filing with the RoC after the Pricing Date, including any addenda or corrigenda thereto
Refund Account(s)	The accounts opened with the Refund Bank(s), from which refunds of the whole or part of the Bid Amount (excluding to the ASBA Bidders), if any, shall be made
Refund Bank(s)	The banks which are clearing members and registered with SEBI under the SEBI Bankers to an Issue) Regulations, 1994 with whom the Refund Account(s) will be opened, in this case being [●]
Refunds through electronic transfer of funds	Refunds through direct credit, NECS,NEFT or RTGS, as applicable
Registrar/Registrar to the Offer	Karvy Computershare Private Limited
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate
Retail Discount	A Discount upto 5% on the Offer Price shall be offered to Retail Individual Investors. The Retail Discount constituted ₹ [●] which is the difference between the Offer Price and the price at which our Company and the Selling Shareholder may decide to Allot Equity Shares to Retail Individual Investors. The Rupee amount of the Retail Discount will be published by our Company at least five Working Days prior to the Bid/Offer Opening Date, in all editions of a widely circulated English national daily newspaper, all editions of a widely circulated Hindi national daily newspaper and a widely circulated edition of Telugu newspaper (i.e., all editions of [●], [●] and [●]). The Retail Discount is being offered to Retail Individual Investors Bidding in the Retail Category at the time of making a Bid
Retail Individual Investors	Bidders (including HUFs and Eligible NRIs), excluding Eligible Employees, who have Bid for Equity Shares of an amount less than or equal to ₹ 200,000 in any of the Bid options in the Offer. The Retail Discount is being offered to Retail Individual Investors Bidding in the Retail Category at the time of making a Bid
Retail Category	The portion of the Offer being not less than 35% of the Issue consisting of [●] Equity Shares which shall be available for allocation on a proportionate basis to Retail Individual Investors, which shall not be less than minimum Bid Lot, subject to availability in Retail Category and the remaining Equity Shares to be Allotted on a proportionate basis
Revision Form	The form used by the Bidders, to modify their Bid in any of their Bid-cum-Application Forms or any previous Revision Form(s)
Specified Location	Bidding centres where the Syndicate shall accept Bid-cum-Application Forms, a list of which is available on the website of the SEBI (http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries) and updated from time to time
SCSBs or Self Certified Syndicate Banks	The banks registered with SEBI, which offer the facility of ASBA, a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries
Sub-Account	Sub-accounts registered with SEBI under the SEBI (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporates or foreign individuals
Stock Exchanges	The BSE and the NSE as the context may refer to
Syndicate	The Book Running Lead Managers and the Syndicate Members
Syndicate Agreement	The agreement to be entered into between the Book Running Lead Managers, among our Company, the Selling Shareholder, the Registrar to the Offer and the Syndicate, in relation to the collection of Bids (excluding Bids from the ASBA Bidders)
Syndicate ASBA Bidding Locations	Bidding centres at Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat where the members of the Syndicate shall accept ASBA Bids
Syndicate Members	Intermediaries registered with the SEBI and permitted to carry out activities as an underwriter, in this case being [●]
Transaction Registration Slip/TRS	The slip or document issued by the members of the Syndicate or an SCSB (only on demand), as the case maybe, to a Bidder as proof of registration of the Bid
UBS Securities	UBS Securities India Private Limited
Underwriters	The Book Running Lead Managers and the Syndicate Members

Term	Description
Underwriting Agreement	The agreement among the Underwriters, our Company and the Selling Shareholder to be entered into on or after the Pricing Date
U.S. Person	As defined in Regulation S under the U.S. Securities Act
U.S. QIBs	Qualified institutional buyers, as defined in Rule 144A under the U.S Securities Act
U.S. Securities Act	U.S. Securities Act of 1933, as amended
VCFs	Venture Capital Funds as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 and the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
Working Days	Any day, other than a Saturday or a Sunday, on which commercial banks in India are open for business, provided however, for the purpose of the time period between the Bid/Issue Closing Date and listing of the Equity Shares on the Stock Exchanges, "Working Days" shall mean all days excluding Sundays and bank holidays in India in accordance with the SEBI circular no. CIR/CFD/DIL/3/2010 dated April 22, 2010

Conventional/General Terms/Abbreviations

Term	Description
Air Act	The Air (Prevention and Control of Pollution) Act, 1981
AP Electricity Duty Act	Andhra Pradesh Electricity Duty Act, 1939
APPCB	Andhra Pradesh Pollution Control Board
AY	Assessment Year
BAN	Beneficiary Account Number
CC	Cash Credit
CCI	Competition Commission of India, as amended
CDSL	Central Depository Services (India) Limited
CE Act	Central Excise Act, 1944
CESTAT	Customs, Excise and Service Tax Appellate Tribunal
CET Act	Central Excise Tariff Act, 1985
CE Rules	Central Excise Rules, 2002
CENVAT Rules	CENVAT Credit Rules, 2004
CEVR	Central Excise Valuation (Determination of Price of Excisable Goods) Rules, 2000
CIN	Corporate Identity Number
Calendar Year	Period of twelve months ended on December of that particular year
Companies Act	Companies Act, 2013, including the rules thereunder or Companies Act, 1956 including the rules thereunder as the case may be
Competition Act	The Competition Act, 2002
Contract Labour Act	Contract Labour (Regulation and Abolition) Act, 1970
Consolidated FDI Policy	The current consolidated FDI Policy, effective from April 17, 2014, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
CPC	Civil Procedure Code, 1908
CPSE	Central Public Sector Enterprises
CrPC	Criminal Procedure Code, 1973
CSE	Calcutta Stock Exchange
CSR	Corporate Social Responsibility
CST Act	Central Sales Tax Act, 1956
Customs Act	Customs Act, 1962
DDA	Delhi Development Authority
DDP	Delivery Duty Paid
DDS	Duty Drawback Scheme
DFIA	Duty Free Import Authorization Scheme
DPE	Department of Public Enterprises
EEA	European Economic Area
EIA Notifications	Environment Impact Assessment Notification (No. 1533(E), 2006)
EIA Report	Environment Impact Assessment Report
Environment Act	Environment (Protection) Act, 1986

Term	Description
EPCG Scheme	Export Promotion of Capital Goods
EPS	Earnings Per Share
ERP	Enterprise Resource Planning
ERPS	Enterprise Resource Planning System
EXIM Policy	Export Import Policy
Explosives Act	The Explosives Act, 1884
Factories Act	The Factories Act, 1948, as amended
FIPB	Foreign Investment Promotion Board of the Government of India
Fiscal/ Financial Year/FY	Period of twelve months ended March 31 of that particular year, unless otherwise stated
Forest Act	Forest (Conservation) Act, 1980
GoI	Government of India
Hazardous Wastes Rules	Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008, and the Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989
HUF	Hindu Undivided Family
IEC	Importer Exporter Code
India GAAP	Generally accepted accounting principles in India
IPC	Indian Penal Code, 1860
IRDA	The Insurance Regulatory and Development Authority constituted under the Insurance Regulatory and Development Authority Act, 1999
IT Act	Income Tax Act, 1961
IT Department	Income Tax Department, GoI
Km	Kilometer
LAM	Low Ash Metallurgical
LTCG	Long Term Capital Gain
Ltd.	Limited
MAT	Minimum Alternate Tax
MC Rules	Mineral Concession Rules, 1960
MCD Rules	Mineral Conservation and Development Rules, 1988
MF	Mutual Fund
MMDR Act	Mines and Minerals (Development and Regulation) Act, 1957
2011 MMDR Bill	Mines and Minerals (Development and Regulation) Bill, 2011
MoEF	Ministry of Environment and Forest, Government of India
MoS	Ministry of Steel, Government of India
MoU	Memorandum of Understanding
MRTP Commission	Monopolies and Restrictive Trade Practices Commission
N.A./NA	Not Applicable
NAV	Net Asset Value
NECS	National Electronic Clearing System
NI Act	Negotiable Instruments Act, 1881
NIF	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
NMP	National Mineral Policy, 2008
No./no.	Number
NRE Account	Non-Resident External Account
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
National Steel Policy	National Steel Policy, 2005
OCB(s)	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 and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under FEMA

Term	Description
OECD	Organisation for Economic Cooperation and Development
Orissa Forest Act	Orissa Forest Act, 1972
p.a.	Per annum
PAN	Permanent Account Number allotted under the IT Act
PCBs	Pollution Control Boards
P/E Ratio	Price/Earnings Ratio
PRS	Pressure Reducing Station
PSU	Public sector undertaking
RBI	Reserve Bank of India
RBS	Royal Bank of Scotland N.V
Regulation S	Regulation S under the U.S. Securities Act
RoNW	Return on Net Worth
Rs./Rupees/₹	Indian Rupees
RTGS	Real Time Gross Settlement
Rule 144A	Rule 144A under the U.S. Securities Act
SCRA	The Securities Contracts (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEIAA	State Environment Impact Assessment Authority
SICA	The Sick Industrial Companies (Special Provisions) Act, 1985
SPV	Special Purpose Vehicle
STCG	Short Term Capital Gain
STT	Securities Transaction Tax
Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
TAN	Tax deduction account number allotted the IT Act
TTM	Trailing Twelve Months
UCO	UCO Bank Limited
ULIP(s)	Unit Linked Insurance Plans
U.S./US/U.S.A/United States	The United States of America, together with its territories and possessions
U.S. GAAP	Generally accepted accounting principles in the United States of America
U.S. Securities Act	The U.S. Securities Act of 1933
Water Act	Water (Prevention and Control of Pollution) Act, 1974
Water Cess Act	Water (Prevention and Control of Pollution) Cess Act, 1977

Industry or Technical Terms and Abbreviations

Term	Description
CRISIL	CRISIL Research
EU27	EU of 27 countries
E&Y	Ernst and Young
IMF	International Monetary Fund
ISG	International Steel Group
Mt/mt	Million tonnes
Mtpa/mtpa	Million tonnes per annum
QATD	Quality Assurance and Technology Department
SIAM	Society of Indian Automobile Manufacturers
worldsteel	World Steel Association

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the Companies Act, SEBI Act, SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in sections titled "***Main Provisions of Articles of Association of our Company***", "***Statement of Possible Tax Benefits Available to our Company and Shareholders***" and

"***Financial Statements***" on pages 456, 87 and 181 of this Draft Red Herring Prospectus respectively, shall have the meanings given to such terms in these respective sections.

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL AND OTHER INFORMATION AND CURRENCY OF PRESENTATION

Certain Conventions

Unless otherwise specified or the context otherwise requires, all references to “India” in this Draft Red Herring Prospectus are to the Republic of India, together with its territories and possessions and all references to the “US”, the “USA”, the “United States” or the “U.S.” are to the United States of America, together with its territories and possessions.

Reserve and Resource Information

In connection with this Offer, Behre Dolbear International Limited, independent mining and geological consultancy firm, has reviewed our technical assessment and resource and reserve reporting practices and the integrity of the resource and reserve estimates we produce. The executive summary of the report prepared by Behre Dolbear International Limited dated May 17, 2012 (the “**Behre Dolbear ISP Report**”) is annexed to this Draft Red Herring Prospectus as Annexure I.

Representation of the State of Andhra Pradesh and Telangana

Unless otherwise specified or the context otherwise requires all the references to, and disclosure in relation to, the State of “Andhra Pradesh” in this Draft Red Herring Prospectus include, the State of Andhra Pradesh and the State of Telangana collectively.

Financial Data

Unless indicated otherwise, the financial information in this Draft Red Herring Prospectus is derived from our Company’s standalone financial statements as of and for the three months ended June 30, 2014 and the years ended March 31, 2010, 2011, 2012, 2013 and 2014 and consolidated financial statements as of and for the three months ended June 30, 2014 and the years ended March 31, 2010, 2011, 2012, 2013 and 2014, prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with ICDR Regulations, as stated in the report of our Joint Auditors and included in this Draft Red Herring Prospectus. Our fiscal/Financial Year commences on April 1 and ends on March 31 of a particular year. Unless otherwise stated, references herein to a fiscal year or a Financial Year or to “**FY**” are to the year ended March 31 of a particular year.

There are significant differences between generally accepted accounting principles in India (“**Indian GAAP**”), International Financial Reporting Standards (“**IFRS**”) and generally accepted accounting principles in the United States of America (“**U.S. GAAP**”). Accordingly, the degree to which the Indian GAAP financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices, Indian GAAP, the Companies Act and the ICDR Regulations. Any reliance by persons not familiar with Indian accounting practices, Indian GAAP, the Companies Act and the ICDR Regulations on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. Our Company has not attempted to explain these differences or quantify their impact on the financial data included herein and we urge you to consult your own advisors regarding such differences and their impact on our financial data. See “***Risk Factors–Risks Relating to India–The proposed adoption of the International Financial Reporting Standards (“IFRS”) could result in our financial condition and results of operations appearing materially different than under Indian GAAP***” on page 44 of this Draft Red Herring Prospectus.

Unless otherwise indicated in this Draft Red Herring Prospectus, all figures have been expressed in millions and billions. One million represents 1,000,000 and one billion represents 1,000,000,000. In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sum of the amounts listed are due to rounding-off.

Any percentage amounts, as set forth in the sections “***Risk Factors***”, “***Our Business***”, “***Management’s Discussion and Analysis of Financial Condition and Results of Operations***” on pages 19, 105 and 302, respectively of this Draft Red Herring Prospectus and elsewhere in this Draft Red Herring Prospectus, unless otherwise indicated, have been calculated on the basis of our restated financial information prepared in accordance with Indian GAAP.

Currency of Presentation

All references to “Rupees” or “Rs.” or “INR” or “₹ ” are to Indian Rupees, the official currency of the Republic of India. All references to “$”, “US$”, “USD”, “U.S.$”, “U.S. Dollar(s)” or “US Dollar(s)” are to United States Dollars, the official currency of the United States of America.

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Draft Red Herring Prospectus has been obtained from industry publications, government data and public websites. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although our Company believes that the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been verified by any independent source. Accordingly, no investment decision should be made solely on the basis of such information.

In this Draft Red Herring Prospectus, we have used industry and market data prepared by consultants and organizations, some of whom we have also retained or may retain and compensate for various engagements in the ordinary course of business.

In accordance with the ICDR Regulations, we have included in the section titled “***Basis for Offer Price***” on page 83 of this Draft Red Herring Prospectus, 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.

Further, the extent to which the market data presented in this Draft Red Herring Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Accordingly, no investment decision should be made solely on the basis of such information.

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 to comply with the requirements of Item VIII(G) of Part A to Schedule VIII of the ICDR Regulations and for the convenience of the readers. The following table sets forth, for each period indicated, information concerning the number of Rupees for which one U.S. Dollar could be exchanged. The column titled ‘Period Average’ in the table below is the average of the daily rate for each day in the period.

Fiscal	Period End (₹)	Period Average (₹)
2010	45.14	47.42
2011	44.65	45.58
2012	51.16	47.95
2013	54.39	54.45
2014	60.10	60.49
April 2014	60.34	60.36
May 2014	59.03	59.31
June 2014	60.09	59.73
July 2014	60.25	60.06
August 2014	60.47	60.90

Source: www.rbi.org.in

These currency 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.

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 "**U.S. Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act ("**Regulation S**") except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

Accordingly, the Equity Shares are being offered and sold (i) in the United States only to "**qualified institutional buyers"** (as defined in Rule 144A under the U.S. Securities Act ("**Rule 144A**") and referred to in this Draft Red Herring Prospectus as "**U.S. QIBs**", which, for the avoidance of doubt, does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "**QIBs**"), in reliance on the exemption from registration under the U.S. Securities Act provided by Rule 144A or another available exemption and (ii) outside the United States in reliance on Regulation S.

Each purchaser of Equity Shares inside the United States 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 pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

Each purchaser of Equity Shares outside the United States will be required to represent and agree, among other things, that such purchaser is acquiring the Equity Shares in an "**offshore transaction**" in accordance with Regulation S.

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", "expect", "estimate", "intend", "objective", "plan", "project", "will', "will likely result", "will continue", "will pursue" 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 about us that could cause actual results to differ materially from those contemplated by the relevant 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 steel industries and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions which have an impact on our business activities or investments, the monetary and fiscal policies in India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- decline in the demand for steel products;
- highly cyclical nature of steel industry;
- our ability to procure adequate raw materials at favourable prices;
- our estimates of our reserves and resources;
- our ability to renew our mining leases and obtain new mining leases;
- our obtaining the necessary environmental, forest and other approvals in a timely manner;
- our ability to successfully integrate acquired businesses;
- unexpected shutdown or slowdown of operations at VSP;
- claims against us due to an environmental disaster, industrial accidents at our plant, mining accidents or any other uninsured event;
- disruption in the supply and transport of our raw materials;
- law and order problems;
- unavailability of skilled and qualified labour and contractors;
- industrial accidents leading to criminal proceedings;
- our plans and objectives for future operations and expansion;
- the effectiveness of our cost-control measures;
- our relationship with, and other conditions affecting, our customers;
- adverse weather and natural disasters, such as heavy rains, flooding and other natural events affecting operations, transportation or customers;
- regulatory and court decisions;
- future legislation, including regulations and rules as well as changes in enforcement policies;
- changes in laws, policies, regulations including environmental and labor regulations and compliance costs, taxation or accounting standards or practices that apply to our business, our customers and suppliers, and our ability to respond to them;
- general economic and business conditions in India and elsewhere and particularly the steel industry in India; and
- changes in the political and social conditions in India and other countries.

For further discussion of factors that could cause our actual results to differ from our expectations, see the sections titled "***Risk Factors***", "***Our Business***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages 19, 105 and 302 of this Draft Red Herring Prospectus, 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. Forward-looking statements speak only as of the date of this Draft Red Herring Prospectus. Neither our Company, our Directors, the Selling Shareholder nor any of the Book Running Lead Managers, any member of the Syndicate nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the Book Running Lead Managers will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges.

SECTION II: RISK FACTORS

An investment in equity shares involves a high degree of financial risk. You should carefully consider all information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. This section addresses general risks relevant to the country and the industry in which our Company operates. To obtain a complete understanding of our business, you should read this section in conjunction with the sections "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 105 and 302 of this Draft Red Herring Prospectus, respectively, as well as other financial information contained in this Draft Red Herring Prospectus. This Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors including the considerations described below and elsewhere in this Draft Red Herring Prospectus. Further, the risks set out below may not be exhaustive and additional risks not presently known to us or that we currently deem immaterial may arise or become material in the future. If any of the following risks, as well as the other risks and uncertainties discussed in this Draft Red Herring Prospectus, or other risks that are not currently known or are now deemed immaterial actually occur, our Company's business, financial condition and results of operations could be materially and adversely affected, the trading price of the Equity Shares and the value of your investment in the Equity Shares could decline, and you may lose all or part of your investment.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section.

Unless otherwise stated, the financial information of our Company used in this section is derived from our restated audited consolidated financial statements.

INTERNAL RISK FACTORS

Risk Factors Relating to Our Company's Business and Operations

1. ***There are certain criminal proceedings against our Company and one of our Subsidiaries.***

There are currently 23 criminal proceedings pending against our Company, all of which have been initiated by the State Government of Andhra Pradesh in relation to industrial accidents at our facilities and the related alleged violations under the Factories Act, 1948 and the rules made thereunder. For further details of these accidents, see the risk factor titled ***"-Risk Factors Relating to Our Company's Business and Operations- Industrial accidents at our facilities have exposed us to possible financial liabilities and possible legal proceedings and resulted in adverse publicity for our Company."*** on page 20 of this Draft Red Herring Prospectus.

In addition to the above, there are 11 criminal cases currently pending against two of our Subsidiaries, namely, OMDC and BSLC, in relation to varied subject matters including the violation of the provisions of the Forest Conservation Act, 1980, theft of iron ore at the Thakurani mines and the violation of the provisions of the Environment Act. Any adverse order or direction by the relevant authority, although not quantifiable, could have a material adverse impact on our business and reputation or cause the price of our Equity Shares to decline. For further details in relation to outstanding litigation against our Company and our Subsidiaries, see the section titled **"*Outstanding Litigation and Material Developments*"** on page 339 of this Draft Red Herring Prospectus.

2. ***We are involved in a number of legal proceedings that, if determined against us, could have a material adverse impact on our financial condition and results of operations.***

Our Company and our Subsidiaries are, among others, involved in a number of proceedings including criminal proceedings, land acquisition proceedings, civil suits, arbitration proceedings, consumer cases, service and employee grievances, labour disputes, accident-related proceedings, and tax disputes, which are related primarily to our ordinary course of business. These proceedings are currently pending at different levels of adjudication before various courts, tribunals, inquiry officers and appellate tribunals. 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, which could increase our expenses and our liabilities. We cannot assure you that these legal proceedings will be decided in our favour. Any adverse decision may have a material adverse effect on our business, reputation, financial condition and results of operations and cash flow. Our outstanding legal proceedings and the amounts claimed in these proceedings have been disclosed to the extent ascertainable in the summary below.

Litigation against our Company

Except for the legal proceedings as disclosed below, there are no proceedings initiated against our Company including for any economic offences or penalties imposed in the past or any adverse findings against our Company as regards compliance with the securities laws, related matters.

S. No	**Nature of cases/claims**	**Number of cases/claims outstanding**	**Amounts involved (₹ million approximately)**
1	Arbitration matters	32	1,268.68
2	Civil suits	165	1,211.22
3	Consumer cases	3	2.54
4	Criminal proceedings	23	Unascertainable
5	Labour cases	146	8.58
6	Potential litigations/notices received	Unascertainable	Unascertainable
7	Other miscellaneous matters	56	12.41
8.	Tax cases	402	19,491.05
9.	Competition matters	1	Unascertainable
10.	Contempt cases	2	Unascertainable
11.	Public Interest Litigation	1	Unascertainable

Litigation against our Subsidiaries

S. No	**Nature of cases/claims**	**Number of cases/claims outstanding**	**Amounts involved (₹ million approximately)**
1.	Arbitration matters	7	2,694
2.	Civil suits	20	Unascertainable
3.	Criminal proceedings	11	Unascertainable
4.	Labour cases	27	Unascertainable
5.	Other miscellaneous matters	1	0.026
6.	Public interest litigation	4	Unascertainable

There may also be additional claims against our Company and our Subsidiaries in the future, which could damage our business and/or reputation, which would in turn adversely affect our results of operations and financial condition. For further details of legal proceedings involving our Company and our Subsidiaries, see the section titled **"*Outstanding Litigation and Material Developments*"** on page 339 of this Draft Red Herring Prospectus.

3. ***Industrial accidents at our facilities have exposed us to possible financial liabilities and possible legal proceedings and resulted in adverse publicity for our Company.***

We have experienced a number of industrial accidents, including several fatal accidents, at our facilities. These developments, including legal proceedings and third party claims, could adversely affect our expansion plans, business, reputation and results of operations. For details of relevant legal proceedings, see ***"Outstanding Litigation and Material Developments—Outstanding Litigation/Proceedings Involving our Company—Cases filed against our Company"*** on page 339 of this Draft Red Herring Prospectus.

On June 13, 2012, during the process of hot commissioning of one of the converters in the new Steel Melt Shop of the Visakhapatnam Steel Plant (**"VSP"**), an explosion occurred at the pressure reducing station (**"PRS"**), an auxiliary unit supplying oxygen to this facility. The Steel Melt Shop was among the facilities being commissioned as part of our capacity expansion plans. The explosion resulted in 19 fatalities.

The Ministry of Steel formed an inquiry committee consisting of external technical experts to investigate and report on the accident and make necessary remedial recommendations. Separately, the Joint Chief Inspector of Factories, Visakhapatnam (**"JCIF"**) conducted an investigation into the accident. The JCIF also called for an independent third party review to be conducted of the structural integrity of the PRS control room, which has since been completed. Each of these bodies made certain recommendations including that the PRS area be barricaded and warning signs displayed to prevent unauthorised entry and that training programmes be conducted for personnel associated with all installation, operational and maintenance aspects of all units using oxygen as supply or a process input. The Company has complied with all of these recommendations.

In addition, there have been 11 other fatalities since 2012. These have been due to a variety of causes, including accidental fires, falls and electrocution. Most recently, on June 16, 2014, two fatalities involving contract engineers occurred in an accident following possible nitrogen inhalation due to a leak in the new Steel Melt Shop.

Currently, the Company has 23 criminal prosecutions pending against it brought by the JCIF in relation to the various accidents and fatalities described above. It is likely that an additional criminal prosecution in relation to the June 2014 fatalities will be brought by the JCIF in the near future.

The Company continually endeavours to maintain high standards of work place safety, including training and awareness building programmes, and to minimise industrial accidents at our facilities. However, the steelmaking operations and capacity expansion activities of the Company are inherently hazardous in many respects. There can be no assurance that the Company will not in the future suffer other industrial accidents, including potential fatalities which could lead to criminal and other legal proceedings being brought against us and increased costs and delay in the completion of our expansion projects. In turn, there developments could result in an adverse impact on the operational activities and reputation of the Company.

4. *Demand for our products is affected by global and national economic conditions. Any development which reduces the demand for steel products would have an adverse impact on our Company.*

The steel industry in India and our business and results of operations are affected by global and national economic conditions. Changes or a downturn in the global or national economy could add uncertainty to currency inflation or deflation, interest rates, taxation, stock market performance, consumers' confidence, consumers' perception of economic conditions and consumers' willingness to purchase. A weak global or national economy could materially affect commitment to infrastructure funding, public spending on construction projects and demand in the automobile sector, which may therefore reduce the domestic and global demand for steel products. Continued financial weakness among substantial consumers of steel products, such as the infrastructure, construction and automobile industries, or the bankruptcy of any large company in such industries, would exacerbate the negative trend in market conditions. As we sell a majority of our products to the domestic market, protracted declines in steel consumption as a result of the global or national economic distress would cause a material adverse effect on the demand for our products and hence on our business and results of operations. There can be no assurance that the steel industry in India and our Company can sustain growth in business and operations if the global economic conditions continue to be fragile or if the Indian government alters its economic policy.

5. *The steel industry is highly cyclical and a decrease in steel prices may have an adverse effect on our Company's results of operations and financial condition.*

Steel prices are volatile, reflecting the highly cyclical nature of the global steel industry. There are many factors causing the fluctuation of steel prices, including, among others, steel inventory levels, consumer confidence, employment rates, cost of raw materials, interest rates and inflation rates in the economies in which the steel producers sell their products and which are sensitive to the trends of particular industries, such as the automotive, construction, packaging, appliance, machinery, equipment and transportation industries, which are among the biggest consumers of steel products. When downturns occur in these economies or sectors, we may experience decreased demand for our products, which may lead to a decrease in steel prices. There can be no assurance that there will not be a depression in steel prices.

6. *We rely on leased mines to secure certain raw materials and if we are unable to renew these leases, obtain new leases or are required to pay more royalties under these leases, we may be forced to purchase such raw materials for higher prices in the open market or pay increased royalties, which could negatively affect our results of operations and financial condition.*

Our Company extracts minerals pursuant to mining leases granted by the State Governments in the areas in which such mines are located, upon payment of a certain royalty. We currently have six mining leases located in the state of Andhra Pradesh and one in the state of Telangana. These leases are granted under the Mines and Minerals (Development and Regulation) Act, 1957. They are typically for a term of 20 years, which can be renewed upon application to the requisite authority in the state of Andhra Pradesh, with the approval of the Government of India (**"GoI"**). Renewal applications are filed one year before expiration and there is an implied extension if the State Government does not respond before the expiration of the mining lease. The mining leases of our Subsidiaries, Orissa Minerals Development Company Limited (**"OMDC"**) and Bisra Stone Lime Company (**"BSLC"**) have currently expired. In addition, OMDC also has filed renewal applications for mining leases in the name of Bharat Process and Mechanical Engineers Limited (**"BPME"**), which is currently under liquidation but had granted OMDC authorisation to secure mining leases. The mining leases at Thakurani, Dalki and Kolha Roida are in the name of BPME and the renewal applications for these mines have been filed in the name of BPME. Of the six mining applications for OMDC, four of them (Dalki, Bagiaburu, Kolha Roida and Bhadrasahi) consent to establish have been received, and for the remainder of the mines, no intimation has been received from the state authorities. While applications for renewal of such mining leases have been filed, we cannot assure you that the relevant authorities will grant these mining leases in favour of OMDC and BSLC in a timely manner, or at all.

In the event of any adverse order in these proceedings, our Company may have to incur additional liabilities which may result in affecting our business and results of operations.

If our mining leases are not renewed or royalties charged against our leases are increased, we may be forced to purchase such raw materials in the open market or pay increased royalties. For further information on our mining leases, see the risk factors titled ***"Our Company's estimates of our mineral reserves and the mineral reserves of our indirect subsidiaries, OMDC and BSLC, are subject to assumptions and the estimates of our third party consultant date from 2012. If the actual amounts of such reserves are less than estimated, our results of operations and financial condition could be adversely affected"*** and ***"If we are unable to obtain the new mining leases applied for, or the related approvals and licences, our expansion plans, and therefore our business, results of operations and financial condition would be adversely affected"*** on pages 22 and 33, respectively, of this Draft Red Herring Prospectus.

7. ***Our Company's estimates of our mineral reserves and the mineral reserves of our indirect subsidiaries, OMDC and BSLC, are subject to assumptions and the estimates of our third party consultant date from 2012. If the actual amounts of such reserves are less than estimated, our results of operations and financial condition could be adversely affected.***

Our estimates and the estimates of our third party consultant, Behre Dolbear, of our mines as well as those of OMDC and BSLC are subject to probabilistic assumptions based on interpretations of geological data obtained from sampling techniques and projected rates of production in the future. Actual reserves and production levels may differ significantly from reserve estimates. Our third party consultant's estimates date from 2012 and have not been updated since then. Hence we will not be in a position to determine if there have been any material updates or changes in the reserves estimates since 2012, which could potentially have a bearing on the business operations of our Company.

If we have overestimated our mineral reserves, or the quality of such reserves, our existing mineral reserves would be depleted more quickly than estimated, and we would be forced to purchase such minerals from the open market. Prices of minerals in the open market may significantly exceed the cost at which we might otherwise be able to extract these minerals from our mines which could adversely affect our businesses, results of operations and financial condition.

8. ***If we are unable to integrate acquired businesses such as Eastern Investments, Limited ("EIL") successfully, our business, results of operations and financial condition may be adversely affected.***

In order to secure access to raw materials, our Company, in January 2011, acquired a 51.0% share interest in EIL, at a cost of ₹ 3.61 billion. While the acquisition of EIL is expected to provide us with additional sources of iron ore, limestone, dolomite and manganese ore, these companies do not currently conduct any active mining operations. Our ability to achieve the benefits we anticipate from this acquisition depends largely upon whether we are able to source raw materials in an efficient and effective manner and upon timely renewal of the mining leases.

Acquisitions involve numerous risks and uncertainties, including but not limited to: potential negative effects on our liquidity position; the diversion of resources and management attention from our existing businesses;

potential ongoing financial obligations and unforeseen hidden or acquired liabilities of our acquisition; the costs of and difficulties in managing enlarged business operations; and our failure to deliver the expected synergies, to achieve the intended objectives or benefits, or to generate sufficient revenue to recover the costs and expenses of an acquisition. For example, our acquisition of EIL has required significant management time and resources. EIL's subsidiaries, BSLC and OMDC, face operational, administrative and labour related challenges, and we have spent and will need to spend additional time assisting them with their operations. Any difficulties encountered in combining the operations of our Company and EIL could result in higher costs and lower returns than expected. We also face labour protests at our indirect subsidiary, BSLC, on account of non-payment of dues for several months due to the cessation of mining activities at BSLC. While BSLC expects that it will be able to clear payment of back dues when mining activities recommence, BSLC may face continued protests and/or strikes, work stoppages or other labour actions on account of said non-payment.

The mining leases of both BSLC and OMDC have expired, and no mining is being carried out at present. While renewal applications for these mining leases have been filed with the requisite authorities, we cannot guarantee the renewal of these leases, and if they are not renewed, we shall not be able to secure access to the raw materials from these companies as intended from our acquisition, as a result of which, our business, results of operations and financial condition may be adversely affected. BSLC's mining operations were stopped in August 2014 and there can be no assurance as to when this stoppage will be lifted or that BSLC and OMDC will not face similar stoppages or suspensions in the future.

In addition, the Deputy Director of Mines, Joda, Odisha, had issued six separate demand notices in February 2014 to OMDC and BPMEL for alleged cost price of excess ore raised illegally/unlawfully under Section 21(5) of MMDR Act, 1957. The total claim amount of these demand notices is approximately ₹ 53.96 billion. Prior to receiving the demand notices, OMDC had filed six revision applications before the Revisional Authority (Central Government Mining Tribunal) and Ministry of Mines. We cannot guarantee that the outcome of the revision and the demand notices will be in our favour, and if they are ruled against us, our business, results of operations and financial condition may be adversely affected. We may also face negative publicity because of the operations of EIL's subsidiaries. For further information on OMDC and BSLC, see "***Business-Raw Material Projects-Acquisition of EIL***" on page 119 of this Draft Red Herring Prospectus.

Furthermore, we may make additional acquisitions which may require us to incur or assume substantial new debt, expose us to future funding obligations and expose us to integration risks, and we cannot assure prospective investors that such acquisitions will contribute to our profitability. The failure to successfully integrate EIL or other future acquired businesses or the inability to realise the anticipated benefits of such acquisitions could materially and adversely affect our business, results of operations and financial condition.

9. ***Significant increases in prices of key raw materials or our inability to continue to procure raw materials at favourable terms could have an adverse effect on our Company's results of operations and financial position.***

We do not have any captive mines to produce iron ore, except that the Company has received a letter of intent in relation to one of its applications over an area of 945.86 hectares from the Government of Rajasthan. We do not have any captive mines to produce coking coal, the second most important raw material in steel production, and have to depend on third party suppliers to procure these raw materials. Accordingly, our profits are sensitive to changes in raw material prices. The cost of raw material comprises the single most significant percentage of our manufacturing costs. In the Financial Years 2012, 2013 and 2014 and the three months ended June 30, 2014 raw materials accounted for 70.4%, 69.8%, 62.3% and 76.0%, respectively, of our expenditure in the production of steel, excluding certain adjustments for raw material mining costs, depreciation, and interest and finance charges. Volatility in the prices of raw materials, including mismatches between trends in prices for raw materials and steel, as well as limitations on or disruptions in the supply of raw materials, could adversely affect our profitability. In addition, some of our raw materials purchase agreements are short-term in nature and our inability to renew these agreements on terms more favourable, or at all, may constrain our raw material supply, resulting in an adverse effect on our business, financial condition and results of operations.

According to CRISIL, the iron ore contract price for the Calendar Years 2010, 2011, 2012 and 2013 was US$108, US$140-150, US$120-130 and US$110-120 respectively, per tonne and the estimates of Calendar Years 2014 and 2015 are US$100-110 and US$90-100 respectively, per tonne. The prices of iron ore consistently declined from 2011 and this trend is estimated to continue till the end of the Calendar Year 2015. Starting in 2010, certain suppliers of iron ore and coking coal have moved to quarterly fixed price schemes from annual fixed price schemes, causing steel producers to face increased exposure to changes in prices. The increase of raw material prices has affected the profitability and margins of our Company in previous years and any prolonged interruption in the supply of raw materials, or failure to obtain adequate supplies of raw materials at reasonable prices, or increases in costs which we cannot pass on to our customers, would adversely affect our business, financial condition and results of operations. Furthermore, despite the fact that steel and raw material prices are historically highly correlated, with both having experienced significant declines during the global economic crisis, there can be no assurance that this correlation will continue, so the significant increase in the cost of raw materials may not be offset by a commensurate increase in steel prices.

10. ***If the Indian Government implements the Draft Mines and Minerals (Development and Regulation) Bill, 2011 (the "2011 MMDR Bill"), the financial condition and results of operations of our Company may be adversely affected.***

The GoI is contemplating a new law, as envisaged in the 2011 MMDR Bill, to regulate mining in India. As our Company presently conducts, and proposes to conduct in the future, mining activities through mining leases from various State Governments in India to obtain part of the raw materials required for producing steel, we will need to comply with such law once enacted.

The 2011 MMDR Bill is being enacted to consolidate and amend the laws relating to the scientific development and regulation of mines and minerals under the control of the GoI. Among other provisions, the 2011 MMDR Bill:

(a) requires a mining company to pay annual compensation to certain categories of "affected persons", defined as persons holding occupations, usufruct or traditional rights related to the surface of the land over which the company possesses mining licences;
(b) empowers the relevant State Government to set the aforesaid annual compensation in the event the mining company and such affected persons are unable to agree on such annual compensation;
(c) requires a mining company to allot at least one free equity share to each member of a family affected by mining related operations of the company;
(d) obligates the holder of the mining lease to provide employment and other assistance to such affected persons in accordance with the rehabilitation and resettlement policy of the concerned State Government;
(e) requires the mining lease holder to pay annually to the district mineral foundation, created under the bill, an amount equivalent to the royalty paid during the Financial Year; and
(f) proposes to address the eligibility norms for obtaining new mining blocks, renewing existing mining blocks, obtaining new mining licences and determining the levels of compensation and royalties to be paid to the central and State Governments.

The foregoing is based on the last publicly available version of the 2011 MMDR Bill, which had been approved by the union cabinet on September 30, 2011. The 2011 MMDR Bill has not been finalised by the GoI. We cannot therefore know the final form and substance of the proposed law, or the time period within which it will be enacted, and, therefore, we are currently unable to predict the impact the 2011 MMDR Bill will have on our business, financial condition, results of operations and prospects. However, if the 2011 MMDR Bill were enacted as proposed, the resulting law may adversely affect the business, financial condition, results of operations and prospects of our Company.

11. ***We have had and may in future have a decreasing trend in operating profits.***

In the Financial Years 2011, 2012, 2013 and 2014 and the three months ended June 30, 2014, we recorded a profit after taxes of ₹ 6.56 billion, ₹ 10 .3 billion, ₹ 1.25 billion, ₹ 2.87 billion, and ₹ 1.22 billion, respectively, on a restated consolidated basis. The increase in our operating profits ratio, from 0.03 in the Financial Year 2011 to 0.06 in the Financial Year 2012 and decrease to 0.00 in the Financial Year 2013 was followed by a decrease to 0.02 in the Financial Year 2014. Our operating profits have been affected to a large extent by the rising prices of raw materials, particularly iron ore and coal, which have not been offset by commensurate increases in the prices of steel. According to the CRISIL, the prices or iron ore contract price for the Calendar Years 2010, 2011, 2012 and 2013 was US$108, US$140-150, US$120-130 and US$110-120 per tonne and the estimates of Calendar Years 2014 and 2015 are US$100-110 and US$90-100 per tonne. The prices of iron ore consistently declined from 2011 and this trend is estimated to continue till the end of the Calendar Year 2015. If raw material prices continue to rise without a corresponding rise in the prices of steel, we may again experience a decrease in our operating profits in the future, which could have a material adverse effect on our business, financial condition and results of operations.

12. ***Our Company does not own the land on which VSP and our Registered and Corporate Office are located.***

Our Registered and Corporate Office and our sole steel production plant, VSP, consisting of four coke oven batteries, three blast furnaces, including one commissioned in April 2012, along with the related processing units, five converters, four rolling facilities and a thermal power plant and its ancillary facilities, are located on a land area of 19,653.33 acres in Visakhapatnam. We have been granted a power of attorney by the GoI to use the land for the purpose of setting up the steel manufacturing facility and related purposes. While we have occupied the land pursuant to the duly executed power of attorney, we do not possess title to the land. In June 1985, we issued 11,354 Equity Shares with a then face value of ₹ 1,000 to the GoI in consideration of the initial expenditure incurred by the GoI in relation to the acquisition of the land. Although the GoI owns the land, it has never claimed rent for the use of the land by us nor demanded its return. However, it may do so in the future, which would disrupt our operations and materially and adversely affect our business, financial condition and results of operations.

13. ***The unexpected loss, shutdown or slowdown of operations at VSP, the sole steel production plant our Company operates, could have a material adverse effect on our business, financial condition and results of operations.***

Our facilities are subject to operating risks, such as the breakdown or failure of equipment, power supply interruptions, facility obsolescence or disrepair, labour disputes, directives and regulations of relevant State Governments or the GoI, or natural disasters and industrial accidents. There can be no assurance that one or more of the factors mentioned above will not occur. As we rely on one plant for our entire steel production, namely VSP, which is a shore based plant, our Company is particularly vulnerable to the effects of natural disasters and bears a higher risk of losing part or all of its assets and production capacity if a flood or tsunami occurs. While we maintain an insurance policy that covers loss to our property, this may not cover our entire loss, including any damage to our machinery. Our business is focussed only on steel production, so any significant loss of our production capacity would adversely affect our business, results of operations and financial condition.

In addition, our manufacturing processes depend on critical items of steelmaking equipment. Certain of our production units have been in service for more than 20 years. As such, they may not operate on the same level of efficiency as newer production units. They may also require more frequent and expensive upkeep than newer equipment. We are preparing to undergo a modernization by the Financial Year 2017, in line with our planned expansion up to 7.3 million tonnes per annum (**"mtpa"**). This modernization would involve upgrading our existing blast furnaces, and installing additional LD converters and continuous casting machines. However, any equipment may, on occasion, be out of service as a result of unanticipated failures, which could require us to close part or all of the relevant production facility or cause us to reduce production of one or more of our production lines. We do not maintain any insurance coverage for losses arising out of machinery breakdown and the consequential loss of profits. Thus, any interruption in our production capability may require us to make significant and unanticipated capital expenditures to effect repairs, which could have a negative effect on our profitability and cash flows. A sustained disruption to our business operations could also result in a loss of customers. Any or all of these occurrences could materially and adversely affect our business, results of operations, financial condition and future prospects.

14. ***Environmental matters, including compliance with laws and regulations and remediation of contamination, could result in substantially increased capital requirements and operating costs.***

Our Company's business is subject to numerous laws, regulations and contractual commitments relating to the environment in India. Our operations generate large amounts of pollutants and waste, some of which are hazardous. These laws, regulations and contractual commitments concern air emissions, waste water discharges, solid and hazardous waste material handling and disposal, and the investigation and remediation of contamination or other environmental restoration. The risk of incurring substantial costs and liabilities related to compliance with these laws, regulations and contractual commitments is an inherent part of our business. Facilities currently or formerly owned or operated by us, or where wastes have been disposed or materials extracted, are all subject to the risk of environmental cost and liabilities, which includes the costs or liabilities relating to the investigation and remediation of past or present contamination or other environmental restoration. In addition, future environmental conditions and contamination may develop, arise or be discovered that could create substantial compliance, remediation or restoration liabilities and costs. For example, there is currently one environment related case pending against our Company and eight environment related cases pending against our

Subsidiary, OMDC and on environment related case against our indirect subsidiary, BSLC. In addition, we have also received certain complaints on allegations of environmental pollution against our Company. For details, see the section titled ***"Outstanding Litigation and Material Developments"*** on page 339 of this Draft Red Herring Prospectus. Whilst we have made efforts to comply with environmental laws and regulations, in view of the significant consequences resulting from violations of such laws and regulations, we cannot assure you that we may not be liable and accountable for any breaches in relation to such proceedings which may result in us having to incur additional liabilities. Further, there can be no assurance that we will not continue to face significant environmental remediation liabilities and compliance costs in the future.

15. ***The environmental clearance obtained from the MoEF for the expansion of our operations in the Dolomite mine located in Madharam village is subject to the outcome of the writ petition filed by Mr. Gurram Veerabhadram and others. Any adverse development in this case could impact the entire environmental clearance at Madharam village and may impact our mining operations.***

Mr. Gurram Veerabhadram and others have filed a writ petition against our Company, the Government of Andhra Pradesh and the Andhra Pradesh Pollution Control Board (**"APPCB"**) before the Andhra Pradesh High Court in 2002, contending that the crushing of large quantities of dolomite at the Madharam dolomite mine resulted in discharge of high pollution effluents and heavy dust into the environment which resulted in health hazards to the petitioners and affected the yield of crops from the agricultural land and gardens of the petitioners who are located near the mines. The petitioners, by way of interim relief, also sought a direction from the Andhra Pradesh High Court to direct the respondents, including our Company, to pay monetary compensation at the rate of ₹ 0.03 million per acre per year to some of the petitioners, including Mr. Gurram Veerabhadram, and at the rate of ₹ 0.10 million per acre per year to one other petitioner, commencing from 1989 onwards till date, pending the disposal of the aforementioned writ petition. The writ petition was disposed of in July 2013 and has been transferred to the National Green Tribunal in Chennai, Tamil Nadu, India. The next hearing of the case is due to be on September 22, 2014. For further details, see the section titled ***"Outstanding Litigation and Material Developments"*** on page 339 of this Draft Red Herring Prospectus. The Madharam dolomite mine is the only dolomite mine that our Company currently operates, and any adverse outcome of this writ petition against us could result in our having to incur significant liabilities to settle claims by the petitioners amounting to approximately ₹ 30-40 million, which have not been accounted by us in our financial statements, and may also result in the cancellation of our environmental clearance for expansion of the dolomite mine at Madharam, as well as reputational damage to our Company, which would affect our business, results of operations and financial condition.

16. ***We currently obtain most of our iron ore required for producing steel from NMDC Limited ("NMDC"). Any decrease in supply of iron ore by NMDC would have a material adverse effect on our business, results of operations and financial condition.***

Iron ore is one of the most important raw materials for steel production. We currently do not have any captive iron ore mines, and we purchase most of our iron ore requirement from NMDC's iron ore mining complexes at Kirandul and Bacheli in the state of Chhattisgarh. For more information on the agreement with NMDC, see the section titled ***"History and Certain Corporate Matters"*** on page 130 of this Draft Red Herring Prospectus. In the Financial Years 2011, 2012, 2013 and 2014 and the three months ended June 30, 2014, the cost of our iron ore purchases accounted for 38.6%, 32.8%, 40.6%, 38.9% and 48.0%, respectively, of our total raw material purchases.

NMDC's mining operations are located in geographically remote areas and some of them are exposed to risks of attack by armed groups due to political unrest. Such attacks could be directed at NMDC's property or personnel or at the state-owned infrastructure used by NMDC to transport goods to its customers. For example, NMDC's iron ore supplies through the railway from the Kirandul and Bacheli complexes to the Visakhapatnam port have been restricted from time to time in the past due to security concerns in the area. Our Company cannot assure that such threats may not continue, or increase, in the future which could affect the mining operations at NMDC or the transportation of iron ore.

The Company had entered into an agreement, valid until March 31, 2015, with NMDC for the supply of iron ore in order to meet the requirements of our expanded capacity. The renewal of this long-term agreement is due on May 31, 2015 and we are currently negotiating the terms of the renewal with NMDC, but there cannot be any assurance that this agreement with NMDC will be renewed and renewed on favourable terms for the Company.
NMDC's supply of iron ore to our Company has been relatively stable in the past, but there cannot be any assurance that NMDC would be able to continue producing adequate quantities of iron ore for us, as their mining

operations could be disrupted by a number of factors including, but not limited to, the insufficient supply of power, unexpected equipment failures or maintenance problems, labour strike, regulatory and other interruptions, or that NMDC would agree to supply additional quantities on commercially acceptable terms to us. Given our expansion plans, if NMDC is not able to produce or supply sufficient quantities of iron ore to our Company, or if it refuses to renew the contract with our Company on favourable terms or at all, our steel production capacity would be severely impaired, which would materially and adversely affect our business, results of operations and financial condition.

17. ***Any disruption to our supply of coking coal would have a material adverse effect on our Company's business, results of operations and financial condition.***

We import coking coal mainly from Australia, with a minor portion from New Zealand and the United States. Supplies of coking coal are affected by many factors including, but not limited to, our relationship with the suppliers, the condition of the suppliers' mining operations, international and domestic transportation infrastructure, the tax and customs systems of each country, and the mining and coking coal export policies of each country. There cannot be any assurance that we will continue to have a stable and sufficient supply of coking coal from Australia, New Zealand and the United States.

During December 2010 and January 2011, Australian coal mines suffered unprecedented flooding, affecting the production of coking coal and forcing Australian suppliers to invoke the force majeure clause in their long-term agreements. During November 2011 and February 2012, one of our Australian suppliers could not supply coking coal due to a roof collapse at their mines. Also, during June and July of 2014 one of our Australian suppliers delayed shipments due to operational problems at their mines. There cannot be any assurance that we will be able to foresee future weather emergencies or guard against them, nor can there be any assurance that our Company will be able to offset the delayed decreased quantities of the Australian coking coal imports by obtaining more from other sources. Any situation that would cause the disruption of coking coal imports from Australia, New Zealand or the United States could impair our ability to produce steel, thus having a material adverse effect on our business, results of operations and financial condition.

18. ***We are dependent on third party transportation providers for the supply and delivery of some of our raw materials and an unexpected increase in costs or delay in transportation could adversely affect our business, results of operations and financial condition.***

Third party transportation providers are typically used for the supply of some of our raw materials and equipment. Transportation costs are borne by our Company. In certain instances, disagreements may arise between our Company and our third party transportation providers, especially truck transports, which may result in delay or non-delivery of certain raw materials. Furthermore, there has also been a steady trend of increasing transportation costs which may have an adverse effect on our business and results of operations. Additionally, any increase in the demand for our products and any proposed increase in our production capacity will increase our dependence on third party transportation providers.

The occurrence of natural disasters may also impair the conditions of the railway and highway infrastructure to the point of making them unavailable. Any transportation problems that occur could have a material adverse effect on our business, results of operations and financial condition.

19. ***We purchase raw materials from foreign suppliers with foreign currencies and therefore face foreign exchange risks.***

Our Company purchases raw materials in foreign currency from a number of countries including Australia, New Zealand, the United Arab Emirates and the United States. In view of the fluctuation in the value of the Rupee against foreign currencies, we face a degree of foreign exchange risk. For example, the value of the Rupee as measured against the U.S. Dollar has decreased substantially since December 2011. The value of the Rupee against foreign currencies is affected by, among other things, the demand and supply of the Rupee and changes in India's political and economic conditions. In addition, exchange rates also affect domestic steel prices in India, as such prices are affected by the landed costs of imports of raw materials. We do not hedge against currency rate fluctuations in respect of our purchase contracts, given the duration of our purchase contracts. This exposes us to exchange rate movements which may have a material effect on our operating results in a given period. Thus, we cannot assure that we will not suffer any loss because of the fluctuation of the value of the Rupee, which may have a material adverse effect on our cash flows, revenue and financial condition.

20. ***Our strategic initiatives to enhance raw materials security may not succeed, which could adversely affect our Company's business and results of operations.***

The cost of raw materials comprises the single most significant percentage of our manufacturing costs. In the Financial Years 2012, 2013 and 2014, and the three months ended June 30, 2014 raw materials accounted for 70.4%, 69.8%, 62.3%, and 76.0%, respectively, of expenditure in the production of steel. As a result, we have taken the initiative to form strategic alliances through joint ventures and memorandums of understanding (**"MoUs"**) to enhance our raw materials security. For instance, we formed a joint venture company, RINMOIL Ferro Alloys Private Limited (**"RMFA"**) with MOIL Limited (**"MOIL"**), pursuant to an agreement entered on May 7, 2009 for the purpose of setting up a ferro alloys unit at Vizianagaram district in the state of Andhra Pradesh, which is envisaged to have the capacity to produce 37,500 tonnes per annum of silico manganese ore and 20,000 tonnes per annum of ferro manganese ore.

We also established International Coal Ventures Private Limited (**"ICVL"**) with Steel Authority of India Limited (**"SAIL"**), Coal India Limited (**"CIL"**), NMDC and NTPC Limited (**"NTPC"**) to acquire overseas coking coal and non-coking coal assets with an aim to secure at least 10.0% of the coal requirement of our Company. For a more complete description of the strategic joint venture partnerships, see the sections titled ***"Our Business–Raw Material Projects"*** and ***"History and Certain Corporate Matters"*** on pages 118 and 130, respectively, of this Draft Red Herring Prospectus.

There are several operational risks with regard to these joint venture arrangements which may hinder our objective of enhancing raw materials security. We cannot assure that we have, or will continue to have full control of the projects run by the joint venture companies or that there would be no disagreement between us and our strategic partners regarding the business and operations of the projects. If disagreements do arise between our Company and our strategic partners regarding the business and operations of the projects, we cannot assure that we will be able to resolve such disagreement in a manner that will be in our best interests. In addition, our strategic partners may have economic or business interests or goals that are inconsistent with those of our Company, take actions contrary to our instructions, requests, policies or objectives, be unable or unwilling to fulfil their obligations, have financial difficulties, or have disputes with us as to their rights, responsibilities and obligations. Any of these or other factors may have a material adverse effect on the operation of our raw materials joint ventures, which would in turn require us to purchase additional raw materials in the open market, thus exposing us to a greater risk of raw materials price volatility. Consequently, if our strategy to acquire raw materials through joint ventures does not succeed, our business, results of operations and financial condition could be materially and adversely affected.

21. ***Recent developments in the global steel industry towards consolidation could have an adverse effect on our competitive position and hence on our business, financial condition and results of operations.***

We believe that the key competitive factors affecting our business include product quality, changes in manufacturing technology, the skill and productivity of our workforce, cash operating costs, pricing power with large buyers, access to outside funds, the degree of regulation and access to low-cost raw materials. Although our Company believes that we are a competitive steel producer, there can be no assurance that we will be able to compete effectively against our current or emerging competitors with respect to each of these key competitive factors.

In the global steel industry, there has been a trend in recent years towards industry consolidation among our competitors. For example, the merger of Mittal Steel Company and Arcelor S.A. in 2006 created a company that continues to be the largest steel producer in the world, representing approximately 6.0% of total global steel production in 2013, according to the World Steel Association ("**worldsteel**"). Similarly, in 2006, Tata Steel Limited and Corus Group RLC also merged, becoming the eleventh-largest steel producer in the world, as of 2013, according to the worldsteel. The consolidated companies may be able to negotiate preferential prices for certain products or receive discounted prices for bulk purchases of certain raw materials that may not be available to our Company. With greater resources and expanded production capacity, consolidated companies may make additional acquisitions, invest more aggressively in product development and capacity and further displace demand for our products. In addition, competition from these companies could result in significant price competition, which would lead to declining margins and reductions in our revenue, thus causing a material adverse effect on our business, results of operations and financial condition.

22. ***Our concentration on the domestic market in India could have an adverse effect on our business, financial condition and results of operations.***

We sell a majority of our products to the domestic market, with Indian customers accounting for approximately 94.0% of our sales as of June 30, 2014, of which 48.0% are concentrated in South India. We have chosen to pursue such a strategy in order to lower transportation and supply costs, since our main production facility, VSP, is also located in south India. Such domestic market concentration has caused significant challenges to our Company. First, there are many small, secondary steel companies supplying long steel products to the markets in India. These producers comprise mini steel plants, which make steel by melting scrap or sponge iron, or a mixture of the two. Because of their size, these companies have lower overhead costs and fewer investments in facilities and projects. If the overall demand for steel in India decreases, their losses would be lower compared to our Company, which has a higher fixed cost. Secondly, because we are dependent on our customers, particularly in south India, if the demand for steel products drops in this region, our business, financial condition and results of operations would be severely affected. We have not yet made any significant efforts and investments in marketing our products in international markets with a view to expanding our market coverage. Thus, we may not be able to offset any such loss caused by the drop in the demand for steel products in this region by selling more products to export markets.

23. *Overcapacity and oversupply in the Indian steel industry may adversely affect our Company's profitability.*

The production capacity of steel in India has significantly grown in recent years. In addition to our plans to expand our capacity of liquid steel to 6.3 mtpa by the Financial Year 2015, and to 7.3 mtpa by the Financial Year 2017, the production of crude steel in India has gone up from 63.5 mt in Calendar Year 2009 to 81.2 mt in Calendar Year 2013, according to the worldsteel Steel Statistical Yearbook 2013 and 2014.

The increased production capacity in India could result in overcapacity if the rate of the increase in steel demand does not keep pace with the production increase. Such production overcapacity in India would intensify if overseas demand for steel decreases because of the slowdown or weak recovery of the global economy against the fragile economic conditions in Europe. Any production overcapacity and oversupply in the steel industry would likely cause increased competition in steel markets around the world, which would likely lead to reduced profit margins for steel producers, and also would likely have a negative effect on our Company's ability to increase steel production and profits in general.

24. *Our focus on producing long products alone may adversely affect our Company's profitability.*

According to the Joint Plant Committee report on iron and steel, April 2014, our Company held a market share of approximately 7.49% in the long products segment*, in the Financial Year 2014. However, this may pose to be a challenge to our Company as our mills are only equipped to produce long steel products. Unlike many of our competitors, including SAIL and Tata Steel Limited, we do not produce flat products. If overall demand for long steel products decreases, we would suffer more loss compared to our competitors, who have more flexibility to change their product mix, and our business and results of operations would be adversely affected.

25. *We have certain contingent liabilities that have not been provided for in our accounts, and if such contingent liabilities materialise, the same could adversely affect our Company's financial condition.*

As per the audited restated consolidated financial statements of the Company for the three months ended June 30, 2014, we have certain contingent liabilities not provided for, amounting to ₹ 90.26 billion, including tax cases. The contingent liability amounts disclosed in our audited restated consolidated financial statements represent estimates and assumptions of our management based on advice received. If any or all of these contingent liabilities materialise, it could have a material adverse effect on our business, financial condition and results of operations. For further information on such contingent liabilities, see the section titled ***"Financial Statements—Statement of Contingent Liabilities"*** and ***"Management's Discussion and Analysis of Financial Condition and Results of Operations—Contingent Liabilities"*** on pages 247 and 320, respectively, of this Draft Red Herring Prospectus.

26. *Our Subsidiary has incurred losses.*

Our Subsidiary, EIL, is the majority shareholder in BSLC and OMDC. BSLC has experienced losses in the past and has previously defaulted in the repayment of certain loan instalments to EIL. The following table sets forth the loss suffered by BSLC for the period indicated:

(₹ in millions)

Name of the Company	**Loss incurred**		
	Financial Year 2013	**Financial Year 2014**	**Three months ended June 30, 2014**
BSLC	181.41	187.70	39.83

27. ***Certain of our listed Group Companies have defaulted in meeting the listing requirement.***

The Ministry of Finance vide notification dated August 9, 2010 amended the Securities Contracts (Regulation) Rules, 1957 ("**SCRR Rules**") and prescribed that every government public listed company shall maintain minimum public shareholding of 10%. The amended SCRR Rules further mandated that the government companies not meeting the criteria can increase their public shareholding to the said limit in the manner specified by SEBI, within a period of three years from the date of the notification. One of our subsidiaries, BSLC, has failed to meet the said criteria within the mandated time frame and is in non compliance of the listing requirements and thereby faces the risk of being compulsorily delisted from the Calcutta Stock Exchange.

In addition to this, trading in respect of our direct subsidiary, EIL and our indirect subsidiaries, viz. BSLC and OMDC, has been currently suspended in terms of Calcutta Stock Exchange notice dated March 12, 2014 on account of non compliance with the listing agreement. This may have an impact on the reputation and business operations of our Company.

28. ***All of our listed subsidiaries have faced limited or sporadic trading of their equity shares in the past.***

Pursuant to a notice dated March 12, 2014 uploaded on the website of the Calcutta Stock Exchange ("**CSE**"), trading in respect of EIL, OMDC and BSLC respectively has been suspended with effect from March 21, 2014 on account of alleged non-compliance with the listing agreement. EIL vide letter dated September 17, 2014 bearing reference number EIL/CS/CSE/09-2014/01, OMDC vide letter dated September 18, 2014 bearing reference number CSE/OMDC/CS/09-2014/04 and BSLC vide letter dated September 17, 2014 bearing reference number BSLC/CS/CSE/09-2014/01 have informed the CSE that it has submitted the corporate governance compliance report and other compliances of the listing agreement in time and further requested CSE for the particulars of the alleged non-compliance so it can take the necessary action accordingly.

29. ***Mining operations are subject to substantial risk, including those related to operational hazards and environmental issues.***

We currently operate a limestone mine at Jaggayyapeta, a manganese ore mine in Garbham and a sand mine in Saripalli, all of which are located in the state of Andhra Pradesh. Furthermore, we have valid leases for a quartz mine in Kintada and two silica sand mines in Karzada and Nellimarla (which are temporarily out of operation), all located in the state of Andhra Pradesh. After the bifurcation of the state of Andhra Pradesh, our dolomite mine at Madharam now comes under the purview of the state of Telangana, and we plan to increase the scope of our mining activities in the future. Operation of these mines is subject to hazards and other general risks normally associated with the exploration, development and production of natural resources including industrial accidents, such as explosions, fires, transportation interruptions and inclement weather. The occurrence of any of these events, or similar events, could delay production, increase production costs, increase the cost of raw materials and result in death or injury to persons, damage to property and liability for our Company, some or all of which may not be covered by insurance, as well as substantially harm our reputation.

These operations are also subject to hazards and risks relating to negative environmental consequences such as those resulting from tailings and sludge disposal, effluent management and disposal of mineralised waste water and rehabilitation of land disturbed during mining processes. In addition, environmental awareness throughout the world, including in India and other emerging markets, has grown significantly in recent years, and opposition to mining operations have also increased due to the perceived negative impact they have on the environment. Public protest over our mining operations could result in proceedings being filed against our Company and may also cause operations to slow down, damage our reputation and goodwill with the governments or public in locations where we operate, or cause damage to our facilities. For further information on environmental litigation against us, see the section and the risk factor titled ***"Outstanding Litigation and Material Developments"*** and ***"The environmental clearance obtained from the MoEF for the expansion of our operations in the Dolomite mine located in Madharam village is subject to the outcome of the writ petition filed by Mr. Gurram Veerabhadram and others. Any adverse development in this case could impact the entire environmental***

clearance at Madharam village and may impact our mining operations” on pages 339 and 26 of this Draft Red Herring Prospectus, respectively.

Public protest could also affect our ability to obtain the necessary licences to expand existing facilities or establish new operations. In addition, we may be exposed to significant expenses from the rehabilitation and resettlement of communities affected by our mining projects. Consequently, negative environmental consequences of as well as public opposition to our Company’s current or planned mining operations could have a material adverse effect on our results of operations and financial condition.

30. ***If we are unable to obtain adequate funding for our expansion plans, our business, results of operations and financial condition would be adversely affected.***

Our expansion plans require substantial capital expenditures. These expenditures include capital expenditures for new facilities and units to be installed and operated, where payments will be made in advance of any additional revenue that will be generated. The expansion target of 6.3 mtpa by the Financial Year 2015 is estimated to cost approximately ₹ 122.91 billion and as of July 31, 2014 we had spent ₹ 109.0 billion on the expansion. We have so far financed a major portion of our capital expenditure out of our internal accruals. However, considering the scale of the financial resources required for carrying out future expansion plans and our internal sources of liquidity, we may have to raise funds through external financing activities to support the growth of our production capacity and business, such as issuing further equity, equity-related or debt instruments or borrowing loans denominated in rupees or foreign currencies. Our ability to arrange external financing and the cost of such financing is dependent on numerous factors. These factors include general economic and capital market conditions, the relatively high cost of capital for Indian steel producers, interest rates generally, credit availability from banks or other lenders, investor confidence in our Company, the success of our Company, provisions of tax and securities laws that may be applicable to our efforts to raise capital, the then prevailing political and economic conditions in India, the amount of capital that other entities may seek to raise in the capital markets, the liquidity of the capital markets and our financial condition and results of operations.

In the event of a fragile global and domestic economy, there can be no assurance that we will be able to obtain bank loans or renew existing credit facilities granted by financial institutions in the future on reasonable terms or at all, or that any fluctuation in interest rates will not adversely affect our ability to fund required capital expenditures. We may be unable to raise additional equity on terms or with a structure that is favourable to us. If we are unable to arrange adequate external financing on reasonable terms, or at all, our business, operations and financial conditions would be adversely and materially affected.

31. ***Our expansion plans may not result in expected benefits.***

We believe that our operations have been among the most competitive in the steel industry and capacity expansion has been one of the key strategies for our Company. VSP has an original liquid steel production capacity of 3.0 mtpa, and expanded liquid steel production capacity of 6.3 mtpa, which is in the advanced stages of completion by the Financial Year 2015, with expansion to 7.3 mtpa planned by the Financial Year 2017. To meet such target, we have drawn up expansion plans to increase our production capacity in phases, which consist of the establishment of new facilities, plants, machinery and equipment, and the improvement of energy efficiency, productivity and yield. For a more complete description of the expansion plans, see the section titled ***“Our Business–Expansion and Development Projects–Expansion and Modernisation of Visakhapatnam Steel Plant”*** on page 110 of this Draft Red Herring Prospectus.

The success of our expansion plan is subject to various potential problems and uncertainties, including changes in economic conditions, delays in delivery of supplies, delays in completion, cost overruns, shortages in material or labour, timely and proper performance of our third party contractors’ obligations, delays in receipt of regulatory approvals, defects in design or construction and delays in obtaining equipment and machinery. We may also face delays as a result of the recent industrial accident at our facilities. For details, see the risk factor titled ***“Industrial accidents at our facilities have exposed us to possible financial liabilities and possible legal proceedings and resulted in adverse publicity for our Company”*** on page 20 of this Draft Red Herring Prospectus. Furthermore, our expansion plans in the past have been affected, and may be affected in the future, by unfavourable weather conditions. We have incurred time overruns in relation to some of our projects in the past and may incur time and cost overruns for some of our projects in the future. We cannot assure you that we will be able to implement our expansion and new projects in a timely manner, or at all, and any failure to do so would adversely affect our business and results of operations. Additionally, actual capital expenditures for our capital investment projects may significantly exceed our budgets because of various factors beyond our control.

If our actual capital expenditures for expansion programs and capital investment projects significantly exceed our budgets, or even if our budgets were sufficient to cover these projects, we may not be able to achieve the intended economic benefits of these projects, which in turn may materially and adversely affect our financial condition, results of operations and prospects.

We also cannot guarantee that there will be increased demand to match our increased supply of steel products. If we fail to sell the additional steel products manufactured upon the expansion of our capacity, this could result in lower capacity utilisation.

We expect that the execution of our expansion plan will place significant demands on our management, financial and other resources. Furthermore, continued expansion increases the challenges involved in financial and technical management, recruitment, training and retaining sufficiently skilled technical and management personnel. Our inability to manage our expansion effectively could have an adverse effect on our operations, results, financial condition and cash flows.

32. ***If there are any further delays and cost overruns in the execution of our expansion plans, our business, results of operations and financial condition would be adversely affected.***

There have been certain delays in the execution of our expansion plans for both phases I and II. Initially, the expansion plans to 6.3 mtpa were to be concluded by the end of Financial Year 2012-2013 but they have been delayed to Financial Year 2014-2015, and similarly the expansion plans to 7.3 mtpa were to be concluded by the end of Financial Year 2014-2015 but they have been delayed to Financial Year 2016-2017. The reasons for delays in the execution of the expansion plans are due to varied reasons such as poor mobilisation by the contractors, non-availability of skilled manpower, delays by engineering and supply agencies and delays in contracts being awarded.

Also, the costs anticipated for the expansion of capacity of 6.3 mtpa, was expected to be ₹ 86,920 million, but we have had certain cost overruns due to foreign exchange variations and changes in the scope of work during the engineering phase, and as of June 30, 2014, our expected costs, in order to complete the Company's expansion plans are ₹ 122,910 million.

There can be no assurance that there will be no further delays or costs overruns in the completion of the Company's expansion plans. Any further time delays or increase in the costs and expenses would have an adverse effect on the Company's business, results of operations and financial condition.

33. ***If we are unable to secure sufficient supply of the raw material resources required for our expansion plans, our business, results of operations and financial condition would be adversely affected.***

The success of the implementation of our expansion plans rests largely on our ability to obtain the necessary amount of certain raw materials to support the implementation of our proposed growth projects.

We estimate that our expansion plans to 6.3 mtpa will require approximately 9.8 mt of iron ore a year and approximately 4.5 mt of coking coal a year in order to support full capacity production. We mostly import our requirement of coking coal from overseas suppliers. We have already entered into an agreement, valid until March 31, 2015, with NMDC for the supply of iron ore in order to meet the requirements of our expanded capacity. We have also made 22 applications seeking the grant of mining leases and prospecting licences for iron ore, to various State Governments. However, there can be no assurance that NMDC will be able to provide the full amount of iron ore promised, or we will be able to import the full amount of coking coal required for full capacity production. Any failure to obtain iron ore or coking coal in sufficient quantities would adversely impact our business, results of operations and financial condition.

Besides coking coal, we also require thermal coal to generate electricity to operate our facilities and plants. We purchase most of our thermal coal from Mahanadi Coalfields Limited (**"MCL"**), a subsidiary of CIL. We cannot assure that MCL will be able to provide a sufficient amount of thermal coal to support the operations of our Company following the capacity expansion at commercially acceptable prices, or at all. Our business, results of operations and financial condition would be materially affected if we are unable to obtain adequate raw materials for production.

In addition to the above, in August 2014, the Supreme Court of India ruled that all coal licenses granted to private sector companies for the past two decades are "unconstitutional". Even though our Company is a public sector company, there can be no assurances that this decision of the Supreme Court will not materially affect the iron, coal and steel industry in India generally.

34. ***If we are unable to obtain the new mining leases applied for, or the related approvals and licences, our expansion plans, and therefore our business, results of operations and financial condition, would be adversely affected.***

Besides the supply of raw materials from third parties, other factors that could affect our ability to complete our expansion plans include securing the new mining leases our Company has applied for and obtaining or renewing the required mining-related approvals and licences.

We have applied to various State Governments for 28 new mining leases, and in relation to our Subsidiaries, OMDC and BSLC, applications have been made to renew their mining leases, with a view to reducing the cost of obtaining raw materials from external sources and securing more raw materials on our own. Iron ore and coking coal are the primary raw materials used in steel production by our Company, and during the Calendar Years 2010, 2011, 2012 and 2013 the prices of contract iron ore was US$108, US$140-150, US$120-130 and US$110-120 per tonne and the estimates of Calendar Years 2014 and 2015 are US$100-110 and US$90-100 per tonne. The prices of iron ore consistently declined from 2011 and this trend is estimated to continue till the end of the Calendar Year 2015. To mitigate the risk of the increased cost of raw materials, we have made 22 mining applications and prospecting licence applications for iron ore, one application for dolomite, four applications for thermal coal and one application for manganese ore. There can be no assurance that any or all of our mining-lease applications would be granted by State Governments, nor can there be any assurance that commercial levels of raw materials will be discovered or that the mines will produce raw materials at the estimated amounts sufficient for capacity expansion.

Failure to acquire the new mining leases and regulatory approvals and licences may cause us to delay, modify or forego some or all aspects of our expansion plans. Consequently, our Company cannot assure that we will be able to execute these projects and, to the extent that they proceed, that we will be able to complete them on schedule or within budget. If we are unable to carry out our expansion plans because of any of the reasons herein, our business, financial condition and results of operations would be adversely affected.

35. ***Our customers and suppliers can suspend or cancel delivery of products in certain cases.***

Events of *force majeure* such as disruption of transportation services, weather-related problems, strikes, lock-outs, inadequacies in the road infrastructure and port facilities or other events that are beyond the control of the parties and allow our suppliers to suspend or cancel the deliveries of the raw materials could impair our ability to source raw materials and components and our ability to supply products to our customers. Similarly, our customers may suspend or cancel delivery of our products during a period of force majeure and any suspensions or cancellations that are not replaced by deliveries under new contracts or sales on the spot market to third parties would reduce cash flows and could adversely affect our Company's financial condition and results of operations. There can be no assurance that such disruptions will not occur.

36. ***Failure to maintain adequate health and safety standards may cause our Company to incur significant costs and liabilities and may damage our reputation.***

We are subject to a broad range of health and safety laws and regulations in India. These laws and regulations, as interpreted by the relevant authorities and the courts, impose increasingly stringent health and safety protection standards. The costs of complying with, and the imposition of liabilities pursuant to, health and safety laws and regulations could be significant, and failure to comply could result in the assessment of civil and/or criminal penalties, the suspension of permits or operations and significant liabilities pursuant to lawsuits by third parties.

Our Company has implemented OHSAS-18001 standards to support our efforts to create a safe work environment. However, despite our efforts to monitor and reduce accidents at our facilities, there remains a high risk that health and safety incidents may occur, as some of our industrial activities involve the use, storage and transport of hazardous chemicals and toxic substances. Such incidents may include explosions or gas leaks, fires or collapses in underground mining operations, vehicular accidents, and exposure to potentially hazardous materials, any of which could have severe consequences for our workers and facilities as well as people living in the nearby areas and the environment. For example, on May 1, 2012, two fatalities involving contract workers occurred in an accident following a fire in a slag pit near one of the blast furnaces. Subsequently, on June 13, 2012, an industrial accident occurred in the new steel melt shop. On June 16, 2014, two fatalities involving contract engineers occurred in an accident following a possible nitrogen inhalation due to a nitrogen leak in the new steel melt shop. For details, see the risk factor titled ***"Industrial accident at our facilities have exposed us to possible financial liabilities and possible legal proceedings and resulted in adverse publicity for our Company"*** on page 20 of this Draft Red Herring Prospectus. Such incidents could damage our Company's reputation and adversely affect our business, financial condition and results of operations.

37. ***Our business is dependent on the delivery of an adequate and uninterrupted supply of electric power at a reasonable cost and any supply insufficiency or interruption could adversely affect our business, financial condition and results of operations.***

Steel production operations are energy intensive and we consume large amounts of energy in our operations. We own a thermal power plant with a capacity of 315 megawatts as of June 30, 2014. This power plant supplied approximately 86%, 85%, 85% and 80% of our total power needs in the Financial Years 2012, 2013 and 2014 and the three months ended June 30, 2014, respectively. We are dependent on public utilities for the remainder of our power requirements. In the Financial Year 2014 and the three months ended June 30, 2014, purchased power accounted for approximately 2.48% and 4.19%, respectively, of our total expenditure. An adequate, uninterrupted and cost effective supply of electrical power is critical to our operations.

Although our thermal power plant supplies majority of our power needs, in July 2012 and all throughout 2014 power restrictions imposed by the government of Andhra Pradesh affected our production. Since then we have purchased our own power supply through the bidding process in May 2014 and while we believe that our current supply of electricity will be sufficient to meet majority of our existing and future requirements, and we believe our steel plant has sufficient captive power generation to meet majority our power requirements, there can be no assurance that we will have an adequate, uninterrupted and cost effective supply of electrical power, the lack of which could disrupt our operations, thereby adversely affecting our business, financial condition and results of operations.

38. ***New materials, products or technologies could reduce the demand for our steel products.***

In many applications, steel competes with other materials that may be used as substitutes, such as aluminium (particularly in the automobile industry), cement, composites, glass, plastic and wood. Government regulatory initiatives mandating or incentivising the use of such materials in lieu of steel, whether for environmental or other reasons, as well as the development of other new substitutes for steel products, could significantly reduce market prices and demand for steel products and thereby reduce our Company's cash flow and profitability.

In addition, the steel market is characterised by evolving technology standards and changing customer specifications. The products or manufacturing processes of the customers that use our steel products may change from time to time due to improved technologies or product enhancements. These changes may require us to develop new products and enhancements for our existing products to keep pace with evolving technology standards and changing customer requirements. In addition, some of our machinery may be old and if we are not able to upgrade or keep up with technology standards, we might suffer from operational setbacks. If we cannot keep pace with market changes and produce steel products that meet market preferences, customers' specifications and quality standards in a timely and cost-effective manner, there is a risk that the demand for our products would decrease.

39. ***We are subject to trade union activity, and labour problems and disputes could adversely affect our results of operations and financial condition.***

Our non-executive employees are represented by several labour unions under collective wage settlement agreements which have different terms at different locations and are subject to periodic renegotiation. The majority of our non-executive employees are members of several unions including certain registered trade unions such as the All India Trade Union Congress, Centre of India Trade Unions and Indian National Trade Union Congress. The recent collective wage settlement agreement has been implemented from August 1, 2014. There have been no work stoppages on implementation of the new pay scales. However, we have in the past faced, and may in the future face, strikes or work stoppages, which could have an adverse impact on our operations, particularly given our dependence on our workforce.

Further, threats of strikes, work stoppages or other labour actions often have occurred in the past with government companies that were proposing public offerings or other significant transactions in order to disrupt these transactions, and we are facing similar threats in the context of the proposed Offer. We have faced numerous strikes in the Financial Years 2012 and 2013 for a period ranging from one to two days.

BSLC's mining operations were stopped in August 2014 and there can be no assurance as to when this stoppage will be lifted or that BSLC and OMDC will not face similar stoppages or suspensions in the future.

While we continue to work with our trade unions to resolve such issues and foster good relations with our employees, we cannot assure you that our existing labour agreements will prevent a strike or lockout, work stoppage or decline in productivity by our employees, or the threat of such actions in the future, and any strike or work stoppage by our employees, whether relating to this Offer or otherwise, could have a material adverse effect on our business, financial condition and results of operations.

In addition, we engage independent contractors who in turn engage on-site contract labour to perform certain of our operations. Although our Company does not engage these labourers directly, we are responsible for any wage payments to be made to such labourers in the event of default by such independent contractors. Any requirement to fund these wage requirements may have an adverse impact on our results of operations and financial condition. In addition, under the Contract Labour (Regulation and Abolition) Act, 1970, as amended, we may be required to absorb a number of such contract labourers as permanent employees. Thus, if we are required to undertake any such action, it may have an adverse effect on our business, results of operations and financial condition.

40. ***Our insurance policies provide limited coverage, potentially leaving us uninsured or under insured against certain business risks.***

As part of our risk management, we maintain insurance policies that cover all sudden and accidental physical loss, destruction or damage to our property. We currently maintain insurance coverage selectively for third party liability and for the storage of goods. Notwithstanding the insurance coverage that we carry, the occurrence of any event that causes losses in excess of limits specified under the policy, or losses arising from events not covered by insurance policies, could have a material adverse effect on our Company's business, financial condition and results of operations.

41. ***Our Company's inability to obtain, renew or maintain the statutory and regulatory permits and approvals required to operate our business, or to meet the applicable statutory and regulatory requirements, could have a material adverse effect on our business.***

We require certain statutory and regulatory permits and approvals for our business. For further details, see the section titled ***"Government and Other Approvals"*** on page 376 of this Draft Red Herring Prospectus. There can be no assurance that the relevant authorities will issue such permits or approvals in the time frame anticipated by our Company, or at all, or fail to renew or maintain existing permits or approvals. Additionally, in relation to the Madharam dolomite mine, our Company had filed an application for renewal of consent to operate under the Air Act and Water Act, for expansion of our mining capacity. However, the APPCB granted its approval only for the existing capacity and not for the expansion. If we are unable to obtain the requisite licences in a timely manner or at all, or are unable to renew or maintain existing permits or approvals, our operations may be materially and adversely affected.

Our operations are also subject to continued regulatory review, and the applicable statutory and regulatory requirements may be amended or modified. There can be no assurance that we have in the past obtained or complied with all the conditions stipulated in all relevant statutory and regulatory approvals and permits in connection with our operations, or that we will comply at all times in the future. For instance, our Company does not have authorisation under Hazardous Wastes Rules for its limestone mine at Jaggayyapet and the registration under the relevant Shops and Establishments Act for some of our offices. There also can be no assurance that the approvals, licences, registrations and permits issued in our Company's favour will not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. If we fail to comply with any applicable statutory and regulatory requirements, or if such statutory and regulatory requirements relating to our business and operations or the implementation thereof are altered, 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, we have in the past carried out mining activities in our sand mine at Nellimarla in the state of Andhra Pradesh, from 2001-2004, with a valid mining lease but without other requisite approvals, including approvals from the MoEF and the APPCB. While we have paid the state government of Andhra Pradesh the requisite royalty for carrying such mining activities, we cannot assure you that we will not be subject to any penalty or fines from the GoI or the state government of Andhra Pradesh for conducting mining operations during that period. The sand mine at Nellimarla has been permanently shut down due to exhaustion of sand, and our Company is now carrying out mining activities in our sand mine at Sarepalli. The mining lease was granted to the Company for mining river sand for a period of 20 years.

In addition, certain of our contractors and other counterparties are required to obtain approvals, licences, registrations and permits with respect to the services they provide to our Company. There can be no assurance that such contractors or counterparties have obtained and will maintain the validity of such approvals, licences, registrations and permits.

42. ***Any significant indebtedness in the future could adversely affect our financial condition and results of operations. We are subject to certain restrictive covenants under our current financing arrangements.***

As of August 31, 2014, we had total outstanding indebtedness of ₹ 56,020.05 million, the majority of which is to meet our working capital requirements. Although we are currently not significantly leveraged, we may incur significant additional indebtedness in the future. For further details, see the sections titled ***"Financial Indebtedness"*** on page 324 of this Draft Red Herring Prospectus and ***"Management's Discussion and Analysis of Financial Condition and Results of Operations—Indebtedness"*** on page 319 of this Draft Red Herring Prospectus. Any significant indebtedness in the future could have important consequences, such as a portion of our cash flows being used towards the servicing and repayment of our indebtedness, which will reduce the availability of cash flows to fund working capital, capital expenditures, acquisitions and other general corporate requirements.

Most of our current working capital arrangements are secured by our current assets, including a charge on our raw materials, stocks in progress, finished goods, receivables, vehicles, movable machinery and equipment. Some of our current financing agreements also include various conditions and covenants that require us to obtain lender consents before, among other things, undertaking certain projects, issuing new securities, altering our capital structure, changing the business of our Company, merging, consolidating, selling significant assets or making certain acquisitions or investments. In the past, and for this Offer, we have been able to obtain required lender consents for such activities. However, there can be no assurance that our Company will be able to obtain such consents in the future. In the event we are unable to obtain such consents, we will not be able to undertake such actions. Further, any failure to comply with the requirement to obtain a consent, or other condition or covenant under our financing agreements that is not waived by our lenders or is not otherwise cured by us, may lead to a termination of our credit facilities and/or acceleration of all amounts due under such facilities and may adversely affect our ability to conduct our business and operations or implement our business plans. A default by us under the terms of any financing document may also trigger a cross-default under our other financing documents, or any other agreements or instruments containing cross-default provisions. If all or a part of our outstanding indebtedness is accelerated, we may not have cash to repay such indebtedness, which could adversely impact our ability to operate. Further, in the event we default in our obligation to repay any amounts that become due and payable as a result of any non-compliance with the terms of the financing documents, the relevant lenders may provide our information as a wilful defaulter to the relevant regulatory authorities. In addition, several of our lenders retain the right to cancel the credit facilities extended to us by them, and under the provisions of some of our financing agreements our lenders have the right to recall the payments of the amounts due under the loan facility at any time at their discretion. If our lenders recall the payments of the outstanding amounts before they fall due, it may adversely affect our financial condition.

Furthermore, our Company's ability to make payments on and refinance our indebtedness will depend on our ability to generate cash from our future operations. We may not be able to generate enough cash flow from operations or obtain enough capital to service our debt. In addition, lenders under our credit facility could foreclose on and sell our assets if we default under our credit facilities. Many of our loan agreements allow our lenders to call upon additional security in relation to existing facilities.

43. ***Unsecured loans taken by us may be recalled by our lenders at any time.***

Unsecured loans taken by us amounting to ₹ 43,575.9 million were outstanding as of August 31, 2014 and may be recalled by our lenders at any time. Any failure to service our indebtedness, comply with a requirement to obtain a consent or otherwise perform our obligations under our financing agreements could lead to a termination of one or more of our credit facilities, trigger cross-default provisions, penalties and acceleration of amounts due under such facilities which may adversely affect our business, financial condition and results of operations. For details of our indebtedness, see the section titled **"*Financial Indebtedness*"** on page 324 of this Draft Red Herring Prospectus.

44. ***We have substantial capital expenditure and working capital requirements and may require additional financing to meet those requirements.***

Our business is capital intensive. We continuously need to expand and upgrade our existing production facilities. The cost of implementing new technologies or expanding capacity and allocation of resources to research and development could be significant and could adversely affect our results of operations.

The actual amount and timing of future capital requirements may differ from estimates as a result of, among other things, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, economic conditions, engineering design changes and technological changes, including additional market developments and new opportunities in our industry. Our sources of additional financing, if required, to meet our capital expenditure plans may include the incurrence of debt or the issue of equity or debt securities or a combination of both. For further details, see the risk factor titled ***"If we are unable to obtain adequate funding for our expansion plans, our business, results of operations and financial condition would be adversely affected"*** on page 31 of this Draft Red Herring Prospectus.

If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. If we decide to raise additional funds through the issuance of equity, your shareholding in our Company may be diluted.

In many cases, a significant amount of our working capital is required to finance the purchase of materials and the performance of engineering, procurement, manufacturing and other work before payment is received from customers. Our working capital requirements may increase if the payment terms in our agreements include reduced advance payments or longer payment schedules. These factors may result in increases in the amount of our receivables and short-term borrowings.

Continued increases in our working capital requirements may have an adverse effect on our business, financial condition and results of operations and we cannot assure that we will be able to raise the full amount we believe is necessary to fund our capital expenditure and working capital requirements, or that such amounts will be available at costs acceptable to us.

45. ***Some of our regional and branch offices and stock yards are leased or procured by our Company on an agreement to sell basis.***

Some of our regional and branch offices and stock yards through which we operate our business are leased by us from third parties or have been procured by us on an agreement to sell basis. We may in the future also enter into such transactions with third parties. Any adverse impact on the title/ownership rights/development rights of our landlords from whose premises we operate our offices or a breach of the contractual terms of such lease and licence agreements may impede our Company's operations. Also, in the event the leases are not renewed or sale/conveyance deeds are not executed, our operations may be adversely affected until this has been done or alternative arrangements have been made.

Additionally, some of our lease agreements and agreements to sell are not adequately stamped, and some of our lease agreements, which exceed a term of one year, are not registered. The non-registration of such lease agreements renders these leases voidable. Besides this, such inadequately stamped and unregistered agreements are inadmissible in evidence before the courts, and could attract a penalty that can be up to ten times the deficiency in the stamp duty that is payable on the document. In case a dispute arises in respect of any of our leased premises between the lessor and our Company, our operations may be adversely affected.

In addition, the lease deed for our branch office at Hyderabad has expired. While, we have received a letter of renewal from the landlord, we have not entered into a renewed lease deed as on the date of this Draft Red Herring Prospectus. Non-execution of the renewal lease deed may affect our right to occupy the premises.

46. ***Failure to protect our intellectual property rights may adversely affect our business.***

We operate in an extremely competitive environment, where generating brand recognition is an element of our business strategy. We do not hold a trademark registration for our logo as appearing on the cover page of this Draft Red Herring Prospectus. There can be no assurance that we will be able to register all our trademarks, or that third parties will not infringe on our intellectual property, causing damage to our business prospects, reputation and goodwill. If we fail to protect our intellectual property rights, including patents, trademarks, trade secrets and copyrights, our business and financial condition may be adversely affected. In the event we fail to obtain registration of our trademarks for such logo, or there is otherwise an inability to use such logo in the future, this may result in the loss of any goodwill associated with such logo. Our ability to enforce our trademarks and other intellectual property is subject to general litigation risks and an action for passing-off may not sufficiently protect our trademarks or trade names. If we are not successful in enforcing our intellectual property rights for any reason, it may have an adverse effect on our business and competitive position. For further details on our intellectual property rights, see the section titled ***"Government and Other Approvals"*** on page 376 of this Draft Red Herring Prospectus.

47. ***We depend on the experience and skill of certain of our Directors and key management personnel.***

Our efforts to continue our growth will place significant demands on our management and other resources, and we will be required to continue to improve operational, financial and other internal controls. Our Company's ability to maintain and grow the existing business and integrate new businesses will depend on our ability to maintain the necessary management resources and the ability to attract, train and retain personnel with skills that enable us to keep pace with growing demands and evolving industry standards. We are in particular dependent on the continued service and performance of key team members in our business units. 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, or our failure otherwise to maintain the necessary management and other resources to maintain and grow the business, could have a material adverse effect on our business, results of operations and financial conditions.

Competition for skilled personnel in the steel industry is intense, and we may not be able to retain key personnel or attract and retain such personnel in the future. We are a public sector undertaking (**"PSU"**) created by the GoI to undertake commercial activities on behalf of the government. Thus, GoI policies regulate and control the emoluments, benefits and perquisites that we pay to our employees, including our key managerial and technical personnel. We may be unable to compete with private sector companies for qualified personnel because of more competitive salaries and benefits packages offered by them. All the executive Directors and key managerial personnel are appointed pursuant to terms and conditions as prescribed by MoS. All these appointments are terminable by these respective Directors or key management personnel without assigning any cause by giving a notice of three months. In case any of these executive directors or key management personnel terminates their employment, then our Company may take a longer time to find or may not be able to find the requisite person for such positions which may adversely affect our operations and reputation.

48. ***The interests of our Directors may cause conflicts of interest in the ordinary course of our business.***

Conflicts may arise in the ordinary course of decision-making by our Board. Some of our non-executive Directors may also be on the board of directors of certain companies engaged in businesses similar to the business of our Company. There can be no assurance that our Directors will not provide services to our competitors or otherwise compete in business lines in which we are already present or will enter into in the future.

49. ***We may be subject to product liability claims.***

As of August 31, 2014, as far as we are aware and after making all reasonable enquiries, no legal claim has been made against us arising from product defects. We believe that, however, if the products manufactured by us contain defects which adversely affect our customers, we may incur additional costs in curing such defects or defending any legal proceedings or claims brought against us and may result in negative publicity. There can be no assurance that there will not be any product liabilities claims against us in the future. If any of our customers make any claim against us due to the defects of our products, our profitability, business and reputation may be adversely affected.

50. ***The security of our IT systems may fail and adversely affect our business, operations, financial condition and reputation.***

Our Company is dependent on the effectiveness of our information security policies, procedures and capabilities to protect our computer and telecommunications systems and the data such systems contain or transmit. Any delay in implementation or disruption of the functioning of our information technology systems could disrupt our ability to track record and analyse work in progress or cause loss of data and disruption to our operations, process financial information or manage creditors/debtors or engage in normal business activities. An external information security breach, such as a hacker attack, fraud, a virus or worm, or an internal problem with information protection, such as failure to control access to sensitive systems, could materially interrupt our business operations or cause disclosure or modification of sensitive or confidential information. 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 unauthorised access, computer viruses or other malicious code and other events that could compromise data integrity and security. Although we maintain procedures and policies to protect our IT systems, such as a data back-up system, disaster recovery and business continuity system, any failure of our IT systems as mentioned above could result in business interruption, material financial loss, initiation of regulatory actions and legal proceedings and harm to our reputation.

51. ***Any disruptions to our Enterprise Resource Planning ("ERP") and Systems Application Programming ("SAP") disaster recovery platforms or to our business systems could adversely affect our ability to carry on our business efficiently.***

Our Company has invested in information technology systems designed to help us better monitor and run our business. We have implemented the SAP and ERP platform at all our offices which will cover business processes related financial and cost accounting, sales and marketing (including customer relationship management), production planning and monitoring, quality management, human capital management, project systems and material management (including supplier management).

Our ERP servers and data centre facilities are vulnerable to damage, power loss, third party disruptions, natural calamities, fire and similar events. Any significant disruption to these servers or other computer or communication systems may damage our ability to carry on our business efficiently.

Our ERP and SAP platform may be vulnerable to unauthorised access, malicious codes and other events that could compromise data integrity and security. Although our Company maintains procedures and policies to protect our systems, such as a data back-up system, disaster recovery and business continuity systems, any failure of our ERP or SAP systems could result in business interruption, material financial loss, initiation of regulatory actions and legal proceedings and harm to our reputation.

52. ***One of our indirect subsidiaries has experienced negative cash flows in prior periods. Any negative cash flows in the future could adversely affect our business and working capital.***

Our Subsidiary, EIL, is the majority shareholder in BSLC and OMDC. BSLC has experienced negative cash flows of ₹ 9.35 million in the Financial Year 2013, ₹ 8.97 million in the Financial Year 2014 and a positive cash flow of ₹ 2.29 million in the three months ended June 30, 2014.

Negative cash flows of our Company and our Subsidiaries over extended periods, or significant negative cash flows in the short-term, could materially impact our working capital and our ability to operate our business.

53. ***The GoI will continue to control our Company following listing of our Equity Shares, and its interests as a controlling shareholder may conflict with prospective investors' interests as a shareholder.***

Upon the completion of this Offer, the GoI, acting through the MoS, will hold 4,400,861,580 Equity Shares, or 90.0% of our post-Offer paid up Equity Share capital. Under the MoU signed with the MoS and our Company's Articles of Association, the President of India may issue directives with respect to the conduct of our business or our affairs for as long as we remain a government owned Company, as defined under the Companies Act. Consequently, the GoI will continue to control us and will have the power to appoint, specify the terms and conditions of their appointment, and remove our Directors, including our Chairman and Managing Director, and determine the outcome of most proposals for corporate action requiring approval of our Company's Board or shareholders, such as revenue budgets, capital expenditure, dividend policy, determination of the borrowing powers of the Board, etc. Under the Companies Act, we will continue to be a public sector undertaking which is owned and controlled by the GoI, which represents the interests of the general public in India. This may affect the decision making process in certain business and strategic decisions taken by us going forward. We may pursue public interests during the course of our operations rather than focusing mainly on maximising our profits.

The interests of the GoI may be different from our interests or the interests of our other shareholders. As a result, the GoI may take actions with respect to our business and the businesses of our peers and competitors that may not be in our Company or our Company's other shareholders' best interests. The GoI could, by exercising its powers of control, delay or defer or initiate a change of control of our Company or a change in our capital structure, delay or defer a merger, consolidation, or discourage a merger with another public sector undertaking or any other entity.

In particular, given the importance of the steel industry to the economy, the GoI has historically played a key role, and is expected to continue to play a key role, in regulating, reforming and restructuring the Indian steel industry. The GoI also exercises substantial control over the growth of the coal and power industry, which are essential raw materials for us and may formulate policies which are in conflict with our interests. While the pricing of steel is not currently regulated by the GoI and is decided by our Company based on market demand and insight and competition, there can be no assurance that rules and regulations governing the pricing of steel will not be introduced and implemented by the GoI in the future. As the GoI is our majority shareholder and therefore has substantial controlling interest in our Company, such implementation may result in us having to adopt a pricing policy that may not be in line with market practices and may result in a material adverse effect on our business, financial condition and result of operations.

54. ***Any future capital raising exercise or sale of our Equity Shares by the GoI could significantly affect the price of our Equity Shares and may dilute your shareholding.***

To fund future growth plans, our Company may raise further capital by way of a subsequent issuance of Equity Shares in either the domestic or the international market. Any such issuance of our Equity Shares would dilute the shareholding of our existing investors. Any such future issuance of Equity Shares or sale of Equity Shares by the GoI, our Company's significant shareholder, may adversely affect the price of our Equity Shares, and could impact our ability to raise capital through an offering of our securities.

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

Pursuant to guidelines issued by the Department of Expenditure, Ministry of Finance, GoI in September 2004, all profit making PSUs are required to declare a minimum dividend on equity of 20.0% or a minimum dividend payout of 20.0% of post-tax profits, whichever is higher. In the Financial Year, 2014, our Company has recommended a dividend payout of 10% of the profit after tax for Equity Share capital and 7% on preference share capital. For details of dividends paid in previous years, see the section titled **"*Dividend Policy*"** on page 180 of this Draft Red Herring Prospectus. However, the amount of our future dividend payments, if any, is subject to the discretion of the Board of Directors, and will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and other factors. Additionally, we are restricted by the terms of certain of our debt financing instruments from making dividend payments in the event we default in any of the debt repayment obligations. There can be no assurance as to whether our Company will be profitable and thereby ensure payment of dividend, and if so, the level of such future dividends.

Risk Factors Relating to the Equity Shares

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

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

57. ***Investors will not receive the Equity Shares they purchased in this Offer until 12 Working Days after the date on which this Offer closes, which will subject investors to market risk.***

The Equity Shares purchased in this Offer will not be credited to investors' demat accounts with depository participants until approximately 12 Working Days from the Offer Closing Date and investors can start trading such Equity Shares only after receipt of listing and trading approvals in respect of these Equity Shares. Investors will be subject to the risk of devaluation of our Equity Shares after they purchase and investors may not be able to sell our Equity Shares until they receive them and approval for listing and trading is obtained.

58. *Investors will not be able to immediately sell any of our Equity Shares purchased in this Offer through the Indian Stock Exchanges until the receipt of appropriate trading approvals from Stock Exchanges.*

Our Equity Shares will be listed on the BSE and the NSE of India. Pursuant to Indian regulations, permission for the listing and trading of our Equity Shares on the Stock Exchanges will not be granted until after certain actions are completed. Investors' book entry or demat accounts with depository participants in India are expected to be credited within two Working Days of the date on which the basis of allotment is approved by the Designated Stock Exchange. We are required to Allot and list our Equity Shares within 12 Working Days of the Offer Date. The investors can start trading in our Equity Shares only after they have been credited to their demat account and listing and trading permissions are received from the Stock Exchanges. There can be no assurance that our Equity Shares will be credited to investors' demat accounts, or that trading in our Equity Shares will commence, within the time periods specified above. Any delay in obtaining the approvals would restrict investors from disposing of the Equity Shares they subscribed to.

59. *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 he can sell, Equity Shares at a particular point in time.*

Subsequent to listing, the Company may be subject to a circuit breaker imposed by the Stock Exchanges in India which does not allow transactions beyond a certain level of volatility in the price of Equity Shares. If any of these circuit breaker thresholds are reached, trading in all equity and equity derivatives markets nationwide is halted. 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 Company's circuit breaker is set by the stock exchanges based on the historical volatility in the price and trading volume of our Equity Shares. The stock exchanges may change such limits without our knowledge. This circuit breaker will effectively limit upward and downward movements in the price of our Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell our Equity Shares or the price at which shareholders may be able to sell their Equity Shares at a particular point in time.

60. *There has been no public market for our Equity Shares prior to this Offer. The Offer Price therefore may not be indicative of the value of our Equity Shares.*

Prior to this Offer, there has been no public market for our Equity Shares in India or elsewhere. The Offer Price as determined by our Company in consultation with the Selling Shareholder and the Book Running Lead Managers could differ significantly from the price at which our Equity Shares will trade subsequent to completion of this Offer. There can be no assurance that even after our Equity Shares have been approved for listing on the stock exchanges, any active trading market for our Equity Shares will develop or be sustained after this Offer, or that the offering price will correspond to the price at which our Equity Shares will trade in the Indian public market subsequent to this Offer.

61. *Investors may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares.*

Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company, including our Equity Shares, are generally taxable in India. Any gain realised on the sale of listed Equity Shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax (**"STT"**) has been paid on the transaction. STT will be levied on and collected by the domestic stock exchange on which our Equity Shares are sold. Any gain realised on the sale of Equity Shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to long-term capital gains tax in India. Furthermore, any gain realised on the sale of listed Equity Shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of our Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of our Equity Shares. For further details, see the section titled **"*Statement of Possible Tax Benefits Available to our Company and Shareholders*"** beginning on page 87 of this Draft Red Herring Prospectus.

62. ***Our Company and investors resident outside India are subject to foreign investment restrictions under Indian law which may adversely affect our operations and their ability to freely sell our Equity Shares.***

Under the foreign exchange regulations currently in force in India, transfers of Equity Shares from non-residents to residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the Reserve Bank of India (**"RBI"**). If the transfer of Equity Shares is not in compliance with such pricing guidelines or reporting requirements or fall under any of the specified exceptions, then the prior approval of the RBI will be required. In addition, shareholders who seek to convert the Rupee proceeds from a sale of Equity Shares in India into foreign currency and repatriate that foreign currency from India will require a no-objection or a tax clearance certificate from the income tax authority. We cannot assure investors that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all. Our Company may also be subject to restrictions relating to downstream investment under the foreign direct investment policy of the Government. Pursuant to the FDI Circular issued by the Government, in the event that more than 50.0% of equity interest of our Company comes to be beneficially owned by non-residents, or the majority of our Board is nominated by non-resident shareholders, we would be classified as owned by non-resident entities and the downstream investments made by our Company will be considered indirect foreign investment and will therefore be subject to the sectoral limits of foreign investment.

EXTERNAL RISK FACTORS

63. ***Global financial turmoil or conditions in the Indian market could materially and adversely affect our financial condition and the market value of our Equity Shares.***

Beginning in mid-2011, the United States and the European debt crisis has led to a significant loss of investor confidence in worldwide financial markets. Indian financial markets have also experienced the effects of this global financial turmoil. The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Continued concerns about the systemic impact of potential long-term and wide-spread economic recession, energy costs, geopolitical issues, and the availability and cost of credit have led to increased market uncertainty and instability in international capital and credit markets. These conditions, combined with declining business, consumer confidence and the high unemployment rate, have contributed to volatility of unprecedented levels. These market and economic conditions have had, and continue to have, an adverse effect on the global and Indian financial markets and the global and Indian economy in general, which has had, and may continue to have, a material adverse effect on our Company's business and financial performance, and may have an impact on the price of our Equity Shares.

In addition, the Indian securities markets are less developed and are more volatile than the securities markets in certain other economies, especially countries which are members of the Organisation for Economic Cooperation and Development (**"OECD"**). Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. The Indian stock exchanges (including the BSE and NSE) 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. Furthermore, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Also, 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.

64. ***Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries, as well as natural disasters, could adversely affect the financial markets and our Company's operations directly, or may result in a more general loss of customer confidence which would have a material adverse effect on our business, results of operations, financial condition and cash flows.***

Terrorist attacks, civil unrest and other acts of violence or war involving India or other neighbouring countries may adversely affect the Indian markets and the worldwide financial markets. South Asia more generally has experienced instances of civil unrest and hostilities among neighbouring countries from time to time. The occurrence of any of these events may result in a loss of business confidence, which could potentially lead to economic recession and generally have an adverse effect on our business, results of operations, financial condition and cash flows. In addition, any deterioration in international relations may result in investor concern regarding regional stability, which could adversely affect the price of our Equity Shares. If India were to become engaged in armed hostilities, particularly hostilities that were protracted or involved the threat or use of nuclear weapons, we might not be able to continue our operations. Military activity or terrorist or rebel group attacks in the future could adversely affect the Indian economy by disrupting communications and making travel more difficult or by disrupting our operations directly, including through disruptions to the transportation lines over which we transport our goods, such as domestic railway lines. Any of these conditions could have an adverse effect on our business, financial condition and results of operations.

India has experienced natural disasters such as earthquakes, tsunamis, cyclones, droughts and floods in recent years. As our operations, production capabilities, distribution chains and facilities and mines are all located in a region of India prone to natural disasters, such natural catastrophes could disrupt our Company and cause serious harm to our business. For example, in the event of a drought, the State Government in which our facility is located could cut or limit the supply of water to our facility, thus adversely affecting our production capabilities, and reducing the volume of products we can manufacture and consequently reducing our revenues. Our Company cannot assure that such events will not occur in the future, or if such events occur, that our business, results of operations, financial condition and prospects will not be adversely affected.

65. ***Changes in the policies of the Indian Government could adversely affect economic conditions in India, and thereby adversely affect our results of operations and financial condition.***

Our Company is incorporated in India, derives our revenues from operations in India and all of our assets are located in India. Consequently, the performance of our Company and the market price of our Equity Shares may be affected by interest rates, government policies, price controls, taxation, social instability and other political and economic developments affecting India. The GoI has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Since 1991, successive governments have pursued policies of economic liberalisation and financial sector reforms. The current government has announced that its general intention is to continue India's current economic and financial sector liberalisation and deregulation policies. However, there can be no assurance that such policies will be continued, and a significant change in the government's policies could affect business and economic conditions in India, and could also adversely affect our financial condition and results of operations. Political instability or changes in the government could delay further liberalisation of the Indian economy and adversely affect economic conditions in India generally, which could have a material adverse effect on our Company's business, results of operations, financial condition and prospects.

The MoS, GoI is responsible for coordinating and formulating policies for the growth and development of the Indian iron and steel industry. Prior to 1992, the MoS, GoI controlled the price that Indian primary steel producers could charge for steel. Today, the Indian steel industry is deregulated, and steel prices in India are generally determined by market forces. Such deregulation notwithstanding, the MoS has initiated measures to maintain a balance between the demand and availability of steel in India. No assurance can be given that the GoI will not reinstitute price controls in the future or otherwise interfere with market prices. If the MoS, GoI intervenes in determining the price of steel in India, our results of operations and financial condition could be adversely affected. In addition, the GoI may enact monetary or fiscal policies to contain India's fiscal deficit or curb inflation that may decrease the demand for Indian steel, which could adversely affect our business, operations and financial condition.

The Companies Act, 2013, together with the rules thereunder, contains significant changes to Indian company law, including in relation to the issue of capital by companies, related party transactions, corporate governance, audit matters, shareholder class actions and restrictions on the number of layers of subsidiaries. Moreover, effective April 1, 2014, companies exceeding certain net worth, revenue or profit thresholds are required to spend at least 2% of average net profits from the immediately preceding three Financial Years on corporate social responsibility projects, failing which an explanation is required to be provided in such companies' annual reports. We may incur increased costs and other burdens relating to compliance with these new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business and results of operations.

The GoI proposes to revamp the implementation of direct taxes by way of the introduction of the Direct Taxes Code, 2013 (**"DTC"**). The DTC proposes to consolidate and amend laws relating to income tax and wealth tax. The DTC, has, among things, specified the manner of aggregation and computation of income, minimum alternate tax, wealth tax, dividend distribution tax, provided for certain tax incentives and has specified penalties in the event of contravention of the provisions of the DTC. The DTC has specified that dividend distribution tax is payable at the rate of an effective rate of 16.99% by a domestic company, including applicable cess and surcharge. Further, the DTC has specific rates for taxation, including for non-residents. For instance, withholding tax at the rate of 25%, plus effective cess and surcharge, will be applicable for interest (other than specified interest) on any dividends not subject to distribution tax. If the DTC is passed in its present form by both houses of the Indian Parliament and approved by the President of India and then notified in the Gazette of India, the tax impact discussed in this Draft Red Herring Prospectus will be altered by the DTC.

The GoI has proposed a comprehensive national goods and services tax (**"GST"**) regime that will combine taxes and levies by the Central and State Governments into a unified rate structure. While the Government of India and other state governments have announced that all committed incentives will be protected following the implementation of the GST, given the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to this or any other aspect of the tax regime following implementation of the GST. The implementation of this rationalized tax structure may be affected by any disagreement between certain state governments, which may create uncertainty. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable.

We have not yet determined the impact of these recent and proposed legislations on our business. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future.

Taxes and other levies imposed by the GoI or State Governments that affect our industry include import duties on raw materials and consumables; import duties on imports of steel, including hot rolled coils; central excise duty; central sales tax; income tax; value added tax; royalties; service tax; entry tax and other new or special taxes and surcharges introduced on a permanent or temporary basis from time to time.

Increases or decreases in any of the above taxes or levies may significantly affect our business, financial condition, results of operations and prospects. Similarly, a withdrawal or changes in export incentives that we take advantage of may reduce realisation on exports.

66. ***Any downgrade of India's sovereign debt rating by international rating agencies could adversely affect our Company's results of operations and financial condition.***

Any adverse revisions to India's sovereign credit ratings for domestic and international debt by international rating agencies may adversely affect our ability to raise financing and the interest rates and commercial terms on which such financing is available. This could have an adverse effect on our ability to obtain financing to fund our growth on favourable terms or at all and, as a result, could have a material adverse effect on our business, results of operations, financial condition and performance, and the price of the Equity Shares.

India's sovereign foreign currency long-term debt is rated Baa3 by Moody's, BBB- by S&P and BBB- by Fitch.

67. ***The proposed adoption of the International Financial Reporting Standards ("IFRS") could result in our financial condition and results of operations appearing materially different than under Indian GAAP.***

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, GoI through a press note released in January 2010. The Ministry of Corporate Affairs, on February 25, 2011, announced that it will implement converged accounting standards in a phased manner. The recent finance budget of India for the years 2014-2015 stated that all the Indian companies will have to adopt the new Indian accounting standards, which provides for convergence with the IFRS, voluntarily from Financial Year 2015-2016 and on a mandatory basis from Financial Year 2016-2017.
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 an effect on the amount of income recognised during that period and in the corresponding period in the comparative 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.

Prominent Notes:

(a) Public Offer of 488,984,620 Equity Shares for cash at a price of ₹ [●] per Equity Share aggregating up to ₹ [●] million, of our Company through an Offer for Sale by the Selling Shareholder. The Offer comprises a Net Offer and an Employee Reservation Portion. The Offer shall constitute 10% of the post-Offer paid-up Equity Share capital of our Company and the Net Offer shall constitute 9% of the post-Offer paid-up Equity Share capital of our Company. The Selling Shareholder and our Company are offering a discount of ₹ [●] per Equity Share to the Retail Individual Investors and the Eligible Employees Bidding under the Employee Reservation Portion.

(b) The average cost of acquisition of Equity Shares by our Promoter is ₹ 10 which has been calculated on the basis of the average of amounts paid by it to acquire the Equity Shares currently held by it.

(c) Except as disclosed in the section titled "***Financial Statements***" on page 181 of this Draft Red Herring Prospectus, there have been no transactions between our Company and our Subsidiaries/joint ventures during the last Financial Year.

(d) The net worth of our Company on a consolidated basis and standalone basis as of June 30, 2014 was ₹ 121,853.6 million and ₹ 121,876.7 million, respectively, as per the restated stand-alone financial statements and as per the audited restated consolidated financial statements.

(e) The NAV/ book value per Equity Share of our Company is as follows:

	NAV/ book value per equity share of ₹ 10 each as of June 30, 2014
As per our restated standalone financial statements	₹ 23.29
As per our restated consolidated financial statements	₹ 23.28

For more information, see the section titled "***Financial Statements***" on page 181 of this Draft Red Herring Prospectus.

(a) There has been no financing arrangement whereby the Directors and/ or their relatives have financed the purchase by any other person of securities of our Company during the period of six months immediately preceding the date of filing of the Draft Red Herring Prospectus with SEBI.

(b) Our Company was converted to a public company on May 10, 2012, pursuant to the approval of the MoS (letter no 5(5)/2010-VSP) dated December 21, 2011 and the resolution passed by our shareholders at their EGM dated April 21, 2012.

Investors may contact the BRLMs for any complaint pertaining to the Offer. All grievances relating to the non-ASBA process must be addressed to the Registrar to the Offer quoting the full name of the sole or first Bidder, Bid-cum-Application Form number, Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, date of Bid-cum-Application Form, name and address of the Syndicate Member or the Registered Broker where the Bid was submitted and cheque or draft number and issuing bank thereof. All grievances relating to the ASBA process may be addressed to the Registrar to the Offer, with a copy to the relevant SCSB or the member of the Syndicate if the Bid was submitted to a member of the Syndicate at any of the Specified Locations, or the Registered Broker if the Bid was submitted to a Registered Broker at any of the Broker Centres, as the case may be, quoting the full name of the sole or first Bidder, Bid-cum-Application Form number, Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, date of Bid-cum-Application Form, name and address of the member of the Syndicate or the Designated Branch or the Registered Broker, as the case may be, where the ASBA Bid was submitted and ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

SECTION III: INTRODUCTION

INDUSTRY OVERVIEW

The Global Steel Industry

According to the World Steel Association ("**worldsteel**"), global crude steel production (of the 65 countries reported) in Calendar Year 2013, was approximately 1,606 mt, while global steel consumption (which reflects the deliveries of steel to the marketplace from domestic steel producers and imported steel) of finished steel was 1,481 mt (Source: worldsteel Short Range Outlook, April 2014).

The global steel industry is cyclical in nature and the growth or decline of the steel industry is linked to the economic cycle of each country and, in particular, to industrial production and infrastructure development. Global production capacity, trade policies of countries and the regional demand-supply scenario also strongly influence the industry. Steel producers may attempt to reduce the impact of cyclicality through various measures, such as diversification of manufacturing operations to various geographies (preferably emerging markets with low-cost operations), vertical integration into raw material production, diversification of customer base and focus on value-added products.

Global Steel Production

Growth in steel production in the past two decades has been volatile. According to the worldsteel, global steel production declined on average by 0.5% per year from Calendar Years 1990 to 1995 and grew on average by 2.4% per year from Calendar Years 1995 to 2000, 6.2% per year from Calendar Years 2000 to 2005 and 4.5% per year from Calendar Years 2005 to 2010. Over the period from Calendar Years 2010 to 2013, as an average, the global steel production increased by approximately 3.9% per year.

Overall global crude steel production (based on the 65 countries reporting) in Calendar Year 2013, was 1,606 mt, a 3.0% increase in production over the previous year. In Calendar Year 2013, according to the worldsteel, crude steel production increased by 6.5% in China, 5.0% in India, 7.7% in Taiwan and 3.2% increase in Japan; decreased by 2.0% in the United States; increased by 0.2% increase in Germany and decreased by 11.7% in Italy; decreased by 3.3% in Turkey; and decreased by 2.4% in Russia and 0.6% in Ukraine over the previous year.

Over the past decade, steel production has continued to shift from its traditional base in heavily industrialized countries to fast-growing emerging markets such as China and India. In Calendar Year 2000, the United States and EU27 accounted for approximately 34.8% of global steel production, and Japan accounted for 12.5%. At the same time, China and India accounted for 15.1% and 3.2%, respectively, of global steel production. By Calendar Year 2005, however, contribution by the United States and EU27 decreased to 25.4% of global steel production and Japan decreased to 9.8%, while China and India accounted for 30.9% and 4.0%, respectively. In 2013, the United States and EU27 accounted for only 15.7% of global steel production, Japan accounted for 6.9%, while China and India contributed 48.5% and 5.0%, respectively. According to the worldsteel, in Calendar Year 2013, China was the single largest producer of crude steel in the world, producing approximately 779.0 mt of crude steel, which represents a 6.5% increase in production over 2012. In Calendar Year 2013, India was the fourth largest producer of crude steel, producing approximately 81.2 mt of crude steel.

The recent production shift to Asia has largely been the result of proximity to the major growth markets for steel consumption and the greater availability of key raw materials. Moreover, while production in Europe, Japan and the United States has improved in recent years, steel producers in those regions face continued challenges due to slowing demand. The recent shift to Asia is also evident in the number of Asia-based steel producers who are ranked among the top ten in crude steel production. In Calendar Year 2001, there were four European companies in the top ten steel producers. In Calendar Year 2013, the only steelmaker in the top ten with headquarters in Europe was ArcelorMittal.

The Indian Steel Industry

India's growth is expected to recover from 4.4% in Calendar Year 2013 and strengthen to 5.4% in Calendar Year 2014 and 6.4% in Calendar Year 2015, assuming that government efforts to revive investment growth succeed and export growth strengthens after the recent rupee depreciation, according to the IMF, World Economic Outlook 2014.

Indian Steel Production

India is currently the fourth largest crude steel producer in the world, according to the Ministry of Steel, Government of India, and the largest producer of sponge iron in the world. Unlike China, where there is significant excess steelmaking capacity, India remains a net importer of steel, which should allow for more growth in steelmaking capacity for domestic Indian steel companies. According to CRISIL, the lack of technical know-how with regard to high-end value-added steel products (such as, among others, auto grade steel, boiler quality steel) and cheaper imports from China (of commodity grade steel) have made India a net importer of steel over the last six years. In the coming years, India is expected to become a net exporter of steel, as the country's manufacturers increase competencies in value-added steel products (by increasing their technical know-how with regard to high-end value added steel products, such as auto grade steel, boiler quality steel), which are currently imported and also because of the increased presence of Indian manufacturers in the global export market, given their higher cost competitiveness. A weak rupee makes steel imports to India costly and at the same time makes India competitive in the export markets.

The Indian steel industry is classified into main producers (SAIL, Tata Steel Limited and RINL), major producers (plants with crude steel making capacity above 0.5 mtpa including Jindal Steel Power Limited (**"JSPL"**), JSW Steel Limited, Essar Steel Limited and JSW Ispat Steel Limited) and other producers, according to the Joint Plant Committee. The other producers consist of a number of steel-making plants producing crude steel, semi-finished steel, non-flat steel and other downstream segments of flat steel.

SUMMARY OF OUR BUSINESS

Overview

We are the second largest government-owned steel company in India (Source: Joint Plant Committee monthly performance report on Iron & Steel, July 2014), with original liquid steel production capacity of 3.0 mtpa and expanded liquid steel production capacity of 6.3 mtpa, which is currently in the advanced stages of completion, and is expected to be operational by the end of Financial Year 2015. Our plant at Visakhapatnam, Visakhapatnam Steel Plant ("**VSP**"), was originally established in 1971 as part of SAIL, a PSU producing iron and steel products. In 1982, our Company was incorporated and the assets and liabilities of VSP were transferred from SAIL to us.

In November 2010, we were conferred *Navratna* status by the GoI, which provides us with a considerable degree of operational and financial autonomy from the GoI. As of July 2014, we are one of only 17 PSUs in India with *Navratna* status. The Promoter of our Company is the President of India, acting through the Ministry of Steel, GoI.

We have our Registered and Corporate Office in Visakhapatnam, in the state of Andhra Pradesh, India, with regional offices in Visakhapatnam, Delhi, Kolkata, Chennai and Mumbai. We conduct our production activities at a single production site in Visakhapatnam. Our steel production facilities consist of four coke oven batteries, three blast furnaces, along with the related processing units, five converters, four rolling facilities and a thermal power plant and its ancillary facilities, including waste heat recovery facilities.

The expansion of our production capacity to more than double our liquid steel capacity from 3.0 mtpa to 6.3 mtpa is well advanced, with major units, including finishing mills, to be commissioned in phases and be operational, by the end of Financial Year 2015. We purchase most of our key raw materials, including iron ore and coking coal. We also source raw materials from our mines which provide limestone, dolomite, manganese ore, quartzite and silica sand. As of August 31, 2014, we own a majority stake in EIL, a holding company for mining companies with iron ore, manganese ore and limestone and dolomite reserves.

We produce a broad range of steel products, including plain wire rods, rebars, rounds, squares, structurals, billets, blooms and pig iron. We sell most of our products domestically, with Indian customers accounting for approximately 94.0% of our sales for the three months ended June 30, 2014, of which 48.0% was in South India. Our customers consist mainly of companies in the construction, infrastructure, manufacturing, automobile, general engineering and fabrication sectors.

As of August 31, 2014, we employed 18,328 permanent employees. We sell our products through a wide marketing network of five regional offices, 23 branch offices, seven marketing contact offices, 18 consignment agents, four handling contractors and five consignment sales agents. We sell our steel products to project users, industrial users and retailers.

In the Financial Years 2012, 2013 and 2014 and the three months ended June 30, 2014, we recorded net sales of ₹ 131.75 billion, ₹ 120.36 billion, ₹ 119.89 billion and ₹ 23.00 billion, respectively, on a restated consolidated basis. During the same periods, we recorded a profit after tax of ₹ 10.3 billion, ₹ 1.25 billion, ₹ 2.87 billion and ₹ 1.22 billion, respectively. As of June 30, 2014, we had total assets and total net worth of ₹ 258.60 billion and ₹ 121.85 billion, respectively.

Key Strengths

Strong Position in a High Growth Market

We are a well-established producer of steel in the long products category which includes plain wire rods, rebars, rounds, structurals and in the semi-finished steel products category which includes billets and blooms. Factors such as an increasing demand for steel arising from strong economic growth, low per capita steel consumption and abundant iron ore reserves have resulted in a high growth steel industry in India. Steel consumption in India is projected to increase by 3.3% and 4.5% in the Calendar Years 2014 and 2015, respectively, according to the worldsteel (Source: worldsteel Short Range Outlook, April 2014). According to CRISIL Bulletin November-December 2013, domestic demand for steel products is expected to grow at a CAGR of 6-7% to Calendar Year 2017.

Our Company has a market share of approximately 7.49% in the long products segment (Source: Joint Plant Committee monthly performance report on Iron & Steel, April 2014), which is expected to continue to grow following the expansion of our production capacity to 6.3 mtpa, which is currently at an advanced stage of completion. Our main competitors are secondary producers, many of which we believe enjoy lower brand recognition and market reputation compared to our Company. Consequently, we believe our market share, established presence and brand recognition in the long products market places us in a strong position to take advantage of the rising demand in this high growth market.

Strategically Located Operations

We believe that we are the first shore-based integrated steel plant in India. Visakhapatnam, where our production facility is located, is a major port city on the south-east coast of India, and the largest city in the state of Andhra Pradesh. It is a hub for imports of crude oil and exports of iron ore, aluminium and other commodities from two significant ports, Visakhapatnam Port Trust ("**VPT**") and Gangavaram Port Limited ("**GPL**"), both situated within 25 kilometres of VSP. GPL, which is adjacent to VSP, is connected by conveyer to our plant and enables us to import coking coal in capesize and panamax vessels, which helps us to rationalise the freight costs. VPT has recently modernised its facilities, which now allows imports through capesize and panamax vessels, which helps the Company by reducing cost of handling larger vessels and so reducing its handling freight charges. These ports are expected to provide us with a similar cost advantage in importing other raw materials in the future as we explore additional raw material suppliers and sources abroad. We have also appointed a consultant to study the feasibility of setting up a captive jetty to further exploit our coastal location. The consultant's report is presently being considered internally.

Our geographic location in India, by being situated on the coast, also allows us to enjoy cost advantages in the delivery of supplies to our customers around the country, and particularly in South India, which accounted for 48.0% of our sales for the three months ended June 30, 2014. Our close proximity to our customers in South India allows for lower delivery costs as compared to our competitors.

We conduct our operations on a contiguous land area of approximately 19,000 acres, which the GoI has granted us under a power of attorney. In addition to our present operations, this land can support an expansion of steel production up to 20 mtpa, which we believe puts us in a favourable position for future growth.

Operational Efficiency

We believe that we have demonstrated a track record of efficiently utilising our steel manufacturing capacity. Steel production is a high fixed-cost industry and production rates have a direct impact on unit costs. For the previous ten consecutive years, production in all major units of VSP (except hot metal) exceeded 100% of rated capacity. For the Financial Year 2014, average production performance of hot metal, liquid steel and saleable steel (excluding expansion units) was 82.4%, 111.2% and 112.0%, respectively. For the three months ended June 30, 2014, average production performance of hot metal, liquid steel and saleable steel (excluding expansion units except for hot metal production) was 89.4%, 102.7% and 100.5%, respectively.
In addition, our close access to ports allows us to ship our coking coal requirements more economically from Australia, New Zealand and the United States, which we believe provides us with efficiencies in the production process.

We meet most of our power needs through captive power plants and use waste heat recovery to drive down our energy costs even further. Our Company received an ISO 50001:2011 certification from the Bureau Veritas for our energy management system, which is valid until December 27, 2016. We are also funding the majority of our expansion expenditure through internal accruals. We believe this enables us to judiciously increase our leverage to fund further expansions.

Diverse Customer Base Served Through a Wide Marketing Network

We have a diverse customer base of approximately 3,200 customers, as of June 30, 2014, spread across several industry and business segments. In the Financial Year 2014 and the three months ended June 30, 2014, our ten largest customers accounted for approximately 20% and 21%, respectively, of our total turnover. For further details on the ten largest customers of the Company, see the section titled "***-Sales***" on page 115 of this Draft Red Herring Prospectus. Over the same period, our biggest customer accounted for approximately 5% and 4%, respectively, of our turnover. Several of our customers have been in long-term relationships with us for over ten years. We have entered into MoUs with a number of our principal customers to supply our products. During the

Financial Year 2014 and for the Financial Year 2015 we have signed MoUs for the supply of a total quantity of approximately 2.3 mt and 2.9 mt, respectively, of steel. As of June 30, 2014, approximately 70% of our customers were repeat customers, having been customers of our Company for the preceding three years period. Our broad customer base is supported by our wide marketing network. We market and provide products to three major categories of customers: project users, industrial users and retailers. For the Financial Year ended March 31, 2014, project users, industrial users and retailers accounted for 64%, 26% and 10% of our customers, respectively. For the three months ended June 30, 2014, project users, industrial users and retailers accounted for 48%, 37% and 15% of our customers, respectively. For a further discussion of these categories, see the section titled "***-Sales***" on page 115 of this Draft Red Herring Prospectus. We have a wide marketing network of five regional offices, 23 branch offices, seven marketing contact offices, 18 consignment agents, four handling contractors and five consignment sales agents. We sell our products under the Vizag brand, with the trademarks "VIZAG STEEL", "VIZAG TMT" and "VIZAG UKKU" which we believe enjoys strong brand recognition in India.

We believe that our diverse customer base, ability to retain customers and ability to accommodate large orders and ensure a stable supply of our products confer us with distinct competitive advantages.

Experienced Management Team and Skilled Workforce

Our senior management team comprises members with extensive experience and in-depth knowledge of both the steel industry and our Company. As a government owned company, our directors are appointed by the government through an established selection mechanism from a large pool of personnel. Our senior management has an average of 25-30 years of working experience in the steel industry. Our management's rich experience and understanding of our Company has been crucial in building a sustainable business, supporting our operations and executing our expansion plans.

As of August 31, 2014, we employed approximately 18,328 permanent workers, comprising 6,374 executives and 11,954 non-executives. Of these non-executives, 6,230 are skilled workers, 3,480 are semi-skilled and the balance of the employees consists of unskilled labour and administrative staff. Our employees are provided training in accordance with the Quality Management System certified by ISO 9001:2008. We regularly provide advanced management training workshops, performance appraisals, competency checklists and surveys to our employees.

The efforts of our senior management team and workforce have resulted in us being conferred with the awards of Prime Minister's Trophy as the 'Best Integrated Steel Plant' in the country for the years 2002-2003 and 2005-2006 and Steel Minister's Trophy as the 'Best Integrated Steel Plant' in the country for 2006-2007 and 2009-2010. We have also been recognised as one of "India's Best Companies to Work For" for three consecutive years from 2009 till 2011 by the Economic Times and Great Place to Work For Institute. Furthermore, certain of our employees are also recipients of the Shram Veer and Viswakarma Puraskar awards, given by the Prime Minister of India.

In addition, VSP was awarded the African Learning & Development Award 2012 for special training schemes, Asia Pacific HRM Congress Award 2013 for Organisation with Innovative HR Practices. In addition, in February 2014, "The Greatest Corporate Leaders of India Award" was awarded to our CMD by the World HR Congress.

Strategies

Deploy Expanded Capacity to Enhance Competitiveness

Our Company intends to modernise, upgrade and expand our production facilities to more than double the existing liquid steel production capacity of VSP in phases to 6.3 mtpa by the Financial Year 2015 and to approximately 7.3 mtpa by the Financial Year 2017.

We are close to completing the first phase of expansion to increase our capacity from the current 3.0 mtpa to 6.3 mtpa. We also commissioned a new blast furnace in April 2012 and two converters in the steel melt shop, a generator and a wire rod mill in Financial Year 2014. We believe that the increase in production capacity will increase the size of our operations, particularly our production of long steel products (in which we have a strong market position), improve our economies of scale and further enable us to compete more effectively with other steel manufacturers, and maintain market share in the face of expected continued growth in steel demand in

India, spurred by strong infrastructure sector funding by the GoI and the revival of the manufacturing and automobile industries. As we have a limited amount of financial indebtedness, we believe we are well positioned to fund our growth. For a further discussion of this expansion, see the section titled "***-Expansion and Development Projects - Expansion and Modernisation of Visakhapatnam Steel Plant***" on page 110 of this Draft Red Herring Prospectus.

Increase Raw Materials Security

We continuously seek to secure access to raw materials. Continuous expansion of the steel industry has resulted in an enhanced level of competition for raw materials. Consequently, our Company seeks access to newer sources of raw materials to increase reliability of raw material availability in the production process. Initiatives we have taken in the past years include the following:

(a) As of June 30, 2014, we had submitted, and are awaiting results in relation to, a total of 28 mining applications and prospecting licence applications to various State Governments, including 22 applications for iron ore, one application for dolomite, four applications for thermal coal and one application for manganese ore;
(b) On June 22, 2013, we entered into an MoU with Andhra Pradesh Mineral Development Corporation Limited and KIOCL to facilitate the production, utilisation and sale of pellets by way of a tripartite supply agreement;
(c) On May 24, 2012, we entered into an MoU with NMDC for setting up a JVC pipeline transport of materials from Jagdalpur to Visakhapatnam and setting up filtration and pellet plant at Visakhapatnam. This MoU has been extended till May 23, 2016;
(d) On August 31, 2011, we entered into a consortium agreement with other Indian steel producers to cooperate in the submission of a joint bid for iron ore deposits in Afghanistan;
(e) In January 2011, we acquired a 51.0% stake in EIL, a holding company for OMDC and BSLC, both mining companies which hold iron ore, limestone, dolomite and manganese ore reserves;
(f) In May 2009, we formed a joint venture company ("**JVC**") with MOIL to incorporate RINMOIL Ferro Alloys Private Limited ("**RMFA**"), for the purpose of setting up a ferro alloys unit. Ferro alloy is an essential resource required in quality steel production. RMFA intends to produce 37,500 tonnes per annum of silico manganese and 20,000 tonnes per annum of ferro manganese. For further details regarding RMFA, see section titled "***Joint Venture Agreements – RMFA***" on page 146 of this Draft Red Herring Prospectus; and
(g) In January 2009, we formed International Code Venture Private limited ("**ICVL**"), a JVC, with other PSUs, comprising SAIL, CIL, NMDC and NTPC. ICVL's objective is to acquire coking and thermal coal assets abroad. For further discussion on the current status of ICVL, see the section titled "***Joint Venture Agreements – ICVL***" on page 143 of this Draft Red Herring Prospectus.

For further discussion of the current status of our key raw material initiatives, see the section titled "***-Raw Material Projects***" on page 118 of this Draft Red Herring Prospectus, and for details of the MoUs and other agreements see the section titled "***History and Certain Corporate Matters***" on page 130 of this Draft Red Herring Prospectus. We intend to continue to collaborate with our partners to pursue our current initiatives and, if suitable opportunities arise, to pursue new initiatives to become more self-sufficient in our raw materials procurement.

Expand Product Mix to Meet Customer Expectations

We plan to expand our operations to improve our product mix and manufacture new products in line with our customers' requirements. In the three months ended June 30, 2014, sales of our value added products, including plain wire rods and rebars, as a percentage of total saleable steel stood at 77.1%. This percentage has consistently been at over 75% every year for the past five Financial Years, measuring 75.3%, 78.9%, 79.0%, 78.7% and 77.7% in the Financial Years 2010, 2011, 2012, 2013 and 2014, respectively. We intend to increase our production of value added steel products. To this end, we are constructing three new finishing mills namely, a wire rod mill, a special bar mill and a structural mill. The special bar mill and the structural mill are planned to be brought into operation during the Financial Year 2015 and the wire rod mill has already been commissioned. In addition, our Company has entered into an MoU with Power Grid Corporation of India Limited to set up a joint venture in order to supply end products such as a transmission line tower and tower parts, and on January 19, 2013, we entered into an MoU with MECON Limited for the selection and acquisition of the technology and process know-how required to produce cold rolled silicon steel. For details of these MoUs, see the section titled "***History and Certain Corporate Matters***" on page 130 of this Draft Red Herring Prospectus. On October 3, 2013, our Company has also signed an off-take agreement and a land lease agreement with the Indian Railways for setting up a forged wheel plant and the process of tendering contracts for the construction of the main plant is in progress. For more information on these agreements, see the section titled "***History and Certain Corporate Matters***" on page 130 of this Draft Red Herring Prospectus. In addition, we are in discussions with the Indian Railways for setting up a rail axle plant for the manufacturing of railway axles, which we intend to produce with the large diameter round billets from VSP.

We believe that the improvement of our product mix will enable us to increase our sales volume by selling these additional products to our existing and new customers, with an anticipated beneficial impact on our profitability.

Continue to Strengthen Competitive Cost Structure

Our Company intends to maintain and strengthen our cost competitiveness by continuously pursuing a cost management strategy, and exercising close control over operational and capital expenditures. Initiatives that we have taken, and will continue to take, to reduce costs and strengthen cost competitiveness include:

(a) Installing waste gas based power capacity of 120 megawatts by Financial Year 2015;
(b) Using by-product gases generated in our coke ovens, blast furnaces and steel melt shop to supply heat to various metallurgical units and for electric power generation, thereby reducing our dependence on coal and furnace oil; we have also installed equipment for the recovery of waste heat in our sinter plant, which can generate an additional 20.6 megawatts of power;
(c) Utilising captive power to meet approximately 90.0% of our power requirement;
(d) Utilising pulverised coal injection technology to improve the cost effectiveness of our blast furnaces;
(e) Deploying cost effective substitutes for certain inputs in the steel production process, such as using nut coke in partial replacement of coking coke in the blast furnaces, and using metallurgical waste to partially replace iron ore fines in the sinter plant;
(f) Selling by-products generated during the process of steelmaking, thereby generating additional revenue; and
(g) Continuing to implement management information systems and related processes in order to enhance operational efficiencies and achieve seamless integration among major functional areas of the business.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth our selected financial information derived from our Company's standalone financial statements as of and for the three months ended June 30, 2014 and the years ended March 31, 2010, 2011, 2012, 2013 and 2014 and consolidated financial statements as of and for the three months ended June 30, 2014 and the years ended March 31, 2010, 2011, 2012, 2013 and 2014, prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with ICDR Regulations, as described in the Auditors' report included in the section titled "***Financial Statements***" on page 181 of this Draft Red Herring Prospectus.

The summary financial information of our Company presented below should be read in conjunction with the restated financial statements and the notes (including accounting policies) thereto included in the sections titled "***Financial Statements***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages 181 and 302, respectively of this Draft Red Herring Prospectus.

STATEMENT OF ASSETS AND LIABILITIES – RESTATED (CONSOLIDATED)

(₹ in million)

PARTICULARS	As at 30-06-2014	As at March 31st 2014	2013	2012	2011	2010
EQUITY & LIABILITIES						
SHAREHOLDERS' FUNDS						
Share capital	56898.5	57398.5	63468.2	77273.2	78273.2	78273.2
Reserves and surplus	64955.1	64011.7	62022.3	62317.1	54252.0	50928.5
MINORITY INTEREST	5966.8	5975.2	6062.9	6086.4	6079.2	0.0
NON CURRENT LIABILITES						
Long-term borrowings	11300.9	12035.3	12415.6	0.0	0.0	0.0
Deferred Tax Liabilities (Net)	3181.8	2703.2	1358.9	646.4	824.3	1032.7
Other Long term Liabilites	1172.8	1794.3	1134.4	907.5	486.0	433.8
Long term provisions	5760.7	5549.1	4196.2	4869.3	5843.1	5674.7
CURRENT LIABILITES						
Short term borrowings	38433.0	37399.3	36584.4	25751.4	11358.8	12324.1
Trade payables	1853.8	8399.2	7463.9	3718.2	5920.5	5547.0
Other current liabilities	65603.7	55651.9	56265.2	35545.1	25977.9	20859.4
Short term provisions	3474.4	3254.6	3353.5	7674.8	8086.1	9181.5
Total	**258601.5**	**254172.0**	**254325.4**	**224789.3**	**197101.1**	**184254.7**
NON-CURRENT ASSETS						
Goodwill	1501.5	1501.5	1501.5	1501.5	1501.5	0.0
Fixed Assets						
Tangible assets	44518.4	45672.8	38552.6	18330.7	15606.4	14649.4
Intangible assets	535.8	552.9	597.5	604.1	655.7	29.3
Capital work-in-progress	111705.7	106687.3	99336.2	105760.0	93159.9	68834.7
Intangible assets under development	322.5	301.1	222.0	150.1	0.0	0.0
Non Current Investments	83.5	86.5	87.1	87.2	107.3	2.5
Long term Loans and Advances	6574.9	6707.1	5462.8	2459.5	3731.2	7886.9
Other Non Current assets	607.0	602.3	366.1	103.3	79.7	61.5
CURRENT ASSETS						
Inventories	44196.6	38930.9	38603.6	34375.8	32895.6	24644.2
Trade receivables	3851.4	8050.8	10148.5	4289.2	3362.6	1801.6
Cash and Bank balances	7869.3	9225.8	23105.3	27902.7	27264.7	54155.4
Short term Loans and Advances	35196.3	34632.5	35092.5	24997.7	16330.5	10529.7
Other Current assets	1638.6	1220.5	1249.9	4227.5	2406.2	1659.5
Total	**258601.5**	**254172.0**	**254325.4**	**224789.3**	**197101.1**	**184254.7**

Note: Consequent upon acquisition of majority stake in M/s Eastern Investment Limited (EIL) by RINL during the year 2010-11, EIL has become a subsidiary of RINL and accordingly the figures as reported during 2009-10 are on standalone basis and for the periods subsequent to that are on consolidated basis.

SUMMARY STATEMENT OF PROFIT AND LOSS – RESTATED (CONSOLIDATED)

(₹ in million)

PARTICULARS	For the three months ended	For the year ended March 31st				
	30-06-2014	2014	2013	2012	2011	2010
INCOME						
Revenue From Operations	25706.6	134612.8	135936.5	146037.6	117246.2	107653.9
Less: Excise duty	2606.8	14031.5	14545.9	13191.5	10458.1	8254.8
Other Income	439.4	3834.5	5365.2	3901.3	4822.7	6240.2
Total Revenue	**23539.2**	**124415.7**	**126755.7**	**136747.4**	**111610.8**	**105639.4**
EXPENSES						
Cost of materials consumed	15478.3	70258.2	80986.6	84722.3	71893.2	55351.1
Changes in Inventories of Semi-finished/Finished goods	-6251.9	203.1	-3011.5	454.9	-5328.6	4153.4
Employees' benefits	4687.2	17986.5	15146.0	15107.1	13195.9	13997.4
Other expenses	6589.8	24895.5	23374.4	20575.4	18164.8	16618.6
Total Expenses	**20503.4**	**113343.4**	**116495.5**	**120859.7**	**97925.3**	**90120.6**
Less: Inter account adjustments-raw material mining cost	128.4	585.7	521.7	500.3	491.0	432.6
Net Expenses	20375.0	112757.7	115973.8	120359.4	97434.3	89688.0
Earnings before interest, tax, depreciation & amortisation(EBITDA)	**3164.2**	**11658.0**	**10781.9**	**16388.0**	**14176.5**	**15951.4**
Finance Costs	754.4	3381.2	3592.5	1906.0	1644.9	775.6
Depreciation and Amortisation	640.2	2813.1	1965.4	3414.9	2879.8	2771.7
Prior period items - Net credit	5.3	-9.9	-138.6	-69.5	-339.8	-72.4
Profit after PPI and Before Exceptional & Extraordinary Items and Tax	1764.3	5473.6	5362.6	11136.6	9991.6	12476.5
Exceptional Items	-	-	-2.9	-	28.7	-
Profit Before Extraordinary Items and Tax	1764.3	5473.6	5365.4	11136.6	9962.9	12476.5
Extraordinary items	-	-	-	-	-	-
Profit Before Tax	**1764.3**	**5473.6**	**5365.4**	**11136.5**	**9962.9**	**12476.5**
Tax Expense	-	-	-	**0.0**	**0.0**	**0.0**
Current Tax	345.0	62.4	142.6	3887.3	3761.4	4630.8
Earlier years adjustments	-	-38.9	-16.9	-106.6	-259.2	146.2
Fringe Benefit Tax	-	0.0	0.0	0.0	0.0	-0.5
Deferred Tax	235.8	1909.7	1749.5	-141.6	-210.1	-266.7
Profit /(loss) for the period from Continuing Operations	1183.5	3540.4	3490.2	7497.4	6670.8	7966.8
Profit /(loss) for the period from Discontinuing Operations	-	-	-	-	-	-
Tax Expense of discontinuing Operations	-	-	-	-	-	-
Profit /(loss) for the period from Discontinuing Operations (after Tax)	-	-	-	-	-	-
Net profit / (Loss) after tax as per audited accounts	**1183.5**	**3540.4**	**3490.2**	**7497.4**	**6670.8**	**7966.8**
Adjustments on account of -						
(a) Changes in accounting policies						
(b) Other adjustments & Prior period items	-6.0	650.4	2228.7	-3170.1	-27.9	-157.7
(c)Arrear Salary & Wages	-42.2	514.8	1102.7	-369.7	-19.4	-1214.1
(d) Current Tax impact of Adjstments	-318.4	72.7	-82.0	729.61	156.4	30.3
(e) Deffered tax impact adjustments	326.3	-567.2	-1009.1	7.5	4.6	42.7
Total of Adjustments after Tax impact	**-40.2**	**670.7**	**2240.3**	**-2802.6**	**113.69**	**-1298.8**
Profit after tax (as restated)	**1223.7**	**2869.7**	**1249.9**	**10300.0**	**6557.1**	**9265.6**

Note: Consequent upon acquisition of majority stake in M/s Eastern Investment Limited (EIL) by RINL during the year 2010-11,EIL has become a subsidiary of RINL and accordingly the figures as reported during 2009-10 are on standalone basis and for the periods subsequent to that are on consolidated basis

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SUMMARY CASH FLOW STATEMENT – RESTATED (CONSOLIDATED)

(₹ in million)

	PARTICULARS	For the three months ended	For the year ended March 31st				
		30-06-2014	**2014**	**2013**	**2012**	**2011**	**2010**
(A)	Cash flow from Operating activities						
	Net Profit / (Loss) before taxation	1812.4	4308.4	2034.0	14675.3	10010.2	13848.3
	Add / (Less) Adjustments for:						
	Depreciation	639.6	2791.0	1984.3	2023.8	2866.9	2806.0
	Interest and Finance Charges	754.4	3393.0	3592.5	1906.0	1644.9	775.5
	Provisions	368.1	355.4	-162.4	108.7	153.1	-1071.4
	Unrealised Foreign Exchange (Gain) /Loss	52.8	-0.7	10.1	11.0	-53.0	-112.1
	(Profit)/Loss on sale of fixed assets	-0.5	-5.6	-4.5	-17.5	-32.6	-10.2
	Finished goods consumed for capital jobs	-	-	-	-54.8	-66.5	-949.0
	Interest Income	-180.3	-1935.1	-2251.8	-2559.3	-3571.1	-5347.1
	Dividend Income	-	-1.1	-1.3	-4.8	-	-
	Operating Profit Before working capital changes	**3446.5**	**8905.3**	**5200.9**	**16088.4**	**10951.9**	**9940.0**
	Adjustments for						
	(Increase) / Decrease in Inventories	-5265.7	-327.4	-4227.8	-1481.6	-7907.1	7700.5
	(Increase) / Decrease in Trade Receivables	4198.1	2103.5	-5843.2	-944.3	-1487.0	77.8
	(Increase)/Decrease in Loans & Advances	1017.0	-435.5	-794.6	-3138.6	1260.5	2091.8
	(Increase) / Decrease in Other Non-Current assets	-4.7	-236.5	-262.4	-23.6	-18.2	-
	(Increase) / Decrease in Other Current assets	-314.7	-16.8	1304.2	-417.7	-943.8	-50.5
	Increase /(Decrease) in Liabilities	4106.8	2726.1	7690.0	2434.1	-1346.6	1402.5
	Cash generated from Operations	**7183.4**	**12718.6**	**3067.2**	**12516.8**	**509.7**	**21162.2**
	Less: Income Tax paid	-119.2	-937.1	-1440.9	-4923.1	-4236.8	-4910.0
	Net cash from / (used in) Operating activities	**6990.8**	**11586.5**	**1636.1**	**7522.9**	**-3678.5**	**16252.2**
(B)	Cash flow from Investing activities						
	Purchase of Fixed Assets	-6687.9	-16683.4	-13702.6	-17698.4	-25583.2	-32789.0
	Investments	-	0.5	1525.9	19.7	-3625.9	-2.0
	Dividend Received	-	1.1	1.3	4.8	-	-
	Proceeds from sale of Fixed Assets	0.5	7.7	5.9	29.5	35.6	352.8
	Interest received	129.2	2015.6	2773.0	2509.8	4097.9	6562.2
	Net cash from / (used in) Investing activities	**-6558.2**	**-14658.4**	**-9396.4**	**-15134.6**	**-25075.6**	**-25876.0**
(C)	Cash flow from Financing activities						
	Proceeds from/(Repayment of) Secured Loans	-734.4	-380.3	12415.6	-	-	-5004.4
	Proceeds from/(Repayment of) unsecured Loans	-	-	-	-	-	7252.3
	Proceeds from/(Repayment of) short term loans	1033.7	814.9	10833.0	14392.6	-965.3	-
	Proceeds from Prime Minister's Trophy Fund	1.3	5.6	14.3	3.9	12.4	-
	Proceeds from/(Repayment of) share capital	-500.0	-6069.7	-13805.0	-1000.0	-	-
	Interest and Finance charges	-1589.6	-3961.6	-3330.3	-1967.7	-1513.3	-742.2
	Dividend Paid	-	-1043.8	-2725.6	-2738.6	-2998.4	-3391.8
	Dividend Tax Paid	-	-172.6	-439.1	-440.4	-473.8	-576.4
	Net cash from / (used in) Financing activities	**-1789.0**	**-10807.5**	**2962.9**	**8249.8**	**-5938.4**	**-2462.5**
	Net Increase / (decrease) in Cash & Cash equivalents (A+B+C)	**-1356.4**	**-13879.4**	**-4797.5**	**638.1**	**-34692.5**	**-12086.3**
	Opening Balance of Cash & Cash equivalents	**9225.8**	**23105.3**	**27902.7**	**27264.7**	**61957.1**	**66241.7**
	Closing Balance of Cash & Cash equivalents	**7869.3**	**9225.8**	**23105.3**	**27902.7**	**27264.7**	**54155.4**
	(Represented by Cash & Bank Balances - Annexure-D-VII)						

Note: Consequent upon acquisition of majority stake in M/s Eastern Investment Limited (EIL) by RINL during the year 2010-11, EIL has become a subsidiary of RINL and accordingly the figures as reported during 2009-10 are on standalone basis and for the periods subsequent to that are on consolidated

STATEMENT OF ASSETS AND LIABILITIES – RESTATED (STANDALONE)

(₹in million)

PARTICULARS	As at	As at March 31st				
	30-06-2014	2014	2013	2012	2011	2010
EQUITY & LIABILITIES						
SHAREHOLDERS' FUNDS						
Share capital	56,898.5	57,398.5	63,468.2	77,273.2	78,273.2	78,273.2
Reserves and surplus	64,978.2	64,036.0	62,007.3	62,297.3	54,234.5	50,928.5
NON CURRENT LIABILITES						
Long-term borrowings	11,300.9	12,035.3	12,415.6	0.0	0.0	0.0
Deferred Tax Liabilities (Net)	3,082.0	2,680.3	1,349.5	676.3	858.7	1,032.7
Other Long term Liabilites	1,047.4	1,655.6	1,005.6	787.9	441.5	433.8
Long term provisions	5,682.2	5,314.3	4,147.7	4,797.3	5,778.2	5,674.7
CURRENT LIABILITES						
Short term borrowings	38,433.0	37,399.3	36,584.4	25,751.4	11,358.8	12,324.1
Trade payables	1,753.6	8,299.3	7,381.1	3,452.4	5,499.2	5,547.0
Other current liabilities	64,904.2	54,882.7	55,518.4	33,594.5	25,452.5	20,859.4
Short term provisions	3,063.6	3,016.4	3,099.8	7,527.4	7,557.1	9,181.5
Total	**2,51,143.6**	**2,46,717.7**	**2,46,977.6**	**2,16,157.6**	**1,89,453.8**	**1,84,254.7**
NON-CURRENT ASSETS						
Fixed Assets						
Tangible assets	44,253.7	45,320.1	38,178.2	17,972.0	15,350.1	14,649.4
Intangible assets	25.8	27.5	27.4	31.9	30.0	29.3
Capital work-in-progress	1,11,689.1	1,06,674.4	99,322.2	1,05,726.6	93,148.4	68,834.7
Intangible assets under development	322.5	301.1	222.0	150.1	0.0	0.0
Non Current Investments	3,625.3	3,625.2	3,625.7	3,625.8	3,616.0	2.5
Long term Loans and Advances	6,470.2	6,160.5	4,983.6	2,418.9	2,973.0	7,886.9
Other Non Current assets	607.0	602.3	365.8	103.3	79.7	61.5
CURRENT ASSETS						
Inventories	43,894.7	38,630.4	38,286.0	34,031.1	32,547.1	24,644.2
Trade receivables	3,841.1	8,036.5	10,096.5	4,271.5	3,302.7	1,801.6
Cash and Bank balances	463.1	1,758.9	16,250.2	20,683.4	19,989.0	54,155.4
Short term Loans and Advances	34,736.2	34,613.5	34,652.7	24,535.6	16,293.9	10,529.7
Other Current assets	1,214.9	967.3	967.3	2,607.4	2,123.8	1,659.5
Total	**2,51,143.6**	**2,46,717.7**	**2,46,977.6**	**2,16,157.6**	**1,89,453.8**	**1,84,254.7**

STATEMENT OF PROFIT AND LOSS – RESTATED (STANDALONE)

(₹ in million)

PARTICULARS	For the three months ended	For the year ended March 31st				
	30-06-2014	2014	2013	2012	2011	2010
INCOME						
Revenue From Operations	25645.6	134314.8	135652.8	145701.9	116163.0	107653.9
Less: Excise duty	2606.8	14031.5	14545.9	13191.5	10458.1	8254.8
Other Income	258.1	3069.9	4554.2	3283.9	4259.5	6240.2
Total Revenue	**23296.9**	**123353.2**	**125661.1**	**135794.3**	**109964.4**	**105639.4**
EXPENSES						
Cost of materials consumed	15478.3	70258.2	80986.6	84722.2	71883.6	55351.1
Changes in Inventories of Semi-finished/Finished goods	-6250.7	186.5	-3037.4	453.7	-5323.2	4153.4
Employees' benefits	4573.2	17511.0	14690.7	14666.7	12730.0	13997.4
Other expenses	6519.0	24414.5	22967.5	20059.7	17393.7	16618.6
Total Expenses	**20319.8**	**112370.2**	**115607.4**	**119902.3**	**96684.1**	**90120.6**
Less: Inter account adjustments-raw material mining cost	128.4	585.7	521.7	500.3	491.0	432.6
Net Expenses	20191.4	111784.5	115085.7	119402.0	96193.1	89688.0
Earnings before interest, tax, depreciation&amortisation(EBITDA)	**3105.5**	**11568.7**	**10575.4**	**16392.3**	**13771.3**	**15951.4**
Finance Costs	751.0	3381.2	3592.5	1906.0	1644.9	775.6
Depreciation and Amortisation	615.4	2714.8	1868.8	3448.6	2659.4	2771.7
Prior period items - Net credit	0.0	-18.8	-150.6	-62.4	-349.6	-72.4
Profit after PPI and Before Exceptional & Extraordinary Items and Tax	1739.1	5491.5	5264.7	11100.1	9816.6	12476.5
Exceptional Items	0.0	0.0	0.0	0.0	0.0	0.0
Profit Before Extraordinary Items and Tax	1739.1	5491.5	5264.7	11100.1	9816.6	12476.5
Extraordinary items	0.0	0.0	0.0	0.0	0.0	0.0
Profit Before Tax	**1739.1**	**5491.5**	**5264.7**	**11100.1**	**9816.6**	**12476.5**
Tax Expense						
Current Tax	318.4	0.0	71.0	3882.0	3691.0	4630.8
Earlier years adjustments	0.0	-71.0	-16.9	-106.6	-280.8	146.2
Fringe Benefit Tax	0.0	0.0	0.0	0.0	0.0	-0.5
Deferred Tax	224.7	1898.0	1682.3	-189.9	-178.5	-266.7
Profit /(loss) for the period from Continuing Operations	1196.0	3664.5	3528.3	7514.6	6584.9	7966.8
Profit /(loss) for the period from Discontinuing Operations	0.0	0.0	0.0	0.0	0.0	0.0
Tax Expense of discontinuing Operations	0.0	0.0	0.0	0.0	0.0	0.0
Profit /(loss) for the period from Discontinuing Operations (after Tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net profit / (Loss) after tax as per audited accounts	**1196.0**	**3664.5**	**3528.3**	**7514.6**	**6584.9**	**7966.8**
Adjustments on account of -						
(a) Changes in accounting policies	-	-	-	-	-	-
(b) Other adjustments & Prior period items	-0.7	656.6	2235.8	-3173.4	-1.2	-157.7
(c)Arrear Salary & Wages	-42.2	514.8	1102.7	-369.7	-19.4	-1214.1
(d) Current Tax impact of Adjustments	-318.4	71.0	-54.1	773.50	152.2	30.3
(e) Deffered tax impact adjustments	326.3	-567.2	-1009.1	7.5	4.6	42.7
Total of Adjustments after Tax impact	**-34.9**	**675.2**	**2275.3**	**-2762.0**	**136.17**	**-1298.8**
Profit after tax (as restated)	**1230.9**	**2989.3**	**1253.0**	**10276.6**	**6448.7**	**9265.6**

SUMMARY CASH FLOW STATEMENT – RESTATED (STANDALONE)

(₹ in million)

	PARTICULARS	As at	For the year ended March 31st				
		30-06-2014	**2014**	**2013**	**2012**	**2011**	**2010**
(A)	**Cash flow from Operating activities**						
	Net Profit / (Loss) before taxation	1,781.90	4,320.10	1,926.20	14,642.10	9,837.20	13,848.30
	Add / (Less) Adjustments for:						-
	Depreciation	614.8	2,692.70	1,887.70	2,057.50	2,646.50	2,806.00
	Interest and Finance Charges	751	3,381.20	3,592.50	1,906.00	1,644.90	775.5
	Provisions	368.1	338.4	-172	99.5	112.8	-1,071.40
	Unrealised Foreign Exchange (Gain) /Loss	52.8	-0.7	10.1	11	-53	-112.1
	(Profit)/Loss on sale of fixed assets	-0.5	-5.6	-4.5	-17.5	-32.6	-10.2
	Finished goods consumed for capital jobs	-	-	-	-54.8	-66.5	-949
	Interest Income	-0.7	-1,200.10	-1,512.60	-1,989.20	-3,077.20	-5,347.10
	Dividend Income	-	-1.1	-1.3	-4.8	-	-
	Operating Profit Before working capital changes	**3567.4**	**9524.9**	**5726.1**	**16649.8**	**11012.1**	**9940**
	Adjustments for						
	(Increase) / Decrease in Inventories	-5,264.30	-344.4	-4,254.90	-1,484.00	-7,902.90	7,700.50
	(Increase) / Decrease in Trade Receivables	4,195.40	2,060.00	-5,825.00	-968.8	-1,501.10	77.8
	(Increase)/Decrease in Loans & Advances	990.6	-829.3	-1,733.80	-1,942.60	1,185.30	2,091.80
	(Increase) / Decrease in Other Non-Current assets	-4.7	-236.5	-262.4	-23.6	-18.2	-
	(Increase) / Decrease in Other Current assets	-314.7	-16.8	1,304.20	-417.7	-943.8	-50.5
	Increase /(Decrease) in Liabilities	4,054.20	2,549.60	9,077.10	1,271.40	-1,374.80	1,402.50
	Cash generated from Operations	**7223.8**	**12707.5**	**4031.4**	**13084.4**	**456.7**	**21162.2**
	Less: Income Tax paid	-155.9	-1,034.60	-1,436.00	-4,958.50	-4,212.50	-4,910.00
	Net cash from / (used in) Operating activities	**7067.9**	**11672.9**	**2595.4**	**8125.9**	**-3755.8**	**16252.2**
(B)	**Cash flow from Investing activities**						
	Purchase of Fixed Assets	-6,692.20	-16,649.10	-13,606.50	-17,668.90	-24,727.70	-32,789.00
	Investments	-	0.5	1,525.90	-10.3	-3,635.90	-2
	Dividend Received	-	1.1	1.3	4.8	-	-
	Proceeds from sale of Fixed Assets	0.5	7.7	5.9	29.5	35.6	352.8
	Interest received	117.2	1,255.70	2,064.20	1,939.70	3,710.30	6,562.20
	Net cash from / (used in) Investing activities	**-6574.5**	**-15384.1**	**-10009.2**	**-15705.2**	**-24617.7**	**-25876**
(C)	**Cash flow from Financing activities**						
	Proceeds from/(Repayment of) Secured Loans	-734.4	-380.3	12,415.60	-	-	-5,004.40
	Proceeds from/(Repayment of) unsecured Loans	-	-	-	-	-	7,252.30
	Proceeds from/(Repayment of) short term loans	1,033.70	814.9	10,833.00	14,392.60	-965.3	-
	Proceeds from Prime Minister's Trophy Fund	1.3	5.6	14.3	3.9	12.4	-
	Proceeds from/(Repayment of) share capital	-500	-6,069.70	-13,805.00	-1,000.00	-	-
	Interest and Finance charges	-1,589.60	-3,961.60	-3,330.30	-1,967.70	-1,513.30	-742.2
	Dividend Paid	-	-1,016.40	-2,707.90	-2,714.70	-2,852.90	-3,391.80
	Dividend Tax Paid	-	-172.6	-439.1	-440.4	-473.8	-576.4
	Net cash from / (used in) Financing activities	**-1789**	**-10780.1**	**2980.6**	**8273.7**	**-5792.9**	**-2462.5**
	Net Increase / (decrease) in Cash & Cash equivalents (A+B+C)	**-1295.6**	**-14491.3**	**-4433.2**	**694.4**	**-34166.4**	**-12086.3**
	Opening Balance of Cash & Cash equivalents	**1758.9**	**16250.2**	**20683.4**	**19989**	**54155.4**	**66241.7**

	Closing Balance of Cash & Cash equivalents	**463.1**	**1758.9**	**16250.2**	**20683.4**	**19989**	**54155.4**
	(Represented by Cash & Bank Balances - Annexure IV G)						

THE OFFER

The following table summarizes the Offer details:

Offer aggregating up to [●] million	488,984,620 Equity Shares[(1)]
Of which	
Employee Reservation Portion [(2) (3)]	48,898,462 Equity Shares
Therefore,	
Net Offer [(2)]	440,086,158 Equity Shares
Of which	
QIB Category[(4)]	Not more than 220,043,079 Equity Shares[(5)*]
Of which	
Mutual Funds (5% of QIB Category)	11,002,154 Equity Shares[(5)]
Balance for all QIBs including Mutual Funds	209,040,925 Equity Shares[(5)]
Non-Institutional Category	Not less than 66,012,924 Equity Shares[(5)]
Retail Category [(3)]	Not less than 154,030,155 Equity Shares[(5)*]
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer	4,889,846,200 Equity Shares
Equity Shares outstanding after the Offer	4,889,846,200 Equity Shares
Use of Offer Proceeds	See the section titled "***Objects of the Offer***" on page 82 of this Draft Red Herring Prospectus. Our Company will not receive any proceeds of this Offer.

** In case of over-subscription in the Retail Category, the Selling Shareholder and our Company, in consultation with the BRLMs, may, at their sole discretion, decide to allocate up to 50% (but in no event less than 35%) of the Net Offer to Retail Individual Investors. In case of such increased allocation to Retail Individual Investors, the allocation in the QIB Category will be proportionately reduced.*

[(1)]Equity Shares offered by the Selling Shareholder in the Offer have been held by it for more than a period of one year as on the date of the Draft Red Herring Prospectus. The Selling Shareholder, acting through the MoS, through its letter no. 5(5)2010(Vol.I) dated September 17, 2014 conveyed the approval granted by the GoI for the Offer.

[(2)] Under subscription, if any, in the Employee Reservation Portion, shall be added to the Net Offer. In the event of under subscription in the Net Offer, spill over to the extent of under subscription shall be allowed from the Employee Reservation Portion. Subject to valid Bids being received, at or above the Offer Price, under subscription, if any, in any other category would be allowed to be met with spill-over from other categories or a combination of categories, at the discretion of the Selling Shareholder and our Company, in consultation with the Book Running Lead Managers and the Designated Stock Exchange.

*[(3)] The Selling Shareholder and our Company shall offer a discount of ₹ [●] and ₹ [●] to the Retail Individual Investors and the Eligible Employees Bidding under the Employee Reservation Portion at the time of making the Bid. The amount of Retail Discount and Employee Discount shall be advertised in English and Hindi national newspapers and one Telugu newspaper, (i.e., all editions of [●], [●] and [●]), each with wide circulation, at least five Working Days prior to the Bid/Offer Opening Date. Retail Individual Investors and Eligible Employees Bidding in the Employee Reservation Portion Bidding at a price within the Price Band can make payment of the Bid Amount less the Retail Discount and Employee Discount, as applicable. Retail Individual Investors and Eligible Employees Bidding in the Employee Reservation Portion should note that while filling the "Bid Option" block in the Bid-cum-Application Form, they must indicate the Bid Price without adjusting the Retail Discount or Employee Discount, as applicable. However, for the purpose of completing the 'payment options' or the 'SCSB/payment details' block in the Bid-cum-Application Form, Retail Individual Investors and Eligible Employees Bidding in the Employee Reservation Portion must mention the payment amount, i.e., Bid Amount less Retail Discount or Employee Discount, as applicable. For further details, please see the section titled "**Offer Procedure**" on page 407 of this Draft Red Herring Prospectus.*

[(4)]Allocation to QIBs is proportionate as per the terms of this Draft Red Herring Prospectus. 5% of the QIB Category shall be available for allocation to Mutual Funds. Mutual Funds participating in the 5% reservation in the QIB Category will also be eligible for allocation in the remaining QIB Category. In the event of under-subscription in 5% of the Mutual Fund Portion such remaining Mutual Fund Portion would be included for allocation to the remaining QIBs on a proportionate basis.

[(5)]In the event of over-subscription, allocation shall be made on a proportionate basis, subject to valid Bids being received at or above the Offer Price.

GENERAL INFORMATION

Our Company was originally incorporated as a private limited company with the name 'Rashtriya Ispat Nigam Limited' on February 18, 1982 in Vishakapatnam under the Companies Act, 1956. Subsequently, pursuant to the approval of the MoS no. 5(5)/2010-VSP) dated December 21, 2011 and a resolution passed by the shareholders at their EGM dated April 21, 2012, our Company was converted into a public limited company and a fresh certificate of incorporation was issued by the RoC on May 10, 2012. For further details in relation to corporate history of our Company, please see the section titled "***History and Certain Corporate Matters***" on page 130 of this Draft Red Herring Prospectus.

For details of the business of our Company, please see the section titled "***Our Business***" on page 105 of this Draft Red Herring Prospectus.

Registered and Corporate Office of our Company

Administrative Building
Visakhapatnam Steel Plant
Visakhapatnam – 530 031
Andhra Pradesh, India
Telephone: +91 891 275 9482
Facsimile: +91 891 251 8249
Website: www.vizagsteel.com

For details of the changes to our Registered and Corporate Office, please refer to the section titled "***History and Certain Corporate Matters***" on page 130 of this Draft Red Herring Prospectus.

Corporate Identification Number: U27109AP1982GOI003404
Registration Number: 03404

Address of the RoC

Our Company is registered with the Registrar of Companies, Andhra Pradesh, situated at 2nd Floor, CPWD Building, Kendriya Sadan, Sultan Bazar, Koti, Hyderabad – 500 195, Andhra Pradesh and Telangana, India.

Board of Directors

Our Board comprises the following:

Name, Designation and DIN	Age	Address
Mr. P. Madhusudan *Designation*: Chairman–cum–Managing Director, executive non-independent Director *DIN*: 02845996	56	Steel House, D-6, Directors Bungalow, Sector 7, Ukkunagaram, Visakhapatnam – 530 032, Andhra Pradesh, India
Mr. T. K. Chand *Designation*: Director (Commercial), executive non-independent Director *DIN*: 01710900	54	D-1, Directors Bungalow, Sector 7, Ukkunagaram, Visakhapatnam – 530 032, Andhra Pradesh, India
Mr. P. C. Mohapatra *Designation*: Director (Projects), executive non-independent Director *DIN*: 06738364	55	D-2, Directors Bungalow, Sector 7, Ukkunagaram, Visakhapatnam – 530 032, Andhra Pradesh, India
Dr. G. B. S. Prasad *Designation*: Director (Personnel), executive non-independent Director *DIN*: 06886500	57	D-3, Directors Bungalow, Sector 7, Ukkunagaram, Visakhapatnam – 530 032, Andhra Pradesh, India

Mr. D. N. Rao *Designation*: Director (Operations), executive non-independent Director *DIN*: 06914797	57	D-4, Directors Bungalow, Sector 7, Ukkunagaram, Visakhapatnam – 530 032, Andhra Pradesh, India
Mr. T. V. S. K. Kumar *Designation*: Director (Finance), executive non-independent Director *DIN*: 06914774	58	D-7, Directors Bungalow, Sector 7, Ukkunagaram, Visakhapatnam – 530 032, Andhra Pradesh, India
Mr. V. K. Thakral *Designation*: Government nominee Director, non-executive non-independent Director *DIN*: 00402959	58	C-II/164, Satya Marg, Chanakyapuri, New Delhi – 110 021, India
Mr. Lokesh Chandra *Designation*: Government nominee Director, non-executive non-independent Director *DIN*: 6534076	43	D-II/ 351, Pandara Road, New Delhi – 110 003, India
Mr. Virendra Singh Jain *Designation*: Independent Director *DIN*: 00253196	68	B-12, 2nd Floor, Gyan Bharati School Lane, Saket, New Delhi – 110 017, India
Prof. Sushil *Designation*: Independent Director *DIN*: 05300091	57	32 Vikramshila Apartments, IIT Campus, Shaheed Jeet Singh Marg, HauzKhas, New Delhi – 110 016, India
Mr. Ashhok Kumar Jain *Designation*: Independent Director *DIN*: 05298647	63	1C/5, New Rohtak Road, New Delhi – 110 005, India
Prof. S. K. Garg *Designation*: Independent Director *DIN*: 06416704	51	EC-293, Maya Enclave, Harinagar, New Delhi – 110 064, India
Dr. Sheela Bhide *Designation*: Independent Director *DIN*: 1843547	66	B-1/8, Vasant Vihar, New Delhi – 110 057, India
Lieutenant General (Retired) Arvind Mahajan *Designation*: Independent Director *DIN*: 02410540	66	V-12/18, DLF Phase-III, Gurgaon – 122 002, Haryana, India
Mr. Ajay Kumar Goyal *Designation*: Independent Director *DIN*:02726120	63	B-002, Alexandra, Grand Omaxe, Sector 93-B, Noida – 201 301, Uttar Pradesh, India
Mr. Rajib Sekhar Sahoo *Designation*: Independent Director *DIN*: 02708503	52	A/42, Nilakantha Nagar, Nayapalli, Near Deb Roy College, Bhubaneswar – 751 012, Odisha, India

For further details regarding our Board, see the section titled "***Our Management***" on page 155 of this Draft Red Herring Prospectus.

Company Secretary and Compliance Officer

Mr. P. Mohan Rao
Company Secretary
D 12, 2nd Floor, D Block
Administrative Building
Visakhapatnam Steel Plant
Visakhapatnam – 530 031
Andhra Pradesh, India
Telephone: +91 891 251 8015
Facsimile: +91 891 251 8249
Email: csipo@vizagsteel.com

Investors can contact the Compliance Officer, the Registrar to the Offer or the Book Running Lead Managers in case of any pre-Offer or post-Offer related problems/redressal of complaints such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary account or refund orders. All complaints, queries or comments received by SEBI shall be forwarded to the Book Running Lead Managers, who shall respond to the same.

Book Running Lead Managers

UBS SECURITIES INDIA PRIVATE LIMITED
2/F, 2 North Avenue, Maker Maxity
Bandra-Kurla Complex, Bandra East
Mumbai – 400 051
Maharashtra, India
Telephone: +91 22 6155 6000
Facsimile: +91 22 6155 6300
Email: OL-ProjectMani@ubs.com
Investor Grievance Email: customercare@ubs.com
Contact Person: Mr. Ankur Aggarwal
Website: www.ubs.com/indianoffers
SEBI registration number: INM000010809

DEUTSCHE EQUITIES (INDIA) PRIVATE LIMITED
14th floor, The Capital Plot no. C-70
Bandra Kurla Complex
Mumbai – 400 051
Maharashtra, India
Telephone: +91 22 7180 4444
Facsimile: +91 22 7180 4199
Email: Rinl.ipo@db.com
Investor Grievance Email: db.redressal@db.com
Contact Person: Mr. Vivek Pabari
Website: www.db.com/india
SEBI registration number: INM000010833

Syndicate Members

The Syndicate Members will be finalised prior to filing of the Red Herring Prospectus with the RoC.

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided at the website of the SEBI (http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries) and updated from time to time. For details on Designated Branches of SCSBs collecting the Bid-cum-Application

Forms and updated from time to time, refer to the website of the SEBI (http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised- Intermediaries).

Syndicate SCSB Branches

In relation to ASBA Bids submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid-cum-Application Forms from the members of the Syndicate is available on the website of the SEBI (http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries) and updated from time to time. For more information on such branches collecting Bid-cum-Application Forms from the Syndicate at Specified Locations, see the website of the SEBI (http://www.sebi.gov.in/cms/sebi_data/attachdocs/1380263338017.html).

Non-Syndicate Registered Brokers

In accordance with SEBI circular No. CIR/CFD/14/2012 dated October 4, 2012, the bidders can submit Bid-cum-Application Forms using the stock broker network of the stock exchanges i.e., through Registered Brokers at the Broker Centres. The Bid-cum-Application Forms will be made available by the Stock Exchanges on their websites/broker terminals for download/print in more than 1,000 centres which are part of the nationwide broker network of stock exchanges and where there is a presence of the brokers' terminals. The details of Registered Brokers and Broker Centres are available on the websites of BSE and the NSE at http://www.bseindia.com/ and http://www.nseindia.com/, respectively.

Legal Advisors

Domestic Legal Counsel to our Company and the Selling Shareholder

J. Sagar Associates
Sandstone Crest
Opposite Park Plaza Hotel
Sushant Lok – Phase 1
Gurgaon – 122 009
Haryana, India
Telephone: +91 124 4390 600
Facsimile: +91 124 4390 617

Domestic Legal Counsel to the Underwriters

Amarchand & Mangaldas & Suresh A. Shroff & Co.
201, Midford House
Midford Garden, Off M. G. Road
Bangalore – 560 001
Karnataka, India
Telephone: +91 80 2558 4870/4112 4950
Facsimile: +91 80 2558 4266

International Legal Counsel to our Company

Herbert Smith Freehills LLP
50 Raffles Place
#24-01 Singapore Land Tower
Singapore – 048623
Telephone: +65 6868 8000
Facsimile: +65 6868 8001

International Legal Counsel to the Underwriters

Baker & McKenzie.Wong & Leow
8 Marina Boulevard #05-01
Marina Bay Financial Centre Tower 1

Singapore – 018981
Telephone: +65 6338 1888
Facsimile: +65 6337 5100

Registrar to the Offer

Karvy Computershare Private Limited
Plot No. 17 to 24, Vittal Rao Nagar
Madhapur, Hyderabad 500 081, Andhra Pradesh, India
Telephone: +91 40 4465 5000
Facsimile: +91 40 2343 1551
Email: einward.ris@karvy.com
Investor Grievance Email: rinl.ipo@karvy.com
Website: www.karisma.karvy.com
Contact Person: Mr. M. Murali Krishna
SEBI Registration Number: INR000000221

Investors may contact the BRLMs for any complaint pertaining to the Offer. All grievances relating to the non-ASBA process must be addressed to the Registrar to the Offer quoting the full name of the sole or first Bidder, Bid-cum-Application Form number, Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, date of Bid-cum-Application Form, name and address of the Syndicate Member or the Registered Broker where the Bid was submitted and cheque or draft number and issuing bank thereof.

All grievances relating to the ASBA process may be addressed to the Registrar to the Offer, with a copy to the relevant SCSB or the member of the Syndicate if the Bid was submitted to a member of the Syndicate at any of the Specified Locations, or the Registered Broker if the Bid was submitted to a Registered Broker at any of the Broker Centres, as the case may be, quoting the full name of the sole or first Bidder, Bid-cum-Application Form number, Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, date of Bid-cum-Application Form, name and address of the member of the Syndicate or the Designated Branch or the Registered Broker, as the case may be, where the Bid was submitted and ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

Further, with respect to the Bid-cum-Application Forms submitted with the Registered Brokers, the investor shall also enclose the acknowledgment from the Registered Broker in addition to the documents/information mentioned hereinabove.

Experts

Behre Dolbear International Limited
3rd Floor, International House
Dover Place, Ashford
Kent, TN23 1HU
United Kingdom
Telephone: +44 1233 650405
Facsimile: +44 1233 666828
Email: rob.hansen@dolbear.com
Website: www.dolbear.com
Contact Person: Mr. Robert Hansen

Joint Auditors

M/s. Rao & Kumar, Chartered Accountants 10-50-19/4, Soudhamini, Siripuram Visakhapatnam – 530 003 Andhra Pradesh, India Telephone: +91 891 275 5327 Facsimile: +91 891 273 8554 E-mail: contact@raoandkumar.org Firm Registration number: FRN003089S	**M/s. Tej Raj & Pal, Chartered Accountants** 31-30-38/10, 3rd Floor, Sai Sampath Enclave, Narayana Street Dabagardens Visakhapatnam – 530 020 Andhra Pradesh, India Telephone: +91 891 279 4826; +91 680 222 5691 Facsimile: +91 680 222 5691 E-mail: tejrajpal@yahoo.co.in; tejrajpalca@gmail.com Firm Registration number: FRN304124E

Escrow Collection Banks

[●]

Refund Bankers

[●]

Bankers to our Company

Allahabad Bank. 30-15-171, Near Saraswathi Park Daba Gardens Visakhapatnam – 530 020 Andhra Pradesh, India Telephone: +91 891 273 2511/256 7933 Facsimile: +91 891 273 6515 Email: br.visakhapatnam@allahabadbank.in Website: www.allahabadbank.in Contact Person: Mr. C. H. Prakash	**ANZ Bank** Cnergy, 6th floor, Appasaheb Marathe marg Prabhadevi Mumbai – 400 025 Maharashtra, India Telephone: +91 22 3362 0021 Facsimile: +91 22 3362 00007 Email: ritesh.gupta@anz.com Website: www.anz.com Contact Person: Mr. Ritesh Gupta	**Andhra Bank** 0955, Steel Plant Township Branch Opposite Sector 5 Shopping Complex Ukkunagaram Visakhapatnam – 530 032 Andhra Pradesh, India Telephone: +91 891 254 6812 Facsimile: +91 891 258 1142 Email: bmvpm955@andhrabank.co.in Website: www.andhrabank.in Contact Person: Ms. Madhavilata
Axis Bank Limited D. No. 26-1-2/5, Padmasree Arcade NH-5, Main Road, Chinagantyada Gajuwaka Visakhapatnam – 530 026 Andhra Pradesh, India Telephone: +91 891 653 3670 Facsimile: +91 891 275 0093 Email:gajuwaka.branchhead@axisbank.com Website: www.axisbank.com Contact Person: Mr. Subramnyam	**Bank of India** Visakhapatnam Branch Isnar Khazana Towers, II Lane Dwaraka Nagar Visakhapatnam – 530 016 Andhra Pradesh, India Telephone: +91 891 252 5172 Facsimile: +91 891 256 3883 Email:Vskpmain.Visakhapatnam@bankofindia.co.in Website: www.bankofindia.com Contact Person: Mr. P.K. Patnaik	**Bank of Baroda** Vadlapudi Branch "C" Block Project Office Complex Visakhapatnam – 530 031 Andhra Pradesh, India Telephone: +91 891 251 9197 Facsimile: +91 891 251 8629 Email: vadvis@bankofbaroda.com Website: www.bankofbaroda.com Contact Person: Mr. H. Nagaraju
Bank of Tokyo – Mitsubishi UFJ Limited Seshachalam Centre , 6th and 7th Floor Door No. 636/1, Anna Salai, Nandanam Chennai – 600 035 Tamil Nadu, India Telephone: +91 44 4560 5800/4560 5900, 875 457 6319 Facsimile: +91 44 4560 5999 Email: prakash_g@in.mufg.jp Website: www.bk.mufg.jp Contact Person: Mr. G. Gnana Prakash	**Canara Bank** Steel Plant Branch Project Office Area Visakhapatnam – 530 031 Andhra Pradesh, India Telephone: +91 891 254 7931 Facsimile: +91 891 254 7930 Email: cb2430@canarabank.com Website: www.canarabank.com Contact Person: Mr. R. K. Sinha	**Citi Bank N.A.** 3rd Floor, No. 2 Club House Road Chennai – 600 002 Tamil Nadu, India Telephone: +91 44 4222 6612 Facsimile: +91 44 2846 0002 Email: regan.mithani@citi.com Website: www.citibank.co.in Contact Person: Mr. Regan Mithani
DBS Bank DBS Building, 806, Anna Salai, Chennai – 600 002 Tamil Nadu, India Telephone: +91 44 6656 8888 Facsimile: +91 44 6656 8899 Email: bsatishkumar@dbs.com Website: www.dbs.com Contact Person: Mr. B. Satish Kumar	**Deutsche Bank AG** 26-27, Raheja Towers M.G. Road Bengaluru – 560 001 Karnataka, India Telephone: +91 80 7193 5507 Facsimile: +91 80 7193 5594 Email: rajeev.sikdar@db.com Website: www.db.com/india Contact Person: Mr. Rajeev Sikdar	**ICICI Bank Limited** 47-14-18, Isnar Satyasri Complex First Floor Darakanagar Main Road Visakhapatnam – 530 016 Andhra Pradesh, India Telephone: +91 891 669 2607 Facsimile: +91 891 669 2608 Email: sandeep.challa@icicibank.com Website: www.icicibank.com Contact Person: Mr. Challa Sandeep
IDBI Bank Limited	**IndusInd Bank Limited**	**Kotak Mahindra Bank Limited**

30-15-35, Ground Floor Dabagardens Visakhapatnam – 530 020 Andhra Pradesh, India Telephone: +91 891 669 2845 Facsimile: +91 891 256 5267 Email: visweswar_rao@idbi.co.in Website: www.idbi.com Contact Person: Mr. K. Visweswar Rao	1st Floor, Mohini Complex Main Road Gajuwaka Visakhapatnam – 530 026 Andhra Pradesh, India Telephone: +91 891 275 8223 Facsimile: +91 891 251 4124 Email: gaju@indusind.com Website: www.indusind.com Contact Person: Mr. Rama Rao B.V.	6-3-119/1/P, 2nd Floor Jewel Pawani Towers Raj Bhavan Road, Somajiguda Hyderabad – 500 082 Andhra Pradesh, India Telephone: +91 40 6667 9900 Facsimile: +91 40 4003 7268 Email: srilatha.rangappa@kotak.com Website: www.kotak.com Contact Person: Ms. Sreelatha Rangappa
HDFC Bank Limited 48-14-9, I Floor Potluri Castle Dwarakanagar Visakhapatnam – 530 016 Andhra Pradesh, India Telephone: +91 891 653 3895 Facsimile: +91 891 271 4005 Email: mohanSandeep.Bathina@hdfcbank.com Website: www.hdfcbank.com Contact Person: Mr. Mohan Sandeep	**Royal Bank of Scotland N.V.** Stamford Park, 8-2-269/4/B, Road No.2 Banjara Hills Hyderabad – 500 034 Andhra Pradesh, India Telephone: +91 40 6685 8534 Facsimile: +91 40 6666 0567 Email: meher.dwibhashyam@rbs.com Website: www.rbs.in Contact Person: Mr. Meher Dwibhashyam	**State Bank of Hyderabad** Sector – 1, VSP Steel Township Ukkunagaram Visakhapatnam – 530 031 Andhra Pradesh, India Telephone: +91 891 254 8413 Facsimile: +91 891 251 8413 Email: vspsteelplant@sbhyd.co.in Website: www.sbhyd.com Contact Person: Mr. D. J. Prasad
State Bank of India 43-29-54/8, Balaji Metro Chambers Dondaparthy Visakhapatnam – 530 016 Andhra Pradesh, India Telephone: +91 891 255 5553 Facsimile: +91 891 255 5584 Email: sbi.14407@sbi.co.in Website: www.statebankofindia.com Contact Person: Mr. K. Vamsidhar	**Standard Chartered Bank** Crescenzo, CMS Department Plot No. C-38 and 39, 3/F G-Block, Crescenzo BKC, Bandra East Mumbai – 400 051 Maharashtra, India Telephone: +91 22 2675 7227 Facsimile: +91 22 2675 7358 Email: ipo.scb@sc.com Website: www.standardchartered.com Contact Person: Mr. Rajesh Panda	**The Hongkong and Shanghai Banking Corporation Limited** No. 5 & 7, Cathedral Road Chennai – 600 086 Tamil Nadu, India Telephone: +91 44 3081 3123 Facsimile: +91 44 2811 7998 Email: sumanbajaj@hsbc.co.in Website: www.hsbc.co.in Contact Person: Ms. Suman Bajaj
UCO Bank Limited Balacheruvu VSP Township, Sector – III Visakhapatnam – 530 032 Andhra Pradesh, India Telephone: +91 891 251 8560 Facsimile: +91 891 251 9121 Email: balach@ucobank.co.in Website: www.ucobank.in Contact Person: Mr. V. R. Satyanarayana	**Vijaya Bank** 41/2, M.G. Road Trinity Circle Bengaluru – 560 004 Karnataka, India Telephone: +91 80 2558 4003 Facsimile: +91 80 2558 2915 Email: cmmbd@vijayabank.co.in Website: www.vijayabank.com Contact Person: Mr. Suryaprakash K.	**YES Bank** Sun Towers, T.S. No. 1187 Block 53, Opp. Lazarus Hosp. Waltair Main Road Ramnagar, Visakhapatnam – 530 007 Telephone: +91 891 662 3015 Facsimile: +91 891 662 3014 Email: chaitanyasistla@yesbank.in Website: www.yesbank.in Contact Person: Mr. Chaitanya Sistla

Statement of Responsibilities of the Book Running Lead Managers

The responsibilities and co-ordination for the various activities among the Book Running Lead Managers for this Offer are as follows:

S. No.	Activities Responsibility	Responsibility	Coordination
1.	Capital structuring with the relative components and formalities such as type of instruments, etc.	UBS, DEIPL	UBS
2.	Due diligence of the Company's operations/management/ business plans/legal, etc. Drafting and design of offer document and of statutory advertisement 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, RoC and SEBI including finalization of the Prospectus and filing with the RoC.	UBS, DEIPL	UBS
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertisement, brochure, etc.	UBS, DEIPL	UBS
4.	Appointment of registrar and grading agencies to the Offer.	UBS, DEIPL	DEIPL
5.	Appointment of all other intermediaries including bankers to the Offer, printers, advertising agency etc.	UBS, DEIPL	UBS
6.	Preparation of road show presentation.	UBS, DEIPL	DEIPL
7.	Institutional Marketing of the Offer • Finalise the list and division of investors for one to one meetings; and • Finalising the international and domestic institutional road show schedule and investor meeting schedules.	UBS, DEIPL	DEIPL

S. No.	Activities Responsibility	Responsibility	Coordination
8.	Retail / Non-Institutional marketing strategy which will cover, inter alia, • Formulating marketing strategies, preparation of publicity budget; • Finalising media, marketing and public relations strategy; • Finalising centers for holding conferences for brokers, etc.; • Finalising bidding and collection centers; and • Follow-up on distribution of publicity and issue material including form, prospectus and deciding on the quantum of the issue material.	UBS, DEIPL	DEIPL
9.	Coordination with Stock Exchanges for Book Building software, bidding terminals and mock trading.	UBS, DEIPL	UBS
10.	Finalising of Pricing and Allocation.	UBS, DEIPL	DEIPL
11.	Post bidding activities including management of Escrow Accounts, co-ordinate non-institutional allocation, coordination with Registrar and Banks, intimation of allocation and dispatch of refund to Bidders, etc. The post issue activities of the issue will involve essential follow up steps, which include finalization of trading and dealing instruments and dispatch of certificates and demat delivery of shares, with the various agencies connected with the work such as Registrar to the Issue, Banker to the Issue and the bank handling refund business. The Book Running Lead Managers shall be responsible for ensuring that these agencies fulfill their functions and enable them to discharge the responsibility through suitable agreements with the Issuer Company.	UBS, DEIPL	DEIPL

Credit Rating

As the Offer is of Equity Shares, a credit rating is not required.

IPO Grading

No credit agency registered with SEBI has been appointed in respect of obtaining grading for the Offer, as IPO grading is not mandatory.

Expert Opinion

Except for the report of the Joint Auditors in the "***Statement of Possible Tax Benefits Available to our Company and Shareholders***" on page 87 of this Draft Red Herring Prospectus, the unconsolidated and consolidated financial statements of the Company in the "***Financial Statements***" on page 181 of this Draft Red Herring Prospectus and report provided by Behre Dolbear International Limited dated May 17, 2012, our Company has not obtained any other expert opinions.

Trustees

As the Offer is of Equity Shares, the appointment of trustees is not required.

Monitoring Agency

As this is an Offer for Sale, our Company will not receive any proceeds from the Offer and is not required to appoint a monitoring agency.

Project Appraisal

The objects of the Offer are to carry out the divestment of 488,984,620 Equity Shares by the Selling Shareholder and to achieve the benefits of listing the Equity Shares on the Stock Exchanges. Accordingly, no project appraisal is required.

Book Building Process

Book building refers to the process of collection of Bids from the investors on the basis of the Red Herring Prospectus and the Bid-cum-Application Forms, within the Price Band. The Price Band, the Minimum Bid lot size and Rupee amount of the Retail Discount and Employee Discount for the Offer shall be determined by the Selling Shareholder and our Company in consultation with the Book Running Lead Managers, and advertised in English, Hindi and Telugu newspaper, (Telugu being the regional language where our Registered and Corporate Office is located) each with wide circulation, at least five Working Days prior to the Bid/ Offer Opening Date, and shall be made available to the Stock Exchanges for the purpose of uploading on their website. The Offer Price shall be determined by the Selling Shareholder and our Company, in consultation with the Book Running Lead Managers, after the Offer Closing Date. The principal parties involved in the Book Building Process are:

1. our Company;
2. the Selling Shareholder;
3. the Book Running Lead Managers;
4. Syndicate Members, who are intermediaries registered with SEBI or registered as brokers with the Stock Exchanges and eligible to act as Underwriters;
5. the Registrar to the Offer;
6. the Escrow Collection Banks;
7. SCSBs; and
8. Registered Brokers.

The Offer is being made through the Book Building Process where 50% of the Net Offer will be allocated to QIBs on a proportionate basis*. Further, 5% of the QIB Category will be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to all QIBs including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. In the event that the demand from Mutual Funds is greater than 11,002,154 Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Category, after excluding the allocation in the Mutual Fund Portion. However, in the event of under-subscription in the Mutual Fund Portion, the balance Equity Shares in the Mutual Fund Portion will be added to the QIB Category and allocated to QIBs (including Mutual Funds) on a proportionate basis, subject to valid Bids at or above Offer Price. Further, not less than 15% and 35% of the Net Offer will be available for allocation on a proportionate basis to Non-Institutional Investors and Retail Individual Investors*, respectively, subject to valid Bids being received at or above the Offer Price. Further, 48,898,462 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 Offer Price. Under-subscription, if any, in any category, except the QIB Category, would be met with spill-over from any other category or categories, as applicable, on a proportionate basis, subject to applicable laws. Any Bidder may participate in the Offer through the ASBA process by providing details of the ASBA Accounts in which the corresponding Bid Amounts will be blocked by the SCSBs. For more information, see the section titled "***Offer Procedure***" on page 407 of this Draft Red Herring Prospectus.

** In case of over-subscription in the Retail Category, the Selling Shareholder and our Company, in consultation with the BRLMs, may, at their sole discretion, decide to allocate up to 50% (but in no event less than 35%) of the Net Offer to Retail Individual Investors. In case of such increased allocation to Retail Individual Investors, the allocation in the QIB Category will be proportionately reduced.*

QIBs and Non-Institutional Investors can participate in the Offer only through the ASBA process. Retail Individual Investors and Eligible Employees Bidding in the Employee Reservation Portion have the option to participate through the ASBA process.

In accordance with the ICDR Regulations, QIBs Bidding in the QIB Category and Non-Institutional Investors Bidding in the Non-Institutional Category are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bids during the Offer Period and withdraw their Bids until finalization of the Basis of Allotment. For further details, see the section titled "***Offer Structure***" on page 403 of this Draft Red Herring Prospectus.

Our Company and the Selling Shareholder shall comply with the ICDR Regulations and any other ancillary directions issued by SEBI for this Offer. In this regard, the Selling Shareholder has appointed the Book Running Lead Managers to manage the Offer and procure subscriptions to the Offer.

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

Steps to be taken by the Bidders for Bidding:

(1) Check eligibility for making a Bid. See the section titled "***Offer Procedure***" on page 407 of this Draft Red Herring Prospectus;
(2) Ensure that you have a PAN number and an active demat account and the demat account details are correctly mentioned in the Bid-cum-Application Form;
(3) Ensure that the Bid-cum-Application Form is duly completed as per instructions given in the Red Herring Prospectus and in the Bid-cum-Application Form;
(4) Except for Bids (i) on behalf of Central or State Government and the officials appointed by the courts, who, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values, ensure that you have mentioned your PAN Allotted under the I.T. Act in the Bid-cum-Application Form. The PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction (please see the section titled "***Offer Procedure***" on page 407 of this Draft Red Herring Prospectus);
(6) Bids by QIBs and Non-Institutional Investors shall be submitted only through the ASBA process;
(7) Ensure the correctness of your PAN, DP ID and Client ID given in the Bid-cum-Application Form. Based on these three parameters, the Registrar to the Offer will obtain details of the Bidders from the Depositories including Bidder's name, bank account, number etc.;
(8) Bids by ASBA Bidders will only have to be submitted to the SCSBs at the Designated Branches, except ASBA Bids in the Syndicate ASBA Bidding Centres or the Registered Brokers in physical form. ASBA Bidders should ensure that their ASBA Accounts have adequate credit balance at the time of submission to the SCSB to ensure that their Bid-cum-Application Form is not rejected; and
(9) Bids by non-ASBA Bidders will have to be submitted to the Syndicate (or their authorized agent) at the Bidding Centres or the Registered Brokers at the Broker Centers.

Illustration of Book Building and Price Discovery Process

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

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

Bid Quantity	Bid Price (₹)	Cumulative equity shares Bid for	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 selling shareholder and the Book Running Lead Managers, will finalize the issue price at or below such cut off, i.e., at or below ₹ 22. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

Underwriting Agreement

After the determination of the Offer Price but prior to filing of the Prospectus with the RoC, each of our Company and the Selling Shareholder intend to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through this Offer. It is expected that pursuant to the terms of the Underwriting Agreement, the Book Running Lead Managers shall be responsible for bringing in the amount devolved in the event that their Syndicate Members do not fulfill their underwriting obligations. The Underwriting Agreement shall be to the extent of Bids uploaded by the Underwriter, including through their Syndicate/sub-syndicate. Pursuant to the terms of the underwriting agreement, the obligations of the Underwriters will be several and are subject to certain conditions to closing, as specified therein.

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

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

Name and Address of the Underwriters	Indicated Number of Equity Shares to be Underwritten	Amount Underwritten (₹ Million)
UBS Securities India Private Limited 2/F, 2 North Avenue, Maker Maxity Bandra-Kurla Complex, Bandra East Mumbai - 400 051 Maharashtra, India Telephone: +91 22 6155 6000 Facsimile: +91 22 6155 6300 Email: OL-Mani@ubs.com	[●]	[●]
Deutsche Equities (India) Private Limited 14th floor, The Capital Plot no. C-70 Bandra Kurla Complex Mumbai – 400 051 Maharashtra, India Telephone: +91 22 7180 4444 Facsimile: +91 22 7180 4199 Email: Rinl.ipo@db.com	[●]	[●]
Total	**[●]**	**[●]**

The above-mentioned number and amount is indicative and will be finalized after determination of the Offer Price and finalization of the 'Basis of Allotment and subject to the provisions of Regulation 13(2) of the ICDR Regulations'.

In the opinion of the Board of Directors (based on a certificate given by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. Each Underwriter is registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. The Underwriting Agreement has been entered into with the Underwriters.

Allocation among Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the table above.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to Bidders procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations mentioned in the underwriting agreement, will also be required to procure/subscribe for Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement.

The underwriting arrangements mentioned above shall not apply to the subscriptions by the ASBA Bidders in this Offer, except for ASBA Bids procured by the Syndicate Member(s). The underwriting agreement shall list out the role and obligations of each Syndicate Member.

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

CAPITAL STRUCTURE

The share capital of our Company as at the date of filing this Draft Red Herring Prospectus is set forth in the table below.

S. No.		Aggregate Nominal Value (₹)	Aggregate Value at Offer Price (₹)
A)	**AUTHORISED SHARE CAPITAL[(a)]**		
	4,890,000,000 Equity Shares	48,900,000,000	-
	3,110,000,000 Redeemable Preference Shares	31,100,000,000	-
B)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL**		
	4,889,846,200 Equity Shares	48,898,462,000	-
	800,000,000 Redeemable Preference Shares	8,000,000,000	-
C)	**PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS[(b)]**		
	Offer for sale of 488,984,620 Equity Shares	4,889,846,200	[●]
	Which Comprises		
	Employee Reservation Portion of 48,898,462 Equity Shares[(c)]	488,984,620	[●]
	Net Offer of 440,086,158 Equity Shares	4,400,861,580	[●]
	Of which		
	QIB Category of not more than 220,043,079 Equity Shares*	2,200,430,790	[●]
	Non-Institutional Category of not less than 66,012,924 Equity Shares	660,129,240	[●]
	Retail Category of not less than 154,030,155 Equity Shares*	1,540,301,550	[●]
D)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER**		
	4,889,846,200 Equity Shares	48,898,462,000	[●]
	800,000,000 Redeemable Preference Shares	8,000,000,000	[●]
E)	**SHARE PREMIUM ACCOUNT**		
	Before the Offer	Nil	
	After the Offer	Nil	

** In case of over-subscription in the Retail Category, the Selling Shareholder and our Company, in consultation with the BRLMs, may, at their sole discretion, decide to allocate up to 50% (but in no event less than 35%) of the Net Offer to Retail Individual Investors. In case of such increased allocation to Retail Individual Investors, the allocation in the QIB Category will be proportionately reduced.*

(a) For details of the changes in our authorised share capital, see the section titled "***History and Certain Corporate Matters***" on page 130 of this Draft Red Herring Prospectus.

(b) The Offer has been authorized by a resolution of our Board dated July 3, 2014. The MoS, through its letter no. 5(5)2010-VSP(Vol.I) dated September 17, 2014 conveyed the approval granted by the GoI for the Offer. The Offer is an Offer for sale of 488,984,620 Equity Shares by the President of India, acting through the MoS. The Equity Shares constituting the Offer for Sale portion have been held by the Selling Shareholder for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with the SEBI.

(c) The MoS, through its letter no. 5(5)2010-VSP(Vol.I) dated September 17, 2014 has conveyed the approval of the competent authority for reserving Equity Shares for employees of our Company in accordance with ICDR Regulations. Our Board by its resolution dated July 3, 2014 approved reservation of 10% of the Offer as Employee Reservation Portion. The under-subscription in the Employee Reservation Portion will first be allocated towards over-subscription in the Retail Category (if any) and thereafter towards over-subscription (if any) in any other category, in the Offer, except if these categories are not adequately over-subscribed. In case of under-subscription in the Net Offer, spill-over to the extent of under-subscription shall be permitted to the Employee Reservation Portion.

Notes to the Capital Structure

1. Share Capital History of our Company

1.1 The following is the history of the Equity Share capital of our Company as at the date of this Draft Red Herring Prospectus:

Date of allotment/ Date when fully paid-up	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Consideration (cash, bonus, other than cash)	Reasons for Allotment	Cumulative No. of Equity Shares	Cumulative Share Capital (₹)	Cumulative Share Premium (₹)

Date of allotment/ Date when fully paid-up	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Consideration (cash, bonus, other than cash)	Reasons for Allotment	Cumulative No. of Equity Shares	Cumulative Share Capital (₹)	Cumulative Share Premium (₹)
April 8, 1982	3	1,000	1,000	Cash	Issued on signing of MoA(1)	3	3,000	Nil
April 8, 1982	1	1,000	1,000	Cash	Issued on signing of MoA(2)	4	4,000	Nil
April 8, 1982	1	1,000	1,000	Cash	Issued on signing of MoA(3)	5	5,000	Nil
April 8, 1982	399,995	1,000	1,000	Cash	Issue to the President of India	400,000	4,00,000,000	Nil
May 18, 1982	2,100,000	1,000	1,000	Cash	Further issue to the President of India	2,500,000	2,500,000,000	Nil
March 24, 1983	999,999	1,000	1,000	Cash	Further issue to the President of India	3,499,999	3,499,999,000	Nil
August 13, 1983	1	1,000	1,000	Cash	Further issue to the President of India(4)	3,500,000	3,500,000,000	Nil
March 26, 1984	3,370,000	1,000	1,000	Cash	Further issue to the President of India	6,870,000	6,870,000,000	Nil
March 26, 1984	2,169,258	1,000	1,000	Other than cash(5)	Further issue to the President of India	9,039,258	9,039,258,000	Nil
June 23, 1984	4,050,000	1,000	1,000	Cash	Further issue to the President of India	13,089,258	13,089,258,000	Nil
March 15, 1985	1,600,000	1,000	1,000	Cash	Further issue to the President of India	14,689,258	14,689,258,000	Nil
June 6, 1985	100,000	1,000	1,000	Cash	Further issue to the President of India	14,789,258	14,789,258,000	Nil
June 6, 1985	11,354	1,000	1,000	Other than cash(6)	Further issue to the President of India	14,800,612	14,800,612,000	Nil
March 31, 1986	2,150,000	1,000	1,000	Cash	Further issue to the President of India	16,950,612	16,950,612,000	Nil
March 31, 1986	4,000,000	1,000	1,000	Cash	Further issue to the President of India	20,950,612	20,950,612,000	Nil
June 20, 1986	1,057,150	1,000	1,000	Cash	Further issue to the President of India	22,007,762	22,007,762,000	Nil
December 10, 1986	3,950,000	1,000	1,000	Cash	Further issue to the President of India	25,957,762	25,957,762,000	Nil
March 3, 1987	2,000,000	1,000	1,000	Cash	Further issue to the President of India	27,957,762	27,957,762,000	Nil
June 15, 1987	2,100,000	1,000	1,000	Cash	Further issue to the President of India	30,057,762	30,057,762,000	Nil
September 22, 1987	2,120,000	1,000	1,000	Cash	Further issue to the President of India	3,2177,762	3,2177,762,000	Nil
December 5, 1988	1,800,000	1,000	1,000	Cash	Further issue to the President of India	33,977,762	33,977,762,000	Nil
February 15, 1989	400,000	1,000	1,000	Cash	Further issue to the President of India	34,377,762	34,377,762,000	Nil
June 22, 1989	320,000	1,000	1,000	Cash	Further issue to the President of India	34,697,762	34,697,762,000	Nil
March 20, 1990	360,700	1,000	1,000	Cash	Further issue to the President of India	35,058,462	35,058,462,000	Nil
July 17, 1992	1,000,000	1,000	1,000	Cash	Further issue to the President of India	36,058,462	36,058,462,000	Nil
September 12, 1992	1,000,000	1,000	1,000	Cash	Further issue to the President of India	37,058,462	37,058,462,000	Nil
March 31, 1994	11,840,000	1,000	1,000	Cash(7)	Further issue to the President of India	48,898,462	48,898,462,000	Nil
On April 21, 2012, the face value of the equity shares of our Company was split into ₹ 10 each and consequently, the issued share capital was split from ₹ 48,898,462,000 divided into 48,898,462 equity shares of ₹ 1,000 each to ₹ 48,898,462,000 divided into 4,889,846,200 equity shares of ₹ 10 each.								
Total	**4,889,846,200**					**4,889,846,200**	**48,898,462,000**	**Nil**

(1) First allotment of equity shares of ₹ 1,000 each to Mr. A.S. Gill as nominee of the President of India.

(2) First allotment of equity shares of ₹1,000 each to Mr. D.N. Ghosh as nominee of the President of India.

(3) First allotment of equity shares of ₹ 1,000 each to Mr. Suresh Kumar as nominee of the President of India.

(4) Allotment of equity shares of ₹ 1,000 each to Mr. Sangameswaran as nominee of the President of India. MoS through its letter dated August 4, 1983 gave permission for the allotment of one equity shares of ₹ 1,000 each to Mr. Sangameswaran.

(5) 2,169,258 equity shares of ₹1,000 each were issued to the President of India in consideration of transfer of assets and liabilities of the Visakhapatnam steel project unit of SAIL to our Company as requested by the MoS through its letter (no. 12(29)/83-SAIL) dated June 29, 1983.

(6) 11,354 equity shares of ₹ 1,000 each were issued to the President of India against the expenditure incurred by the GoI towards acquisition of land and other preliminary expenses for setting up the steel plant for our Company as requested by the MoS through its letter (no. 10(4)/85-VSP) dated March 27, 1985.
(7) 11,840,000 equity shares of ₹ 1,000 each were issued to the President of India on account of the conversion of a loan amount of ₹ 11,840 million into 11,840,000 Equity Shares through letter (no. 10(13)/89-VSP(Vol.III) dated March 29, 1994 issued by the MoS conveying the approval of the Cabinet Committee on Economic Affairs for the financial restructuring of the loan.

1.2 16,040,000 7% non-cumulative redeemable preference shares of ₹ 1,000 each were issued on March 31, 1994 to the President of India on account of the conversion of a loan amount of ₹ 3,235 million, ₹ 955 million and ₹ 11,850 million pursuant to three letters, all bearing no. 10(13)/89-VSP (Vol. III) dated March 29, 1994 issued by the MoS conveying the approval of the Cabinet Committee on Economic Affairs for the financial restructuring of the loan. Further 13,334,700 7% non-cumulative redeemable preference shares of ₹ 1,000 each were issued on May 31, 1999 to the President of India on account of the conversion of a loan amount of ₹13,334.70 million pursuant to two letters, both bearing no. 10(13)/89-VSP(Vol. IV) dated March 26, 1999 issued by the MoS conveying the approval of the President of India for the financial restructuring of the loan. MoS through its letter no. 5(11)/2001-VSP dated February 7, 2002 extended the redemption period for the 7% non-cumulative redeemable preference shares of ₹1,000 each to 20 years from the date of initial issue of 7% non-cumulative redeemable preference shares of ₹ 1,000 each as against the initial redemption period of 10 years. On March 31, 2012 and April 1, 2012, our Company redeemed 1,000,000 and 11,850,000 7% non-cumulative redeemable preference shares of ₹ 1,000 each, respectively.

On April 21, 2012, the face value of the 7% non-cumulative redeemable preference shares of ₹ 1,000 each was split into ₹ 10 each and consequently, the issued preference capital was split from ₹ 16,524,700,000 divided into 16,524,700 7% non-cumulative redeemable preference shares of ₹ 1,000 each to ₹ 16,524,700,000 divided into 1,652,470,000 7% non-cumulative redeemable preference shares of ₹ 10 each ("**Redeemable Preference Shares**").

The history of redemption of Redeemable Preference Shares is as follows:

Redemption date	Number of Redeemed Preference Shares	Value (in ₹)
August 5, 2012	21,750,000	217,500,000
September 7, 2012	19,850,000	198,500,000
October 1, 2012	13,900,000	139,000,000
February 5, 2013	20,000,000	200,000,000
March 30, 2013	20,000,000	200,000,000
March 31, 2013	100,000,000	1,000,000,000
April 23, 2013	30,000,000	300,000,000
June 8, 2013	5,000,000	50,000,000
July 2, 2013	30,000,000	300,000,000
July 13, 2013	15,000,000	150,000,000
July 15, 2013	28,470,000	284,700,000
September 1, 2013	45,000,000	450,000,000
October 4, 2013	70,000,000	700,000,000
October 19, 2013	40,000,000	400,000,000
December 1, 2013	60,000,000	600,000,000
March 16, 2014	33,500,000	335,000,000
March 31, 2014	250,000,000	2,500,000,000
May 31, 2014	50,000,000	500,000,000

The outstanding Redeemable Preference Shares that are to be redeemed in the following years:

Financial Year	Number of Redeemable Preference Shares	Value (in ₹)
2015	550,000,000	5,500,000,000
2016	300,000,000	3,000,000,000

2. Allotment of Equity Shares as per the schemes approved under Sections 391-394 of the Companies Act, 1956

Our Company has not issued any Equity Shares as per the schemes approved under sections 391-394 of the Companies Act, 1956.

3. Issue of Equity Shares for consideration other than cash

Date of allotment/ Date when fully paid-up	Name of the Allottee	No. of Equity Shares allotted	Face Value (₹)	Issue Price (₹)	Reasons for allotment
March 26, 1984	President of India	2,169,258	1,000	1,000	Equity Shares issued to the President of India in consideration of transfer of assets and liabilities of the steel project unit of SAIL in Visakhapatnam to our Company as requested by the MoS through its letter no. 12(29)/83-SAIL dated June 29, 1983.
June 6, 1985	President of India	11,354	1,000	1,000	Equity Shares issued to the President of India against the expenditure incurred by the GoI towards acquisition of land and other preliminary expenses for setting up the steel plant for our Company as requested by the MoS through its letter no. 10(4)/85-VSP dated March 27, 1985.

Except as detailed below, no Equity Shares of our Company have been issued for consideration other than cash.

4. Issue of Equity Shares in the last one year preceding the date of this Draft Red Herring Prospectus

Our Company has not issued Equity Shares in the last one year at a price lower than the Offer Price.

5. Build-up of Promoter's shareholding, Promoter's Contribution and Lock-in

(a) Build-up of equity shareholding of the Promoter

All allotments of Equity Shares were made to the Promoter. For the allotments made to the Promoter, refer to the Equity Share capital history of our Company in the section titled "***Capital Structure***" on page 73 of this Draft Red Herring Prospectus.

(b) Details of Promoter's Contribution Locked-in for Three Years

Pursuant to Regulation 32 and 36 of the ICDR Regulations, Equity Shares aggregating to 20% of the post-Offer capital of our Company i.e., 977,969,240 Equity Shares held by our Promoter shall be considered as minimum promoter's contribution and locked-in for a period of three years from the date of Allotment in the Offer (the "**Promoter's Contribution**).

The MoS pursuant to its letter no. 5(5)2010-VSP(Vol.I) dated September 17, 2014 granted consent to include 977,969,240 Equity Shares held by the President of India as Promoter's Contribution and have agreed not to sell, transfer, charge, pledge or otherwise encumber or dispose off in any manner, the Promoter's Contribution from the date of transfer in the Offer, for a period of three years, or for such other time as required under ICDR Regulations. Details of Promoter's Contribution are as provided below:

Name of Promoter	No. of Equity Shares	% of Pre-Offer Capital	% of Post-Offer Capital
The President of India	977,969,240	20.00	20.00

All Equity Shares, which are being considered for the purposes of the Promoter's Contribution, are eligible as per the ICDR Regulations.

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

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

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

ii. The Promoter's Contribution does not include any Equity Shares acquired during the preceding one year at a price lower than the price at which Equity Shares are being offered to the public in the Offer;

iii. Our Company has not been formed by the conversion of partnership firm into a company;

iv. The Promoter's Contribution is not subject to any pledge; and

vi. The Promoter's Contribution does not consist of Equity Shares for which specific written consent has not been obtained from the Promoter for inclusion of its subscription in the minimum Promoter's Contribution subject to lock-in.

(c) Details of Share Capital Locked-in for One Year

The MoS through its letter no. 5(5)2010-VSP(Vol.I) dated September 17, 2014 granted approval for the lock-in of its pre-Offer shareholding, less the Promoter's Contribution and Equity Shares being offered in this Offer, i.e., lock-in of 3,422,892,340 Equity Shares from the date of transfer in the Offer, for a period of one year from the date of Allotment.

(d) Other Requirements in respect of Lock-in

In terms of Regulation 40 of the ICDR Regulations, the Equity Shares held by the Promoter may be transferred to any person of the promoter group or to new promoter or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Regulations, as applicable.

6. The Shareholding Pattern of our Company

The Shareholding Pattern of our Company as on the date of this Draft Red Herring Prospectus is as follows:

Category Code	Category of Shareholders	Number of Shareholders	Total Number of shares		Number of Shares Held in demateria-lized form	Total Shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
			Pre-Offer	**Post-Offer**		**Pre-Offer**	**Post-Offer**	**Number of shares**	**As a percentage**
(I)	(II)	(III)	(IV)	(V)	(V)	(VI)	(VII)	(IX)	(X)=(IX)/(IV)*100
(A)	**Shareholding of Promoter and Promoter Group**								
1	**Indian**								
A	Individuals/Hindu Undivided Family	0	0		0	0.00	0.00	0	0.00
B	Central Government/State Government	7*	4,889,846,200	4,400,861,580	4,889,846,200	100.00	90.00	0	0.00
C	Bodies Corporate	0	0	0	0	0.00	0.00	0	0.00
D	Financial Institutions/Banks	0	0	0	0	0.00	0.00	0	0.00
E	Any Other (specify)	0	0	0	0	0.00	0.00	0	0.00
	Sub-Total (A) (1)	**7***	**4,889,846,200**	**4,400,861,580**	**4,889,846,200**	**100.00**	**90.00**	**0**	**0.00**
2	**Foreign**								
A	Individuals(Non-Resident Individuals)	0	0	0	0	0.00	0.00	0	0.00
B	Bodies Corporate *i.e.* OCBs	0	0	0	0	0.00	0.00	0	0.00
C	Institutions	0	0	0	0	0.00	0.00	0	0.00

Category Code	Category of Shareholders	Number of Shareholders	Total Number of shares		Number of Shares Held in demateria-lized form	Total Shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
D	Any Other (specify)	0	0	0	0	0.00	0.00	0	0.00
	Sub-Total (A) (2)	**0**	**0**	**0**	**0**	**0.00**	**0.00**	**0**	**0.00**
	Total Shareholding of Promoter and Promoter Group (A)(1)+(A)(2)	**7***	**4,889,846,200**	**4,400,861,580**	**4,889,846,200**	**100.00**	**90.00**	**0**	**0.00**
(B)	**Public Shareholding**								
1	**Institutions**	0	0	[●]	0	0.00	[●]	0	0.00
A	Mutual Funds/UTI	0	0	[●]	0	0.00	[●]	0	0.00
B	Financial Institutions/Banks	0	0	[●]	0	0.00	[●]	0	0.00
C	Central Government/State Government(s)	0	0	[●]	0	0.00	[●]	0	0.00
D	Venture Capital Fund	0	0	[●]	0	0.00	[●]	0	0.00
E	Insurance Companies	0	0	[●]	0	0.00	[●]	0	0.00
F	Foreign Portfolio Investors	0	0	[●]	0	0.00	[●]	0	0.00
G	Foreign Venture Capital Investors	0	0	[●]	0	0.00	[●]	0	0.00
H	Any Other (specify)	0	0	[●]	0	0.00	[●]	0	0.00
	Sub-Total (B) (1)	**0**	**0**	**[●]**	**0**	**0.00**	**[●]**	**0**	**0.00**
2	**Non-Institutions**								
A	Bodies Corporate	0	0	[●]	0	0.00	[●]	0	0.00
B	Individuals	0	0	[●]	0	0.00	[●]	0	0.00
I	Individual Shareholders holding nominal Share Capital value upto ₹ 100,000	0	0	[●]	0	0.00	[●]	0	0.00
II	Individual Shareholders holding nominal Share Capital value in excess of ₹ 100,000	0	0	[●]	0	0.00	[●]	0	0.00
C	Any Other (specify)	0	0	[●]	0	0.00	[●]	0	0.00
I	Trust	0	0	[●]	0	0.00	[●]	0	0.00
II	NRI's	0	0	[●]	0	0.00	[●]	0	0.00
III	OCB's	0	0	[●]	0	0.00	[●]	0	0.00
IV	Foreign Nationals	0	0	[●]	0	0.00	[●]	0	0.00
D.	Foreign Portfolio Investors	0	0	[●]	0	0	[●]	0	0.00
	Sub-Total (B) (2)	**0**	**0**	**[●]**	**0**	**0.00**	**[●]**	**0**	**0.00**
	Total Public Shareholding (B)= (B)(1)+(B)(2)	**0**	**0**	**[●]**	**0**	**0.00**	**10.00**	**0**	**0.00**
	Total (A)+(B)	**0**	**4,889,846,200**	**4,889,846,200**	**4,889,846,200**	**90.00**	**10**	**0**	**0.00**
(C)	Share held by Custodian and against which Depository Receipts have been issued	0	0	0	0	0.00	0.00	0	0.00
	Grand Total (A)+(B)+(C)	**7***	**4,889,846,200**	**4,889,846,200**	**4,889,846,200**	**90.00**	**10.00**	**0**	**0.00**

The President of India through the MoS has 100% shareholding in our Company out of which 4,889,845,400 Equity Shares are held by itself and 300 Equity Shares are held by Mr. P. Madhusudan as nominee of the President of India and 100 Equity Shares each are held by, Mr. P. C. Mohapatra, Mr. V. K. Thakral, Mr. Lokesh Chandra, Mr. T. V. S. K. Kumar and Mr. T. K. Chand as nominees of the President of India.*
***The Company vide letter no.CA — MOS/TS/14 dated September 1, 2014 has informed the Under Secretary of MoS to transfer the shares held by Mr. Umesh Chandra to Mr. T. V. S. K. Kumar.*

As of the date of this Draft Red Herring Prospectus, there are no public shareholders in our Company who hold more than 1% of the pre-Offer or post-Offer capital of our Company.

7. As on the date of this Draft Red Herring Prospectus, none of our Key Management Personnel hold Equity Shares in our Company. Further, except as set forth below, none of the Directors hold Equity Shares, as on the date of this Draft Red Herring Prospectus, in our Company:

S. No.	Name of the Director	Number of Equity Shares	Pre-Offer Percentage Shareholding (%)	Post-Offer Percentage Shareholding (%)
1.	Mr. P. Madhusudan*	300	Negligible	Negligible
2.	Mr. P. C. Mohapatra*	100	Negligible	Negligible
3.	Mr. V. K. Thakral*	100	Negligible	Negligible
4	Mr. Lokesh Chandra*	100	Negligible	Negligible
5.	Mr. T. K. Chand*	100	Negligible	Negligible
6.	Mr. T. V. S. K. Kumar**	100	Negligible	Negligible

*As a nominee of the President of India

***The Company vide letter no.CA — MOS/TS/14 dated September 1, 2014 has informed the Under Secretary of MoS to transfer the shares held by Mr. Umesh Chandra to Mr. T. V. S. K. Kumar.*

8. The list of our top ten shareholders and the number of Equity Shares held by them is provided below:

(i) The top ten shareholders of our Company as of the date of this Draft Red Herring Prospectus and ten days prior to the date of this Draft Red Herring Prospectus are as follows*:

S. No.	Name of Shareholder	Number of Equity Shares	Pre-Offer %	Post-Offer %
1.	President of India, acting through the MoS	4,889,845,400	99.99	89.99
2.	Mr. P. Madhusudan**	300	Negligible	Negligible
3.	Mr. P. C. Mohapatra**	100	Negligible	Negligible
4.	Mr. V. K. Thakral**	100	Negligible	Negligible
5.	Mr. Lokesh Chandra**	100	Negligible	Negligible
6.	Mr. T. K. Chand**	100	Negligible	Negligible
7.	Mr. T. V. S. K. Kumar**	100	Negligible	Negligible

*The Company has seven shareholders, out of which one is the President of India and six are nominees of the President of India.

**As a nominee of the President of India

(ii) The top ten shareholders of our Company as of the date two years prior to the date of this Draft Red Herring Prospectus are as follows:

S. No.	Name of Shareholder	Number of Equity Shares	Pre-Offer %
1.	President of India, acting through the MoS	4,889,845,400	99.99
2.	Mr A. P. Choudhary*	300	Negligible
3.	Mr. P. Madhusudan*	100	Negligible
4.	Mr. S. Machendra Nathan*	100	Negligible
5.	Dr. Dalip Singh*	100	Negligible
6.	Mr. T. K. Chand*	100	Negligible
7.	Mr. Umesh Chandra*	100	Negligible
	Total	**4,889,846,200**	**100**

*As a nominee of the President of India

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

10. Our Promoter and Directors have not purchased/subscribed or sold any securities of our Company, within three years from the date of this Draft Red Herring Prospectus, which in aggregate is equal to or greater than one percent of the pre-Offer share capital of our Company.

11. The Selling Shareholder has not purchased or sold or financed any securities of our Company, during a period of six months preceding the date of filing this Draft Red Herring Prospectus with SEBI.

12. There has not been and there will not be any further issue of capital whether by way of public issue, bonus shares, preferential allotment, rights issue, qualified institutional placement, or in any other manner during the period commencing from the submission of this Draft Red Herring Prospectus with SEBI until the Equity Shares to be transferred pursuant to the Offer have been listed. Further, our

Company does not have any intention, proposal, negotiations or consideration to alter its capital structure by way of split/consolidation of the denomination of the Equity Shares, or issue of Equity Shares on a preferential basis or issue of bonus or rights or further public issue of shares or any other securities, within a period of six months from the Bid/Offer Opening Date except for any issuance in terms of Rule 19(2)(c)of the SCRR for compliance with the minimum public shareholding requirements set forth thereunder.

13. Our Directors or the relatives of our Directors have not financed the purchase by any other person of the securities of our Company during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus with SEBI.

14. None of the Book Running Lead Managers hold any Equity Shares as on the date of this Draft Red Herring Prospectus. The Book Running Lead Managers and their respective affiliates may engage in the transactions with and perform services for our Company and our Subsidiaries in the ordinary course of business and have engaged or may in the future engage, in commercial banking and investment banking transactions with our Company and our Subsidiaries, for which they have received, and may in future receive, customary compensation.

15. As on the date of this Draft Red Herring Prospectus, the total number of holders of Equity Shares is seven, consisting of the President of India, acting through the MoS, GoI and six other members, holding shares as nominees of the President of India.

16. Except as stated in the Section titled "***Our Management***" on page 155 of this Draft Red Herring Prospectus, none of our Directors and Key Management Personnel hold any Equity Shares in our Company.

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

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

19. Our Company has not issued any Equity Shares at a price less than the Offer Price in the last one year preceding the date of this Draft Red Herring Prospectus.

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

21. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing this Draft Red Herring Prospectus.

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

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

24. Our Company will not, without the prior written consent of the Book Running Lead Managers, during the period commencing from the date of this Draft Red Herring Prospectus and ending 180 calendar days after the date of listing and commencement of trading of the Equity Shares, alter its capital structure in any manner including by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares or any securities convertible into or exchangeable, directly or indirectly, for the Equity Shares. If we enter into acquisitions or joint ventures for the purposes of our business, we may, subject to necessary approvals and consents, consider raising additional capital to fund such activities or use the Equity Shares as currency for acquisition or participation in such joint ventures.

25. Our Promoter will not participate in this Offer. Our Executive Directors will not participate in the Net Offer. However, our Executive Directors can apply under the Employee Reservation portion.

26. A total of 10% of the Offer, i.e., 48,898,462 Equity Shares, have been reserved for allocation to Eligible Employees on a proportionate basis, subject to valid Bids being received at the Offer Price and subject to maximum Bid Amount by each Eligible Employee not exceeding ₹ 200,000. An Employee

Discount of ₹ [●] to the Offer Price may be offered to Eligible Employees Bidding in the Employee Reservation Portion. Eligible Employees Bidding under the Employee Reservation Portion can also Bid in the Net Offer and such Bids shall not be treated as multiple Bids. If the aggregate demand in the Employee Reservation Portion is greater than 48,898,462 Equity Shares, allocation shall be made on a proportionate basis.

27. Subject to allocation of not less than 35% of the Net Offer to Retail Individual Investors* and not less than 15% of the Net Offer to Non-Institutional Investors, the under-subscription in the Employee Reservation Portion will first be allocated towards over-subscription in the Retail Category (if any) and thereafter towards over-subscription (if any) in any other category, in the Offer, except if these categories are not adequately over-subscribed. Under-subscription, if any, in any category shall be met with spill-over from other categories, at the sole discretion of the Selling Shareholder and our Company, in consultation with the Book Running Lead Managers. In case of under-subscription in the Net Offer, spill-over to the extent of under-subscription shall be permitted from the Employee Reservation Portion.

**In case of over-subscription in the Retail Category, the Selling Shareholder and our Company, in consultation with the BRLMs, may, at their sole discretion, decide to allocate up to 50% (but in no event less than 35%) of the Net Offer to Retail Individual Investors. In case of such increased allocation to Retail Individual Investors, the allocation in the QIB Category will be proportionately reduced.*

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

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

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

31. No person connected with the Offer shall offer any incentive, whether direct or indirect, in any manner, whether in cash, kind, services or otherwise, to any Bidder.

32. Our Company shall ensure that transactions in the Equity Shares by our Promoter between the date of filing of this Draft Red Herring Prospectus and the Offer Closing Date shall be intimated to the Stock Exchanges within 24 hours of such transaction.

33. Oversubscription to the extent of 10% of the Net Offer can be retained for the purpose of rounding off to the nearer multiple of minimum allotment lot.

34. No equity shares held by the Promoter are subject to any pledge.

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

OBJECTS OF THE OFFER

The objects of the Offer are to carry out the disinvestment of 488,984,620 Equity Shares by the Selling Shareholder constituting 10% of our Company's pre-Offer paid up equity share capital and to achieve the benefits of listing the Equity Shares on the Stock Exchanges. Our Company will not receive any proceeds from the Offer and all proceeds shall go to the Selling Shareholder.

Offer Related Expenses Activity	Total Expense*	As a % of Total Estimated Offer Expenses*	As a % of Offer*
Book Running Lead Managers' fee	[●]	[●]	[●]
Underwriting, brokerage and selling commissions.	[●]	[●]	[●]
Brokerage and selling commission payable to Registered Brokers	[●]	[●]	[●]
Processing fees to SCSBs for ASBA Applications procured by the members of the Syndicate or Registered Brokers and submitted with the SCSBs**	[●]	[●]	[●]
Registrar to the Offer fees	[●]	[●]	[●]
Advisors to the Offer fees	[●]	[●]	[●]
Fees to Bankers to the Offer	[●]	[●]	[●]
Other (auditor's fees, legal fees, advertising and marketing expenses, fees for depositories etc.)	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

** To be completed after finalization of Offer Price.*

*** Disclosure of commission and processing fees will be incorporated at the time of filing the Red Herring Prospectus.*

All expenses with respect to the fees payable to the Book Running Lead Managers, Registrar to the Offer, legal advisors, brokerage and selling commission and expenses towards the publication of offer related advertisements in connection with the Offer would be paid by the Selling Shareholder, through the Department of Disinvestment, Ministry of Finance, GoI.

BASIS FOR OFFER PRICE

The face value of our Equity Shares is ₹ 10 and the Offer Price of ₹ [●] is [●] times the face value at the Floor Price and [●] times the face value at the Cap Price.

The Offer Price will be determined by our Company and the Selling Shareholder in consultation with the Book Running Lead Managers, on the basis of assessment of market demand from the Bidders for the offered Equity Shares by way of the Book Building Process, and on the basis of the following qualitative and quantitative factors. Bidders should also see sections titled "***Risk Factors***", "***Our Business***" and "***Financial Statements***" on pages 19, 105 and 181 of this Draft Red Herring Prospectus, respectively, to have an informed view before making an investment decision. The financial data presented in this section are based on the Company's audited restated consolidated and unconsolidated financial statements.

Qualitative Factors

Some of the qualitative factors which form the basis of the Offer Price are:
- Strong position in a high growth market;
- Strategically located operations;
- Operational efficiency;
- Diverse customer base served through an extensive marketing network; and
- Experienced management team and skilled workforce.

For further details which form the basis for computing the Offer Price, see sections titled "***Our Business***" and "***Risk Factors***" on pages 105 and 19 of this Draft Red Herring Prospectus, respectively.

Quantitative Factors

The information presentation below relating to the Company is based on the audited restated consolidated and unconsolidated financial statements for Fiscals 2012, 2013 and 2014 prepared in accordance with Indian GAAP, the Companies Act and the ICDR Regulations. For more information, see "***Financial Statements***" page 181.

1. EARNING PER SHARE ("EPS") of ₹ 10 per share (Unconsolidated):

Fiscal	Basic & Diluted EPS (in ₹)	Weight
2012	1.83	1
2013	0.04	2
2014	0.48	3
Weighted Average	0.56	

EARNING PER SHARE ("EPS") of ₹ 10 per share (Consolidated):

Fiscal	Basic & Diluted EPS (in ₹)	Weight
2012	1.84	1
2013	0.04	2
2014	0.45	3
Weighted Average	0.55	

Notes:
a) Basic EPS has been computed by dividing restated profit/(loss) after tax and before extraordinary items less dividend to preference shareholders, by the number of Equity Shares outstanding during the period/year.
b) Diluted EPS has been computed by dividing restated profit/(loss) after tax and before extraordinary items less dividend to preference shareholders, by the number of diluted Equity Shares outstanding during the period/year.
c) On April 21, 2012, the face value of the equity shares of our Company was split into ₹ 10 from ₹ 1,000. EPS on the basis of ₹ 10 face value per share is ₹ 1.8 for 2012 on both consolidated as well as unconsolidated basis.
d) As of June 30, 2014, basic and diluted EPS on the basis of ₹ 10 face value per share is ₹ 0.3 on both consolidated as well as unconsolidated basis.
e) EPS calculations have been done in accordance with Accounting Standard 20 – "Earning per share" issued by the Institute of Chartered Accountants of India.

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

Pre-Offer P/E Ratio in relation to Offer Price of ₹ [●] per Equity Share of face value of ₹ 10 each:

a. As per our Company's unconsolidated financial statements:

Particulars	**P/E ratio**
For the year ended March 31, 2012	[●]
For the year ended March 31, 2013	[●]
For the year ended March 31, 2014	[●]

b. As per our Company's consolidated financial statements:

Particulars	**P/E ratio**
For the year ended March 31, 2012	[●]
For the year ended March 31, 2013	[●]
For the year ended March 31, 2014	[●]

c. Industry P/E-

Particulars	**P/E ratio**
Highest	146.3
Lowest	8.4
Industry composite	11.9

Source: Capital Market Vol. XXIX/12, August 4, 2014 to August 17, 2014 (Industry Steel Large) P/E ratio based on TTM EPS and price as of August 28, 2014.

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

Fiscal	**RoNW (%)**	**Weight**
2012	7.36	1
2013	1.00	2
2014	2.46	3
Weighted Average	2.79	

RoNW (Consolidated):

Fiscal	**RoNW (%)**	**Weight**
2012	7.38	1
2013	1.00	2
2014	2.36	3
Weighted Average	2.74	

Note: RoNW has been computed by dividing restated net profit/(loss) after tax by the net worth. Net worth includes Preference Capital of ₹ 28,374.7 Million, ₹ 14,569.7 Million and ₹ 8,500 Million for 2012, 2013 and 2014 respectively. RONW as of June 30, 2014 was 1.0 % on unconsolidated and consolidated basis, respectively.

4. **Minimum Return on Total Net Worth after Offer needed to maintain Pre-Offer EPS for the year ended March 31, 2014:**

Based on basic and diluted earning per share:

At the Floor Price: [●]% and [●]% based on the unconsolidated and the consolidated financial statements, respectively.

At the Cap Price: [●]% and [●]% based on the unconsolidated and the consolidated financial statements, respectively.

At the Offer Price: [●]% and [●]% based on the unconsolidated and the consolidated financial statements, respectively.

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

a. As of March 31, 2013 (Unconsolidated): 22.7
b. As of March 31, 2014 (Unconsolidated): 23.1
c. As of June 30, 2014 (Unconsolidated)*: 23.3
d. As of March 31, 2013 (Consolidated): 22.7
e. As of March 31, 2014 (Consolidated): 23.1
f. As of June 30, 2014 (Consolidated)*: 23.3
g. Offer Price : ₹ [●]*
h. As of June 30, 2014 (unconsolidated) after the Offer: ₹ [●]
i. As of June 30, 2014 (consolidated) after the Offer: ₹ [●]

**Since the Offer is being made through the Book Building Process, the Offer Price will be determined on the basis of market demand from the Bidders for the offered Equity Shares, on conclusion of the Book Building Process.*

Note: Net worth includes Preference Share Capital of ₹ 8,000 Million, ₹ 8,500 Million, ₹ 14,569.7 Million and ₹ 28,374.7 Million for June 2014, March 2014, March 2013 and March 2012, respectively.
NAV per Equity Share has been computed by dividing net worth after deducting Preference Share Capital, by number of Equity Shares outstanding at the end of the period.

Bidders should note that discount of ₹ [●] to the Offer Price is being offered to Retail Bidders and Eligible Employees, respectively.

6. COMPARISON WITH OTHER LISTED COMPANIES

Unconsolidated

Fiscal 2014	Face Value (₹)	Total Income (₹ Millions)	Basic EPS (₹)	NAV (₹)	P/E Multiple [2]	RONW (%)
Rashtriya Ispat Nigam Limited[1]	10	124,416	0.5	23.1	[●]	2.5
Tata Steel Limited [3]	10	1,491,304	35.2	17.3	[●]	8.9
Steel Authority of India Limited [3]	10	479,017	6.4	104.8	[●]	6.1
JSW Steel Limted [3]	10	513,054	17.4	907.6	[●]	2.1

Consolidated

Fiscal 2014	Face Value (₹)	Total Income (₹ Millions)	Basic EPS (₹)	NAV (₹)	P/E Multiple [2]	RONW (%)
Rashtriya Ispat Nigam Limited[1]	10	123,353	0.5	23.1	[●]	2.4
Peer Group						
Tata Steel Limited [3]	10	424,987	64.2	629.6	[●]	10.5
Steel Authority of India Limited [3]	10	475,798	6.3	103.3	[●]	6.1
JSW Steel Limited [3]	10	456,288	53.9	1,004.6	[●]	5.5

1) The Face value per equity share, Total Income, Basic EPS, RoNW and NAV per share figures for our Company are based on the restated, unconsolidated and restated, consolidated audited results for the year ended March 31, 2014.
2) P/E is computed based on the closing price on NSE as on [●] divided by Basic EPS based on the (unconsolidated and consolidated audited results for the year ended March 31, 2014).
3) The Face value per equity share, Total Income Basic EPS (on unconsolidated and consolidated basis), The RONW (on unconsolidated and consolidated basis) and NAV (on unconsolidated and consolidated basis are based on the respective annual filings for the year ended March 31, 2014.
4) For the peers have been computed based on the respective annual reports for the year ended March 31, 2014 as follows:

Basic EPS = Profit/ (Loss) after Tax and before extraordinary items/ paid-up number of equity shares
Return on Net Worth = Profit after Tax/ Shareholders' fund (Equity Share Capital + Reserves and Surplus)
NAV = Shareholders' fund (Share Capital+ Reserves and Surplus)/ Paid-up number of equity shares

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO OUR COMPANY AND SHAREHOLDERS

AUDITORS REPORT ON STATEMENT OF TAX BENEFITS

To
The Board of Directors,
RINL, Administrative Building,
Visakhapatnam.

Dear Sirs,

We hereby report that the enclosed statements states the possible tax benefits available to RINL ('RINL limited' or 'Company') and to its shareholders under the Income Tax Act,1961 and Wealth Tax Act,1957, presently in force in India. The benefits outlined in the statement will be dependent upon the company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statue. Hence, the ability of the company or its share holders to derive the tax benefits will be' dependent upon such conditions being fulfilled. Additionally, in respect of the company benefits listed, the business imperatives faced by the company in the future will also affect the benefits actually claimed.

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 offer.

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

i. The company is currently availing any of these benefits or will avail these benefits in future; or
ii. The company's shareholders will avail these benefits in future ;or
iii. The conditions prescribed for availing the benefits have been/would be met with.

The contents of the enclosed statement are based on the information, explanation and representations obtained from the company and on the basis of the understanding of the business activities and operations of the company.

This report is intended solely for informational purposes for the inclusion in the offer documents in connection with proposed offer for sale of Equity shares of "the company" by the president of India ("the Offer") and is not be used in, referred to or distributed for any other purpose.

For Tej Raj & Pal
Chartered Accountants
Regn. No (F.R.N) 304124E

(CA P.Venugoapala Rao)
Partner
M.No. 10905

For Rao & Kumar
Chartered Accountants
Regn. No (F.R.N) 003089S

(CA Guru Prasad K.C.S)
Partner
M.No.215652

Place: Visakhapatnam
Date: 17/09/2014

STATEMENT OF TAX BENEFITS

The following key tax benefits are available to the company and the prospective shareholders under the current direct tax laws in India.

The tax benefits listed below are the possible benefits available under the current 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. Hence, the ability of the company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperative it faces in the future, it may or may not choose to fulfill. This statement is only intended to provide tax benefits to the company and its shareholders in a general and summary manner and does not purport to be a complete analysis or listing of all the provisions or possible tax consequences of the subscription, purchase, ownership or disposal etc. of shares. In view of the individual nature of tax consequences and the changing tax laws, each investor is advised to consult his/her own tax adviser with respect to specific tax implications arising out of their participation in the issue.

A. SPECIAL TAX BENEFITS

1. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY

There are no special tax benefits available to the company.

2. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS OF THE COMPANY

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

B. GENERAL TAX BENEFITS

1. Key benefits available to the Company under the Income Tax Act, 1961 ("the Act")

A) **BUSINESS INCOME:**

1. Depreciation:

Under section 32 of the Act, deduction is allowed towards depreciation on tangible and intangible assets owned by it and used for the purpose of its business.

In respect of any new plant and machinery (other than ships and aircraft) that is acquired and installed by the Company, a further sum equal to twenty percent of the actual cost of such machinery or plant is allowed as depreciation subject to conditions specified in section 32 of the Act.

Unabsorbed depreciation, if any, for an Assessment Year ("AY") can be carried forward and set off against any source of income in the subsequent AYs.

2. Investment in new plant or machinery (Investment allowance)

Under Section 32AC, where an assessee, being a company, engaged in the business of manufacture or production of any article or thing, acquires and installs new assets after 31t March 2013 but before 1st April 2015 and the aggregate amount of actual cost of such new assets exceeds one hundred crore rupees then there shall be allowed a deduction at the rate of 15% of the actual cost of such new assets acquired and installed during the above mentioned period subject to the following.

(a) For the assessment year commencing on the 1st day of April, 2014, of a sum equal to fifteen per cent of the actual cost of new assets acquired and installed after 31st day of March, 2013, but before the 1st day of April, 2014, if the aggregate amount of actual cost of such new assets exceeds one hundred crore rupees; and

(b) For the assessment year commencing on the 1st day of April, 2015, of a sum equal to fifteen per cent of the actual cost of new assets acquired and installed after the 31st day of March, 2013, but before the 1st day of April, 2015, as reduced by the amount of deduction allowed, if any under clause (a).

New assets means any new plant or machinery (other than ship or aircraft) but does not include –

(a) Any plant or machinery which before its installation by the assessee was used either within or outside India by any other person;
(b) Any plant or machinery installed in any office premises or any residential accommodation including accommodation in the nature of guest house
(c) Any office appliances including computers or computer software;
(d) Any vehicle; or
(e) Any plant or machinery, the whole of the actual cost of which is allowed as deduction (whether by way of depreciation or otherwise) in computing the income chargeable under the head "profits and gains of business or profession" of any previous year.

Further, investments in new assets made over and above Rs. 25 crores during a financial year are eligible for deduction of 15% of the actual cost of such assets for the FY 2014-15 to FY 2016-17 under Section 32AC (1A) as per the investment allowance scheme declared in the Finance (No.2) Bill 2014, subject to the above said conditions.

The Company, engaged in the manufacture of steel, is eligible to avail this benefit subject to fulfillment of conditions specified there on.

3. **Preliminary Expenses:**

Under section 35D of the Act, specified preliminary expenditure incurred by the company in connection with extension of its undertaking or in connection with setting up a new unit, is allowed deduction for an amount equal to 1/5th of such expenditure for each of the five successive previous years beginning with the previous year in which the business commences or, as the case may be, the previous year in which the extension of the undertaking is completed or the new unit commences production or operation.

4. **Expenditure incurred on voluntary retirement scheme:**

Under section 35DDA of the Act, any expenditure by way of payments made to its' employees in connection with their voluntary retirement in accordance with any scheme or schemes of voluntary retirement, is allowed as deduction for an amount equal to 1/5th of such expenditure for each of the five successive previous years beginning with the year in which such expenditure is incurred.

5. **Expenditure on Scientific Research:**

a) Under section 35(1) of the Act –
deduction is allowed in respect of any expenditure (not being expenditure on acquisition of land) on scientific research related to the business of the company, deduction is allowed for amount equal to one and three fourth times of any sum paid to a research association which has its object the undertaking of scientific research or to a university, college or other institution to be used for scientific research:
provided that such association ,university, college or other institution for the purpose of this clause-
(A) is for the time being approved, in accordance with the guidelines, in that manner and subject to such conditions as may be prescribed; and
(B) such association ,university, college or other institution is specified as such, by notification in the Official Gazette, by the Central Government.
b) Under section 35(2AA) of the Act, deduction is allowed for an amount equal to two times of the expenditure contributed to National laboratories, University, IIT, specified person as approved with the direction that the payment should be used for undertaking a scientific research programme approved by the prescribed authority.
c) Under section 35(2AB) of the Act, deduction is allowed for an amount equal to two times of the expenditure(not being expenditure in the nature of cost of any land or building) incurred, by a company engaged in the business of bio-technology or in any business of manufacture or production of any article or thing not being an article or thing specified in the list of eleventh schedule of the I.T. Act, on scientific research on in house research and development facility as approved by the prescribed authority, up to March 31, 2017.

6. **Expenditure on Skill development project :**

Under section 35CCD of the Act, deduction is allowed equal to 150% of any expenditure (not being expenditure in the nature of cost of any land or building) incurred on any skill development project notified by the Board in this behalf.

7. <u>Deduction of Security Transaction Tax ("STT"):</u>

Under section 36(1)(xv) of the Act, the STT paid in respect of taxable securities transactions entered into in the course of business is allowable as deduction, if income is computed under the head " Profits and Gains of Business and Profession".

8. <u>Deductions under Chapter VI-A of the Act:</u>

a) Under sections 80-IA of the Act, the Company is eligible for deduction for an amount equal to specified percent of the profits and gains derived by specified industrial undertakings for ten consecutive assessment years subject to the fulfillment of the conditions specified in these sections.
b) Under section 80G of the Act, the company is eligible for deduction for an amount as specified in the Section in respect donations to certain funds, charitable institutions, etc.

9. <u>Carry forward of business loss:</u>

Under section 72 of the Act, Business losses, for any AY can be carried forward and set off against business profits for eight subsequent AYs.

10. <u>Set off of accumulated Loss on amalgamation/merger:</u>

Under section 72A of the Act, the company is entitled to carry forward and set off of accumulated loss and unabsorbed depreciation allowance under amalgamation or demerger.

11. <u>Credit For Minimum Alternative Tax("MAT"):</u>

Under section 115JAA(1A) of the Act, the Company is eligible to set off the Minimum Alternate Tax('MAT") paid for in any AY commencing on or after April 1, 2006, against normal income-tax payable in any subsequent AY up to 10 AYs. MAT credit shall be allowed for any AY to the extent of difference of the tax paid for any AY under 115JB of the Act and the amount of tax payable as per the normal provisions of the I.T. Act for that AY.

B) **CAPITAL GAINS**

1. a) <u>Long Term Capital Gain(LTCG)</u>

LTCG means capital gain arising from the transfer of a capital asset being a security (other than a unit) listed in a recognized stock exchange in India or unit of an equity oriented fund or a Zero coupon bond, held by an assessee for more than 12 months.

In respect of any other capital assets, LTCG means capital gain arising from the transfer of an asset, held by an assessee for more than 36 months.

b) <u>Short Term Capital Gain (STCG)</u>

STCG means capital gain arising from the transfer of capital asset being a security (other than a unit) listed in a recognized stock exchange in India or unit of an equity oriented fund or zero coupon bonds held for 12 months or less.

2. LTCG arising on transfer of equity shares of a company or units of an equity oriented fund or a unit of a business trust, on a recognized stock exchange on or after October 01,2004 are exempt from tax under section 10 (38) of the Act provided the transaction is chargeable to securities transaction tax (STT) and subject to conditions specified in that section.

With effect from A.Y. 2007-08, income by way of long term capital gain which is exempt under section 10(38) of the Act, shall not be excluded for computing the book profit and income tax payable u/s 115JB of the Act.

3. As per second proviso to section 48 of the Act, LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by Central Government), is to be computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.

(a) Under section 112 of the Act, the LTCG that is not exempt under section 10(38) of the Act, will be subject to tax at a rate of 20% with indexation benefit plus applicable surcharge thereon and 3% Secondary Education & Higher Education Cess on tax plus Surcharge (if any)

(b) However, as per proviso to section 112(1) of the Act, if tax payable under section 112 exceeds 10% of the LTCG, without availing benefit of indexation, the excess tax will be ignored for computing the tax payable.

4. Under section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual funds or units of a business Trust are subject to tax at the rate of 15 per cent, provided the transaction is chargeable to STT. No deduction under chapter VIA shall be allowed from such income.

5. In addition to the aforesaid tax rates discussed in 3 and 4 above, in the case of domestic companies where the net income exceeds Rs. 10, 000, 000/-, but not exceeding Rs. 100,000,000/-a surcharge of 5% on such tax liability is also payable. If the income of such domestic companies exceeds Rs.100,000,000/-, a surcharge of 10% on tax liability is payable. 2% Education Cess & 1% Secondary & Higher education cess, on the total income tax and applicable surcharge, is payable by all categories of taxpayers.

6. As per provisions of section 71 of the Act read with provisions of section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessments years and long term capital loss arising during a year is allowed to be set-off only against long term capital gains only. Balance loss, if any, is allowed to be carried forward and set-off against subsequent years' long term capital gains up to eight subsequent assessment years.

7. under section 54EC of the Act, long term capital gain is exempt from capital gains tax to the extent such capital gains are invested, within a period of six months from the date of such transfer, in specified bonds issued by the following and subject to the conditions specified therein-

- National Highway Authority of India constituted under section 3 of National Highway Authority of India Act, 1988 (68 of 1988)
- Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956. (1 of 1956)

However, if the new bonds are transferred or converted into money within three years from date of their acquisition, the amount so exempted shall be taxable as Capital Gains in the year of transfer/conversion. The investment in the specified bonds is allowed up to Rs.50 lacs in a financial year.

C) **INCOME FROM OTHER SOURCES:**

8. Dividend income:

Under section 10(34) of the Act, dividend (both interim and final) received in respect of shares held in a Domestic Company, is exempt, if tax is paid under section 115-O of the Act, by such Domestic Company on dividend distributed. However as per the provisions of section 94(7) of the Act, the losses arising from the sale/transfer of any securities or units purchased up to three months prior to the record date and sold/transferred with in a period of three months in case of securities or within a period of nine months in case of units after such date, will be disallowed to the extent of dividend received on such shares which is claimed as tax exempt by shareholder.

Under section 10(35) of the Act, income received in respect of units of a mutual fund specified under section 10(23D) of the Act (other than income arising from transfer of units in such mutual fund) is exempt.

2. Key benefits available to the Members/Shareholders of the Company

Resident Members/Shareholders

a. Dividend Income:

Under section 10(34) of the Act, dividend (both interim and final), received by a resident in respect of shares held in a Domestic Company, is exempt, if tax is paid under section 115-O of the Act by such Domestic Company on the dividend distributed. However as per the provisions of section 94(7) of the Act, the losses arising from the sale/transfer of any securities or units purchased up to three months prior to the record date and sold/transferred with in a period of three months in case of securities or within a period of nine months in case of units after such date, will be disallowed to the extent of dividend received on such shares which is claimed as tax exempt by shareholder.

Under section 10(35) of the Act, income received in respect of units of a mutual fund specified under section 10(23D) of the Act (other than income arising from transfer of units in such mutual fund) is exempt.

b. Capital gains:

i. Benefits outlined in paragraph 1(B) above to the extent also applicable to resident shareholders. In addition to the same, the following benefits are also available to a resident shareholder being an individual/HUF.

ii. As per section 54F of the I.T. Act, LTCG arising from transfer of shares will be exempt from tax if net consideration from such transfer is utilised within a period of one year before or two years after the date of transfer, for purchase of a new residential house, or for construction of residential house within a period of three years from the date of transfer and subject to conditions and to the extent specified therein.

2.2 Key Benefits available to Non-Resident Members/Shareholders

a. Dividend Income:

Under section 10(34) of the Act, dividend (both interim and final) income received by a non resident, in respect of shares held in a Domestic Company, is exempt, if tax is paid under section 115-O of the Act, by such Domestic Company dividend distributed. However as per the provisions of section 94(7) of the Act, the losses arising from the sale/transfer of any securities or units purchased up to three months prior to the record date and sold/transferred with in a period of three months in case of securities or within a period of nine months in case of units after such date, will be disallowed to the extent of dividend received on such shares which is claimed as tax exempt by shareholder.

b. Capital gains:

Benefits outlined in paragraph 2.1(b) above to the extent also available to a non-resident shareholder except that as per first proviso to section 48 of the Act, the capital gains arising on transfer of capital assets being shares of an Indian Company need to be computed by converting the cost of acquisition, expenditure in connection with such transfer and full value of the consideration received or accruing as a result of the transfer into same foreign currency in which the shares were originally purchased. The resultant gains thereafter need to be reconverted into Indian Currency. The conversion needs to be at the prescribed rates prevailing on dates stipulated. Further, the benefit of indexation as provided in second proviso to section 48 is not available to non-resident shareholders.

c. **<u>Deduction of STT:</u>**

Benefits outlined in paragraph 2.1(c) above are also applicable to the non-resident shareholders.

d. **<u>Tax Treaty Benefits</u>**:

As per section 90 of the I.T. Act, the shareholder can claim relief in respect of double taxation, if any, as per the provision of the applicable double taxation avoidance agreements.

e. **<u>Special provision in respect of income /LTCG from specified foreign exchange assets Available to non-resident Indians under chapter XII-A:</u>**

i. Non-Resident Indian (NRI) means a citizen of India or a person of Indian origin who is not a resident. Person is deemed to be of Indian origin if he, or either of his parents or any of his grandparents, were born in undivided India.
ii. Specified foreign exchange assets include shares of an Indian company acquired/ purchased/subscribed by NRI in convertible foreign exchange.
iii. As per section 115E of the Act, income [other than dividend which is exempt under section 10(34) of the Act] from specified foreign exchange assets and LTCG from assets (other than specified foreign exchange assets) shall be taxable @ 20% (plus applicable surcharge plus Secondary education & Higher education cess). No deduction in respect of any expenditure allowance from such income will be allowed and no deductions under chapter VI-A will be allowed from such income.
iv. Under section 115E of the Act, LTCG arising from transfer or specified foreign exchange assets shall be taxable @ 10% (plus applicable surcharge plus education and higher education cess).
v. Under section 115F of the Act, LTCG on transfer of a foreign exchange asset shall be exempt, in proportion of the net consideration from such transfer being invested in specified assets or savings certificates within six months from date of such transfer, subject to further conditions specified under section 115F.
vi. Under section 115G of the Act, if the income of an NRI taxable in India consists only of investment income or LTCG or both and tax has been deducted at source in respect of such income as per the relevant provisions of the Act, it is not necessary for the NRI to file return of income under section 139(1).
vii. As per section 115H of the Act, where the NRI becomes assessable as a resident in India, he may furnish a declaration in writing to the assessing officer, along with his return of income, for the assessment year, in which he is first assessable as a resident, under Section 139 of the Act to the effect that the provisions of the chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent years until such assets are converted into money.
viii. As per Section 115I of the Act, the NRI can opt not be governed by the provisions of chapter XII-A for any AY by declaring the same in the return of income filed under Section 139 of the Act in which case the normal benefits as available to non-resident shareholders will be available.

2.3 <u>Key Benefits available to Foreign Institutional Investors (FIIs):</u>

a. **<u>Dividend Income:</u>**

Dividend (both interim and final) income, if any, received by the shareholder from the domestic company shall be exempt from tax under section 10(34) read with section 115O of the I.T. Act.

b. **<u>Capital Gains:</u>**

i. Under Section 115 AD, income (other than income by way of dividends referred in section 115O) received in respect of securities (other than units referred to in section 115AB) shall be taxable at the rate of 20%. No deduction in respect of any expenditure/allowance shall be allowed from such income.

ii. Under section 115AD, capital gains arising from transfer of securities(other than units referred to in section 115AB), shall be taxable as follows:
    - As per section 111A, STCG arising on transfer of securities where such transaction is chargeable to STT, shall be taxable at the rate of 15%. STCG arising on transfer of securities where such transaction is not chargeable to STT, shall be taxable at the rate of 30%.

    - LTCG arising on transfer of securities where such transaction is not chargeable to STT, shall be taxable at the rate of 10%. The benefit of indexation cost of acquisition and Foreign currency fluctuation protection, as mentioned under 1st and 2nd proviso to section 48 would not be allowed while computing the capital gains.

iii. For corporate FIIs, the above tax rates will be increased by applicable surcharge (2% if the total income is in the range of Rs. 1 crore – Rs.10 crores and 5% if the total income is above Rs. 10 crores).
iv. A 2% education and 1% secondary and higher education cess of the total income tax (including surcharge wherever applicable) is payable by all categories of taxpayers.

c. <u>Exemption of capital gains from income – tax:</u>

i. LTCG arising on transfer of a long term capital asset, being an equity share in a company or unit of an equity oriented fund, where such transaction is chargeable to STT is exempted from tax under section 10(38) of the I.T. Act.
ii. Benefit of exemption under section 54EC shall be available as outlined in paragraph 1(B)(vii) above.

d. <u>Deduction of STT:</u>

Benefits as outlined in paragraph 2.1 (c) above are also available to FIIs.

e. <u>Tax Treaty Benefits:</u>

As per section 90 of the I.T. Act, a shareholder can claim relief in respect of double taxation, if any, as per the provision of the applicable double taxation avoidance agreements.

2.4 <u>Key benefits available to mutual funds</u>

As per provisions of Section 10 (23D) of the I.T. Act, any income of mutual funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made there-under, mutual funds set up by public sector banks or public financial institutions and mutual funds authorized by the Reserve Bank of India, would be exempt from income tax, subject to the prescribed conditions.

3. <u>Wealth Tax Act,1957</u>:

Shares in a Company held by a shareholder are not treated as an asset within the meaning of section 2 (ea) of the Wealth Tax Act, 1957; hence, wealth tax is not leviable on shares held in a company.

<u>Notes:</u>

a) All the above benefits are as per the current tax law and will be available only to the sole/first named holder in case the shares are held by joint holders.
b) In respect of non-residents, the tax rates and the consequent taxation mentioned above will be further subject to any benefits available under the relevant Double Tax Avoidance Agreement (DTAA), if any, between India and the country in which the non- resident has fiscal domicile.
c) In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participations in the scheme.

d) As the Direct Tax Code, 2013 ("**DTC 2013**") is not enacted, we have not considered the provisions of DTC 2013 for the purpose of this statement.

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

Market data and certain industry information used in this section have been obtained from publicly available information and industry publications of the World Steel Association, the World Coal Organization, the International Monetary Fund, the Indian Ministry of Steel, Government of India, the Automotive Component Manufacturers Association of India, Corporate Catalyst India, CRISIL and the Joint Plant Committee of the Government of India. The dates may have been reclassified by us for the purposes of presentation. Such information has been accurately reproduced herein and, as far as our Company is aware and is able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Industry publications referenced to in this section generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy and completeness and underlying assumptions of that information are not guaranteed, and their reliability cannot be assured, and, accordingly, investment decisions should not be based on such information. Similarly, industry forecasts and market research, while believed to be generally reliable, have not been independently verified, and neither our Company nor any of the Book Running Lead Managers makes any representation as to the accuracy or completeness of this information.

This section uses information prepared by CRISIL Research (**"CRISIL"**). CRISIL limited has used due care and caution in preparing this report. Information has been obtained by CRISIL from sources which it considers reliable. However, CRISIL does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. CRISIL operates independently of, and does not have access to information obtained by CRISIL's Rating Division, which may, in its regular operations, obtain information of a confidential nature that is not available to CRISIL.

The Global Steel Industry

According to the World Steel Association ("**worldsteel**"), global crude steel production (of the 65 countries reported) in Calendar Year 2013, was approximately 1,606 mt, while global steel consumption (which reflects the deliveries of steel to the marketplace from domestic steel producers and imported steel) of finished steel was 1,481 mt (Source: worldsteel Short Range Outlook, April 2014).

The global steel industry is cyclical in nature and the growth or decline of the steel industry is linked to the economic cycle of each country and, in particular, to industrial production and infrastructure development. Global production capacity, trade policies of countries and the regional demand-supply scenario also strongly influence the industry. Steel producers may attempt to reduce the impact of cyclicality through various measures, such as diversification of manufacturing operations to various geographies (preferably emerging markets with low-cost operations), vertical integration into raw material production, diversification of customer base and focus on value-added products.

Global Steel Production

Growth in steel production in the past two decades has been volatile. According to the worldsteel, global steel production declined on average by 0.5% per year from Calendar Years 1990 to 1995 and grew on average by 2.4% per year from Calendar Years 1995 to 2000, 6.2% per year from Calendar Years 2000 to 2005 and 4.5% per year from Calendar Years 2005 to 2010. Over the period from Calendar Years 2010 to 2013, as an average, the global steel production increased by approximately 3.9% per year.

Overall global crude steel production (based on the 65 countries reporting) in Calendar Year 2013, was 1,606 mt, a 3.0% increase in production over the previous year. In Calendar Year 2013, according to the worldsteel, crude steel production increased by 6.5% in China, 5.0% in India, 7.7% in Taiwan and 3.2% increase in Japan; decreased by 2.0% in the United States; increased by 0.2% increase in Germany and decreased by 11.7% in Italy; decreased by 3.3% in Turkey; and decreased by 2.4% in Russia and 0.6% in Ukraine over the previous year. The following table sets forth total crude steel production by country or region for the periods indicated:

	Year ended December 31,										
Country/Region	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013(1)**
				(in mt)							
China	222.3	272.8	355.8	421.0	489.7	512.3	577.1	638.7	701.1	716.5	779.0
EU 27	192.5	202.5	195.6	207.3	210.2	198.6	139.4	172.8	177.8	168.6	165.8
Japan	110.5	112.7	112.5	116.2	120.2	118.7	87.5	109.6	107.6	107.2	110.6
India	31.8	32.6	45.8	49.5	53.5	57.8	63.5	68.1	73.5	77.6	81.2
Russia	61.5	65.6	66.1	70.8	72.4	68.5	60.0	66.9	68.9	70.4	68.7
United States	93.7	99.7	94.9	98.6	98.1	91.4	58.2	80.5	86.4	88.7	86.9
South Korea	46.3	47.5	47.8	48.5	51.5	53.6	48.6	58.9	68.5	69.1	66.1
South America	43.0	45.9	45.3	45.3	48.2	47.4	37.8	43.9	48.2	46.4	45.8
Middle East	13.4	14.3	15.2	15.4	16.5	16.6	17.8	20.0	23.0	24.7	26.5

Source: worldsteel Steel Statistical Yearbook 2013

(1) 2013 figures taken from the preliminary draft of the worldsteel *Steel Statistical Yearbook 2014.* The *Yearbook* is pending publication, and only lists production data of 65 countries.

Over the past decade, steel production has continued to shift from its traditional base in heavily industrialized countries to fast-growing emerging markets such as China and India. In Calendar Year 2000, the United States and EU27 accounted for approximately 34.8% of global steel production, and Japan accounted for 12.5%. At the same time, China and India accounted for 15.1% and 3.2%, respectively, of global steel production. By Calendar Year 2005, however, contribution by the United States and EU27 decreased to 25.4% of global steel production and Japan decreased to 9.8%, while China and India accounted for 30.9% and 4.0%, respectively. In 2013, the United States and EU27 accounted for only 15.7% of global steel production, Japan accounted for 6.9%, while China and India contributed 48.5% and 5.0%, respectively. According to the worldsteel, in Calendar Year 2013, China was the single largest producer of crude steel in the world, producing approximately 779.0 mt of crude steel, which represents a 6.5% increase in production over 2012. In Calendar Year 2013, India was the fourth largest producer of crude steel, producing approximately 81.2 mt of crude steel.

The recent production shift to Asia has largely been the result of proximity to the major growth markets for steel consumption and the greater availability of key raw materials. Moreover, while production in Europe, Japan and the United States has improved in recent years, steel producers in those regions face continued challenges due to slowing demand. The recent shift to Asia is also evident in the number of Asia-based steel producers who are ranked among the top ten in crude steel production. In Calendar Year 2001, there were four European companies in the top ten steel producers. In Calendar Year 2013, the only steelmaker in the top ten with headquarters in Europe was ArcelorMittal.

The following table sets forth the top ten steel producers in the world in Calendar Year 2013, according to the worldsteel:

Company	**Steel Production**
	(in mt)
ArcelorMittal(*)	96.1
Nippon Steel & Sumitomo Metal Corporation(*)	50.1
Hebei Steel Group(**)	45.8
Baosteel Group(*)	43.9
Wuhan Steel Group(*)	39.3
POSCO(*)	38.4
Shagang Group	35.1
Ansteel Group(*)	33.7
Shougang Group(*)	31.5
JFE(*)	31.2

Source: worldsteel World Steel in Figures 2014.

** worldsteel members*

*** Handan, which is part of Hebei Group, is a member of worldsteel*

Global Steel Consumption

According to the worldsteel, overall apparent steel consumption in Calendar Year 2013 was 1481 mt, representing a 3.6% increase over the previous year. The following table sets forth apparent steel consumption data by country or region for the periods indicated:

	Year ended December 31,										
Country/ Region	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013(1)**
				(in mt)							
China	240.5	275.8	347.5	377.7	418.4	446.9	551.4	587.6	641.2	660.1	700.2
EU 27	163.7	172.5	166.1	190.4	201.6	183.7	117.1	147.2	155.7	139.3	138.9(2)
Japan	73.4	76.8	76.7	78.1	81.2	77.1	52.8	63.6	64.1	63.9	65.3
India	33.1	35.3	39.9	45.6	51.5	51.4	57.9	64.9	69.8	71.6	73.7
Russia	25.3	26.3	29.3	34.9	40.4	35.4	24.9	35.6	40.9	42.0	43.0
United States	100.8	117.4	105.4	119.6	108.3	98.4	59.2	79.9	89.2	96.2	95.6
South Korea	45.4	47.2	47.1	50.2	55.2	58.6	45.4	52.4	56.4	54.1	51.6
South America	25.7	30.5	29.9	34.4	38.2	41.1	31.9	42.3	43.5	44.3	45.8
Middle East	25.6	28.2	32.2	34.3	40.1	44.7	40.8	46.8	49.5	50.1	47.8

Source: worldsteel Steel Statistical Yearbook 2013

(1) 2013 figures taken from *worldsteel Short Range Outlook* (Apr. 2014) and the *worldsteel Statistical Yearbook 2014*, pending publication. Note that many of the countries were not reported in the *Short Range Outlook.*

(2) 2013 figure for European Union regions is for EU 28 whereas 2012 figure for European Union regions is for EU27.

Global Steel Prices

Steel prices are volatile and fluctuate in response to changes in global supply and demand, raw material costs and general economic conditions. After a downturn in demand beginning in 1998, global steel prices reached a historic low in the third quarter of Calendar Year 2001. Since then, global steel prices have generally increased, reflecting stronger global demand, notably led by the demand in China. The steel industry also fluctuates in response to a combination of factors, including the availability and cost of raw materials, global production capacity, the existence of, and changes in, steel imports, exchange rates, transportation and labour costs and protective trade measures.

In recent years, global steel prices have also been increasingly volatile due to an increase in suppliers across global markets and levels of steel trading as a percentage of total steel production.

Market Trends

The emergence of China as a significant producer and consumer of steel has been, and will continue to be, a significant factor affecting the global steel industry. Several additional trends have emerged:

• *Lower raw material costs*. According to CRISIL, the iron ore contract price for the Calendar Years 2010, 2011, 2012 and 2013 was US$108, US$140-150, US$120-130 and US$110-120 respectively, per tonne and the projections estimates of Calendar Years 2014 and 2015 are US$100-110 and US$90-100 respectively, per tonne. The prices of iron ore consistently declined from 2011 and this trend is estimated to continue till the end of the Calendar Year 2015. In 2012-13, average international steel prices declined to US$582 per tonne from US$670 per tonne in 2011-12 as raw material prices began to fall and demand for steel remained weak in the global market. However, domestic prices remained relatively flat in 2012-13. A weak rupee, a hike in the countervailing duty (to 12% from 10%) and an increase in the customs duty on flat steel (to 7.5% from 5%) have kept the landed cost of imports high. Consequently, domestic steel prices have remained high in 2012-13.

• *Global and domestic steel prices decreased owing to weak demand*. The main reasons for global steel prices to remain low are weak demand, lower input costs and China's changing consumption patterns. According to CRISIL as of January-March 2014, the global spot prices of iron ore and coking coal plummeted to US$120 per tonne and US$125 per tonne, as supply improved. Global steel prices may continue to decrease after falling from US$559 per tonne in Calendar Year 2013 to US$500-520 per tonne in Calendar Year 2014 and is expected to be US$485-505 per tonne in Calendar Year 2015. Domestic steel prices too are expected to follow suit.

• *Players to turn exporters to counter supply glut.* In a bid to control overcapacity and falling utilisation rates, Indian steel producers are diversifying into the export market and enhancing competencies in value-added steel products. Relative cost competitiveness (India lies in the second quartile of the global steel cost curve) and a weak rupee should continue to favour export-focused players. According to CRISIL, the share of Indian steelmakers in the global export market is expected to increase to 3% from 2%, over the next five years. In the near term, intense competition in the export market may affect India's export potential. Consequently, domestic steelmakers' utilisation rates are not likely to improve significantly until 2016-17.

Global Steel Outlook

Despite the fact that Calendar Year 2013 proved to be a challenging year for the steel industry with issues relating to overcapacity and raw materials costs, world steel demand still grew by 3.6% and world crude steel production totalled 1,606 mt for the year, a record high for the industry, according to the worldsteel.

According to the worldsteel, apparent steel consumption in the United States is forecast to rebound by 4.0% in Calendar Year 2014 and 3.7% in 2015. Consumption in the EU 28 is expected to increase by 3.1% in Calendar Year 2014 with help of the construction sector which is gradually bottoming out. Apparent steel use in Germany is expected to increase by 4.5% in 2014, Italy by 2.6%, France by 1.0% and Spain by 3.0%. A steady transition to a broader and more durable recovery is expected to result in steel demand growth of 3.0% in EU 28 in Calendar Year 2015.

Japan's demand for steel is expected to decline by 1.0% in Calendar Year 2014 due to the consumption tax hike affecting the construction and automotive sectors negatively. In Calendar Year 2015, steel demand is expected to increase by 0.5%. China, is expected to slow to 3.0% growth in Calendar Year 2014 as the Chinese government's efforts to rebalance the economy continues to restrain investment activities. In Calendar Year 2015, steel demand growth is expected to further decelerate to 2.7%.

Overall apparent steel use growth in the developed economies is expected to be above 2% in Calendar Year 2014 and Calendar Year 2015 with the developing and emerging economies continuing to grow faster than the developed economies.

The following table sets forth the worldsteel's 2013 figures and 2014 and 2015 forecasts for global steel consumption based on apparent steel use ("**ASU**") by country or region:

Table: Apparent steel use (ASU)

Short range outlook for apparent steel use, finished steel products (2013-2015)

	ASU, mt			**Growth Rate, %**		
Country/Region	**2013**	**2014(f)**	**2015(f)**	**2013**	**2014(f)**	**2015(f)**
European Union (28)	139	143	148	-0.2	3.1	3.0
Other Europe	37	38	40	8.5	3.9	4.2
CIS	59	59	62	2.2	1.1	3.7
NAFTA	129	134	139	-2.4	3.8	3.4
Central & South America	49	51	52	4.3	3.4	2.7
Africa	29	30	33	9.8	4.8	8.4
Middle East	48	51	55	-1.1	5.8	9.5
Asia & Oceania	992	1020	1048	4.9	2.8	2.8
World	**1481**	**1527**	**1576**	**3.6**	**3.1**	**3.3**
Developing Economics	387	397	407	-0.3	2.5	2.4
Emerging & Developing Economics	1094	1130	1170	5.1	3.2	3.5
China	700	721	741	6.1	3.0	2.7
BRIC	843	869	894	5.4	3.0	3.0
MENA	63	67	73	0.9	6.1	9.4
World Excluding China	781	805	836	1.5	3.1	3.7

Source: worldsteel Short Range Outlook for Apparent Steel Use April 2014 Table

f = forecast

The Indian Steel Industry

India's growth is expected to recover from 4.4% in Calendar Year 2013 and strengthen to 5.4% in Calendar Year 2014 and 6.4% in Calendar Year 2015, assuming that government efforts to revive investment growth succeed and export growth strengthens after the recent rupee depreciation, according to the IMF, World Economic Outlook 2014.

Indian Steel Production

India is currently the fourth largest crude steel producer in the world, according to the Ministry of Steel, Government of India, and the largest producer of sponge iron in the world. Unlike China, where there is significant excess steelmaking capacity, India remains a net importer of steel, which should allow for more growth in steelmaking capacity for domestic Indian steel companies. According to CRISIL, the lack of technical know-how with regard to high-end value-added steel products (such as, among others, auto grade steel, boiler quality steel) and cheaper imports from China (of commodity grade steel) have made India a net importer of steel over the last six years. In the coming years, India is expected to become a net exporter of steel, as the country's manufacturers increase competencies in value-added steel products (by increasing their technical know-how with regard to high-end value added steel products, such as auto grade steel, boiler quality steel), which are currently imported and also because of the increased presence of Indian manufacturers in the global export market, given their higher cost competitiveness. A weak rupee makes steel imports to India costly and at the same time makes India competitive in the export markets.

The Indian steel industry is classified into main producers (SAIL, Tata Steel Limited and RINL), major producers (plants with crude steel making capacity above 0.5 mtpa including Jindal Steel Power Limited (**"JSPL"**), JSW Steel Limited, Essar Steel Limited and JSW Ispat Steel Limited) and other producers, according to the Joint Plant Committee. The other producers consist of a number of steel-making plants producing crude steel, semi-finished steel, non-flat steel and other downstream segments of flat steel.

The following table sets forth crude steel production statistics recorded by the Joint Plant Committee, from Calendar Year 2002 to March 2014 by classification of producers:

Indian Crude Steel Production (mt)						
Producers	**March**			**April-March**		
	2014 (Provisional)	**2013**	**% Variation**	**2013-14 (Provisional)**	**2012-13**	**% Variation**
Main Producers						
SAIL	1.2	1.2	0.6	13.6	13.4	1.2
RINL[(1)]	0.3	0.3	12.6	3.2	3.1	4.3
TSL	0.9	0.8	9.2	9.2	8.1	12.6
Total	**2.4**	**2.3**	**5.2**	**25.9**	**24.6**	**5.4**
Major Producers						
JSWL	0.8	0.7	13.5	9.3	8.5	8.7
JSW ISPAT	0.3	0.2	18.5	2.1	2.7	9.6
ESSAR	0.4	0.4	(3.9)	3.2	4.1	(22.1)
JSPL	0.3	0.3	(8.3)	2.8	3.0	(6.5)
Total	**1.7**	**1.6**	**6.1**	**18.3**	**18.4**	**(0.6)**
Other Producers	**3.1**	**3.1**	**1.6**	**37.3**	**35.4**	**5.4**
Grand Production	**7.2**	**6.1**	**3.8**	**81.5**	**78.4**	**4.0**

Source: Joint Plant Committee (JPC)

(1) These figures reflect crude steel figures and not liquid steel as reflected in other sections of this Draft Red Herring Prospectus

The following table sets forth existing capacity and estimates for likely capacity by Calendar Year 2015 for steel production by companies in India:

Capacity and Planned Estimated Capacity (mt)				
Company		**Capacity 2013-14 (E)**		**Planned Capacity Estimate 2014-15**
Tata Steel		9.7		9.7
SAIL		12.9		20.5
JSW Steel		11.0		11.0
RINL(1)		3.3		6.6
JSPL		4.6		4.6
JSW Ispat		3.3		3.3
Bhushan		4.7		4.7
Essar		10.0		10.0
Bhushan Power and Steel		2.3		2.3
Monnet Ispat		1.8		1.8
Others		36.2		37.2
Total		99.8		111.7

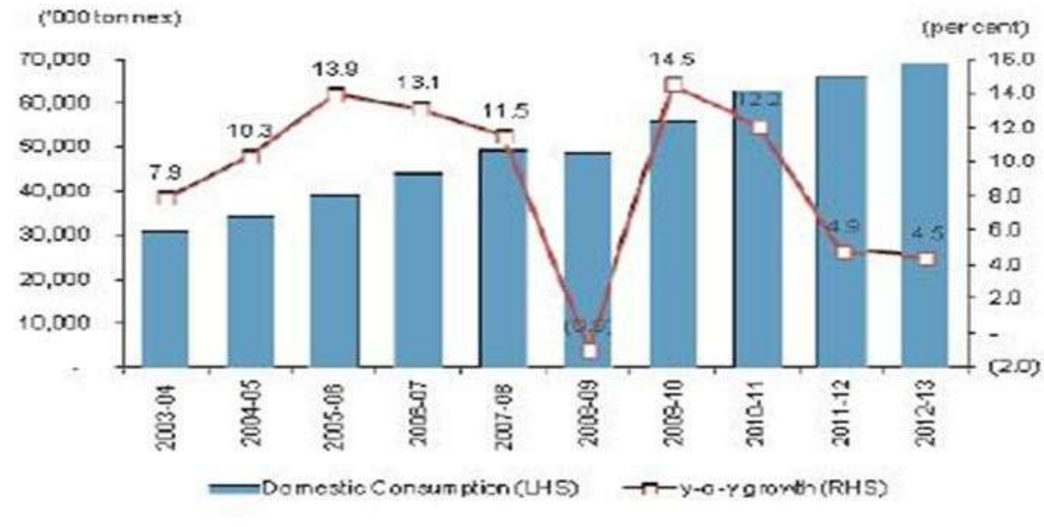
Source: Industry, CRISIL Research

(1) These figures are estimates and the actual capacity of the Company are reflection in the section titled "***Overview***" on page 105 this Draft Red Herring Prospectus.

Indian Steel Consumption

Demand in India has been driven by the expanding oil and gas and power sectors and spending on infrastructural facilities, coupled with growth in the housing, consumer durables and automobile sectors. Apparent steel consumption in India is projected to grow 3.3% in Calendar Year 2014 and 4.5% in Calendar Year 2015 after recording a growth of 2.6% in Calendar Year 2013, according to the worldsteel.

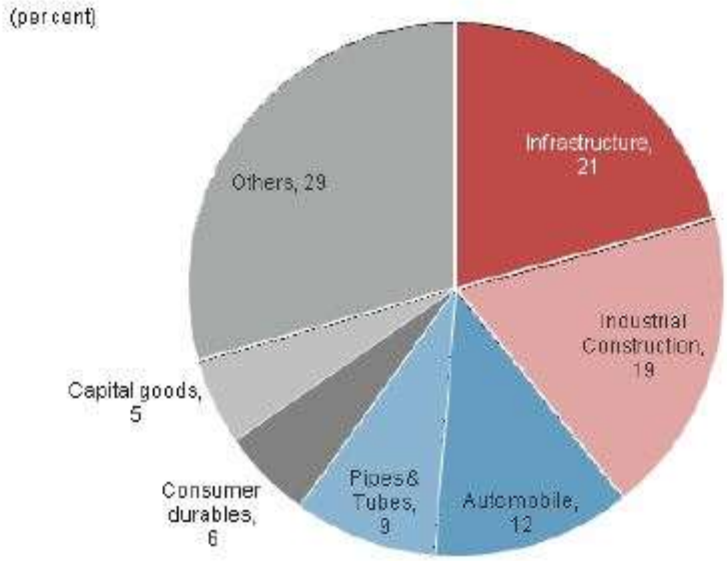
The following chart sets out the domestic steel consumption for the periods indicated:



Source: JPC, CRISIL Research

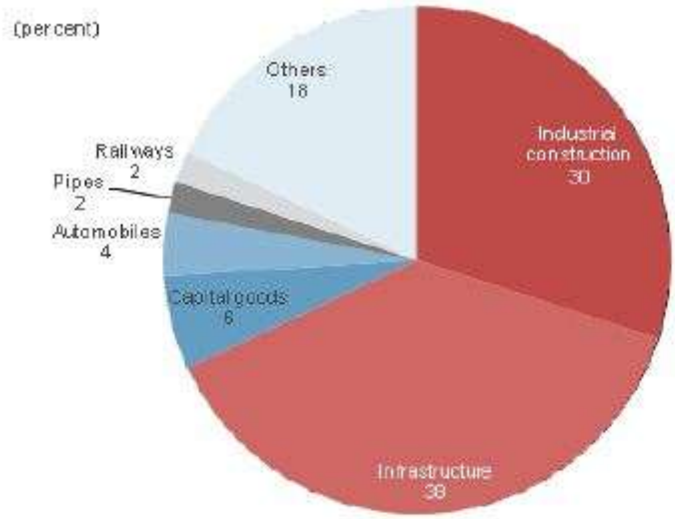
Among end-user sectors, the infrastructure and industrial construction sectors together accounted for 40% of total steel consumption in India in the Financial Year 2014, followed by the automobile sector, which accounted for 12% of total steel consumption and the pipes and tubes industry, which accounted for 9% of total steel consumption in the same period, according to CRISIL.

The following chart sets out the percentage of steel consumption each sector accounted for during the Financial Year 2014:



Source: CRISIL Research

The following chart sets out the long steel consumption pattern in India during the Financial Year 2014:



Source: CRISIL Research

While there is currently a strong demand for steel, according to the worldsteel, India's per capita consumption of finished steel is still relatively low at 57.8 kg as compared to China at 515.1 kg, Japan at 516.4 kg, the United States at 300.2 kg and a world average at 225.2 kg in Calendar Year 2013. Consequently, the Indian steel industry still has room to grow substantially, and the Indian steel sector has been targeted as a key sector for support by the Indian Government, which has encouraged further growth with its increased approval rate of greenfield projects. According to the Ministry of Steel, Government of India, India is expected to become the second largest producer of crude steel in the world by the Calendar Year 2015-16, provided all requirements for creation of fresh capacity are adequately satisfied.

Indian Steel Prices

Similar to global steel prices, steel prices in India are volatile and fluctuate in response to changes in global supply and demand, raw material costs and general economic conditions. The Indian steel industry is linked to global steel prices and fluctuates in response to a combination of factors, including the availability and cost of raw materials, global production capacity, the existence of, and changes in, steel imports, exchange rates, transportation and labour costs and protective trade measures.

The following table sets out the prices of flat steel, for the periods indicated:

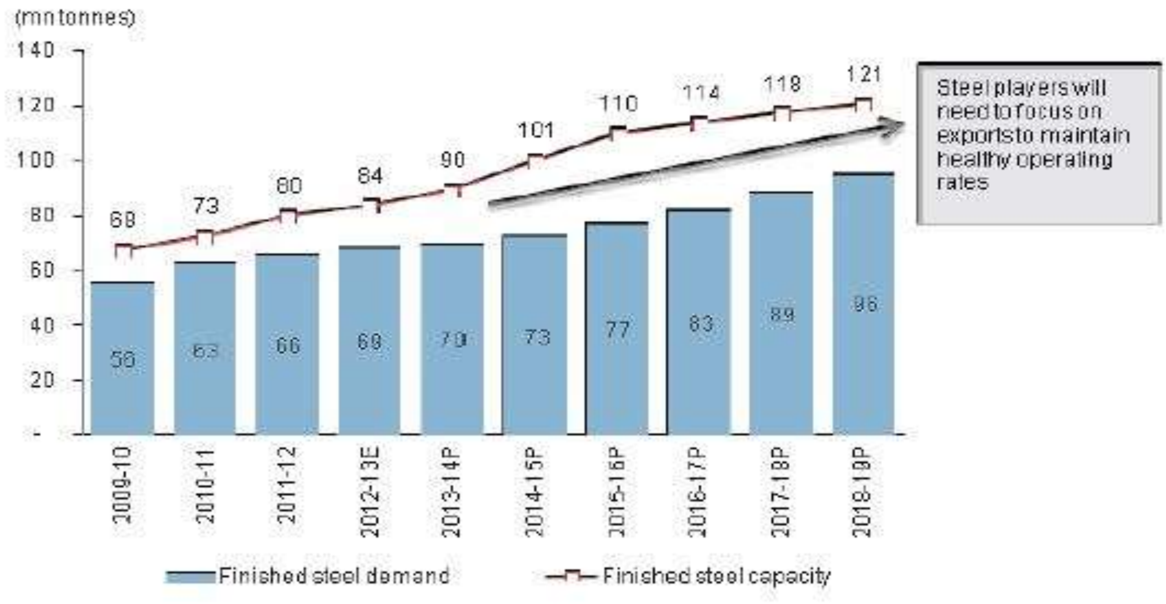
Summary - Price and profitability

Year	International prices ($/tonne)	Year	Domestic process (₹ /tonne)
2010	614	2010-2011	36,812
2011	690	2011-12	39,575
2012	594	2012-13	39,967
2013	560	2013-14	41358
2014P	500-520	2014-15P	40,500-41,500
2015P	485-505		

(Projected)
Note: Domestic prices are inclusive of excise duty of 12% and education cess of 3%
Source: CRISIL Research

Demand Outlook for the Indian Steel Industry

The following chart sets the demand and supply rates outlook for steel products in India for the periods indicated:



E: Estimated; P: Projected

Source: CRISIL Research

Indian steel producers have a number of competitive advantages, the most important of which is the ready availability of significant reserves of high quality iron ore (a key raw material input to steel making), predominantly in the east of India. India is the world's fourth-largest iron ore producer, with sufficient iron ore reserves to meet expected demand. Of particular interest is Orissa State, which contains 25% of India's iron ore reserves and 20% of India's coal reserves, according to Corporate Catalyst India. India also has an advantage due to its unexplored rural market, which has been fairly unexposed to the varied uses of steel. Steps have been taken by companies to penetrate this market, including our Company's setting up of its district level dealership and rural dealership schemes. On the other hand, stagnating demand, domestic oversupply and falling prices in the last four years have adversely affected Indian steel makers.

Future Market Trends

- *Sluggish demand in the domestic market*. The Indian steel industry's utilisation rates are expected to decline to 77-79% over Calendar Years 2014-15 to 2016-17, as steel players struggle with weak demand, an extremely competitive export market and capacity fluctuations. CRISIL estimates Indian steelmakers to add about 35 mt of crude steel capacities during 2014-15 to 2018-19 and approximately 31 mt of finished steel equivalent against an incremental demand of about 26 mt over the same period. Significant steel projects have been delayed and conflicts over land ownership and compensation have also arisen.

- *Steady long term demand in both flat steel and long steel.* Domestic demand for steel, especially in the construction and infrastructure sectors, has been affected by delays in project execution. Slowing economic growth has also reduced growth in consumption driven sectors such as the automobiles and consumer durables. CRISIL estimates domestic steel demand to recover gradually, rising by 4-5% in Calendar Year 2014-15. Growth will be driven by key end-user sectors such as construction, infrastructure and automobiles. CRISIL expects demand for flat steel to rise by 6.5% annually over the next 5 years to 47.5 million tonnes (49% of the country's finished steel consumption). CRISIL expects long steel demand to also grow at a 6.5% CAGR over the next 5 years. Growth is expected to continue to be driven by investments in the infrastructure and industrial construction sectors, which together account for approximately 70% of long steel demand in India.

OUR BUSINESS

Overview

We are the second largest government-owned steel company in India (Source: Joint Plant Committee monthly performance report on Iron & Steel, July 2014), with original liquid steel production capacity of 3.0 mtpa and expanded liquid steel production capacity of 6.3 mtpa, which is currently in the advanced stages of completion, and is expected to be operational by the end of Financial Year 2015. Our plant at Visakhapatnam, Visakhapatnam Steel Plant ("**VSP**"), was originally established in 1971 as part of SAIL, a PSU producing iron and steel products. In 1982, our Company was incorporated and the assets and liabilities of VSP were transferred from SAIL to us.

In November 2010, we were conferred *Navratna* status by the GoI, which provides us with a considerable degree of operational and financial autonomy from the GoI. As of July 2014, we are one of only 17 PSUs in India with *Navratna* status. The Promoter of our Company is the President of India, acting through the Ministry of Steel, GoI.

We have our Registered and Corporate Office in Visakhapatnam, in the state of Andhra Pradesh, India, with regional offices in Visakhapatnam, Delhi, Kolkata, Chennai and Mumbai. We conduct our production activities at a single production site in Visakhapatnam. Our steel production facilities consist of four coke oven batteries, three blast furnaces, along with the related processing units, five converters, four rolling facilities and a thermal power plant and its ancillary facilities, including waste heat recovery facilities.

The expansion of our production capacity to more than double our liquid steel capacity from 3.0 mtpa to 6.3 mtpa is well advanced, with major units, including finishing mills, to be commissioned in phases and be operational, by the end of Financial Year 2015. We purchase most of our key raw materials, including iron ore and coking coal. We also source raw materials from our mines which provide limestone, dolomite, manganese ore, quartzite and silica sand. As of August 31, 2014, we own a majority stake in EIL, a holding company for mining companies with iron ore, manganese ore and limestone and dolomite reserves.

We produce a broad range of steel products, including plain wire rods, rebars, rounds, squares, structurals, billets, blooms and pig iron. We sell most of our products domestically, with Indian customers accounting for approximately 94.0% of our sales for the three months ended June 30, 2014, of which 48.0% was in South India. Our customers consist mainly of companies in the construction, infrastructure, manufacturing, automobile, general engineering and fabrication sectors.

As of August 31, 2014, we employed 18,328 permanent employees. We sell our products through a wide marketing network of five regional offices, 23 branch offices, seven marketing contact offices, 18 consignment agents, four handling contractors and five consignment sales agents. We sell our steel products to project users, industrial users and retailers.

In the Financial Years 2012, 2013 and 2014 and the three months ended June 30, 2014, we recorded net sales of ₹ 131.75 billion, ₹ 120.36 billion, ₹ 119.89 billion and ₹ 23.00 billion, respectively, on a restated consolidated basis. During the same periods, we recorded a profit after tax of ₹ 10.3 billion, ₹ 1.25 billion, ₹ 2.87 billion and ₹ 1.22 billion, respectively. As of June 30, 2014, we had total assets and total net worth of ₹ 258.60 billion and ₹ 121.85 billion, respectively.

Key Strengths

Strong Position in a High Growth Market

We are a well-established producer of steel in the long products category which includes plain wire rods, rebars, rounds, structurals and in the semi-finished steel products category which includes billets and blooms. Factors such as an increasing demand for steel arising from strong economic growth, low per capita steel consumption and abundant iron ore reserves have resulted in a high growth steel industry in India. Steel consumption in India is projected to increase by 3.3% and 4.5% in the Calendar Years 2014 and 2015, respectively, according to the worldsteel (Source: worldsteel Short Range Outlook, April 2014). According to CRISIL Bulletin November-December 2013, domestic demand for steel products is expected to grow at a CAGR of 6-7% to Calendar Year 2017.

Our Company has a market share of approximately 7.49% in the long products segment (Source: Joint Plant Committee monthly performance report on Iron & Steel, April 2014), which is expected to continue to grow following the expansion of our production capacity to 6.3 mtpa, which is currently at an advanced stage of completion. Our main competitors are secondary producers, many of which we believe enjoy lower brand recognition and market reputation compared to our Company. Consequently, we believe our market share, established presence and brand recognition in the long products market places us in a strong position to take advantage of the rising demand in this high growth market.

Strategically Located Operations

We believe that we are the first shore-based integrated steel plant in India. Visakhapatnam, where our production facility is located, is a major port city on the south-east coast of India, and the largest city in the state of Andhra Pradesh. It is a hub for imports of crude oil and exports of iron ore, aluminium and other commodities from two significant ports, Visakhapatnam Port Trust ("**VPT**") and Gangavaram Port Limited ("**GPL**"), both situated within 25 kilometres of VSP. GPL, which is adjacent to VSP, is connected by conveyer to our plant and enables us to import coking coal in capesize and panamax vessels, which helps us to rationalise the freight costs. VPT has recently modernised its facilities, which now allows imports through capesize and panamax vessels, which helps the Company by reducing cost of handling larger vessels and so reducing its handling freight charges. These ports are expected to provide us with a similar cost advantage in importing other raw materials in the future as we explore additional raw material suppliers and sources abroad. We have also appointed a consultant to study the feasibility of setting up a captive jetty to further exploit our coastal location. The consultant's report is presently being considered internally.

Our geographic location in India, by being situated on the coast, also allows us to enjoy cost advantages in the delivery of supplies to our customers around the country, and particularly in South India, which accounted for 48.0% of our sales for the three months ended June 30, 2014. Our close proximity to our customers in South India allows for lower delivery costs as compared to our competitors.

We conduct our operations on a contiguous land area of approximately 19,000 acres, which the GoI has granted us under a power of attorney. In addition to our present operations, this land can support an expansion of steel production up to 20 mtpa, which we believe puts us in a favourable position for future growth.

Operational Efficiency

We believe that we have demonstrated a track record of efficiently utilising our steel manufacturing capacity. Steel production is a high fixed-cost industry and production rates have a direct impact on unit costs. For the previous ten consecutive years, production in all major units of VSP (except hot metal) exceeded 100% of rated capacity. For the Financial Year 2014, average production performance of hot metal, liquid steel and saleable steel (excluding expansion units) was 82.4%, 111.2% and 112.0%, respectively. For the three months ended June 30, 2014, average production performance of hot metal, liquid steel and saleable steel (excluding expansion units except for hot metal production) was 89.4%, 102.7% and 100.5%, respectively.

In addition, our close access to ports allows us to ship our coking coal requirements more economically from Australia, New Zealand and the United States, which we believe provides us with efficiencies in the production process.

We meet most of our power needs through captive power plants and use waste heat recovery to drive down our energy costs even further. Our Company received an ISO 50001:2011 certification from the Bureau Veritas for our energy management system, which is valid until December 27, 2016. We are also funding the majority of our expansion expenditure through internal accruals. We believe this enables us to judiciously increase our leverage to fund further expansions.

Diverse Customer Base Served Through a Wide Marketing Network

We have a diverse customer base of approximately 3,200 customers, as of June 30, 2014, spread across several industry and business segments. In the Financial Year 2014 and the three months ended June 30, 2014, our ten largest customers accounted for approximately 20% and 21%, respectively, of our total turnover. For further details on the ten largest customers of the Company, see the section titled "***-Sales***" on page 115 of this Draft Red Herring Prospectus. Over the same period, our biggest customer accounted for approximately 5% and 4%, respectively, of our turnover. Several of our customers have been in long-term relationships with us for over ten years. We have entered into MoUs with a number of our principal customers to supply our products. During the Financial Year 2014 and for the Financial Year 2015 we have signed MoUs for the supply of a total quantity of approximately 2.3 mt and 2.9 mt, respectively, of steel. As of June 30, 2014, approximately 70% of our customers were repeat customers, having been customers of our Company for the preceding three years period. Our broad customer base is supported by our wide marketing network. We market and provide products to three major categories of customers: project users, industrial users and retailers. For the Financial Year ended March 31, 2014, project users, industrial users and retailers accounted for 64%, 26% and 10% of our customers, respectively. For the three months ended June 30, 2014, project users, industrial users and retailers accounted for 48%, 37% and 15% of our customers, respectively. For a further discussion of these categories, see the section titled "***-Sales***" on page 115 of this Draft Red Herring Prospectus. We have a wide marketing network of five regional offices, 23 branch offices, seven marketing contact offices, 18 consignment agents, four handling contractors and five consignment sales agents. We sell our products under the Vizag brand, with the trademarks "VIZAG STEEL", "VIZAG TMT" and "VIZAG UKKU" which we believe enjoys strong brand recognition in India.

We believe that our diverse customer base, ability to retain customers and ability to accommodate large orders and ensure a stable supply of our products confer us with distinct competitive advantages.

Experienced Management Team and Skilled Workforce

Our senior management team comprises members with extensive experience and in-depth knowledge of both the steel industry and our Company. As a government owned company, our directors are appointed by the government through an established selection mechanism from a large pool of personnel. Our senior management has an average of 25-30 years of working experience in the steel industry. Our management's rich experience and understanding of our Company has been crucial in building a sustainable business, supporting our operations and executing our expansion plans.

As of August 31, 2014, we employed approximately 18,328 permanent workers, comprising 6,374 executives and 11,954 non-executives. Of these non-executives, 6,230 are skilled workers, 3,480 are semi-skilled and the balance of the employees consists of unskilled labour and administrative staff. Our employees are provided training in accordance with the Quality Management System certified by ISO 9001:2008. We regularly provide advanced management training workshops, performance appraisals, competency checklists and surveys to our employees.

The efforts of our senior management team and workforce have resulted in us being conferred with the awards of Prime Minister's Trophy as the 'Best Integrated Steel Plant' in the country for the years 2002-03 and 2005-06 and Steel Minister's Trophy as the 'Best Integrated Steel Plant' in the country for 2006-07 and 2009-10. We have also been recognised as one of "India's Best Companies to Work For" for three consecutive years from 2009 till 2011 by the Economic Times and Great Place to Work For Institute. Furthermore, certain of our employees are also recipients of the Shram Veer and Viswakarma Puraskar awards, given by the Prime Minister of India.

In addition, VSP was awarded the African Learning & Development Award 2012 for special training schemes, Asia Pacific HRM Congress Award 2013 for Organisation with Innovative HR Practices. In addition, in February 2014, "The Greatest Corporate Leaders of India Award" was awarded to our CMD by the World HR Congress.

Strategies

Deploy Expanded Capacity to Enhance Competitiveness

Our Company intends to modernise, upgrade and expand our production facilities to more than double the existing liquid steel production capacity of VSP in phases to 6.3 mtpa by the Financial Year 2015 and to approximately 7.3 mtpa by the Financial Year 2017.

We are close to completing the first phase of expansion to increase our capacity from the current 3.0 mtpa to 6.3 mtpa. We also commissioned a new blast furnace in April 2012 and two converters in the steel melt shop, a generator and a wire rod mill in Financial Year 2014. We believe that the increase in production capacity will increase the size of our operations, particularly our production of long steel products (in which we have a strong market position), improve our economies of scale and further enable us to compete more effectively with other steel manufacturers, and maintain market share in the face of expected continued growth in steel demand in India, spurred by strong infrastructure sector funding by the GoI and the revival of the manufacturing and automobile industries. As we have a limited amount of financial indebtedness, we believe we are well positioned to fund our growth. For a further discussion of this expansion, see the section titled "***-Expansion and Development Projects - Expansion and Modernisation of Visakhapatnam Steel Plant***" on page 110 of this Draft Red Herring Prospectus.

Increase Raw Materials Security

We continuously seek to secure access to raw materials. Continuous expansion of the steel industry has resulted in an enhanced level of competition for raw materials. Consequently, our Company seeks access to newer sources of raw materials to increase reliability of raw material availability in the production process. Initiatives we have taken in the past years include the following:

(a) As of June 30, 2014, we had submitted, and are awaiting results in relation to, a total of 28 mining applications and prospecting licence applications to various State Governments, including 22 applications for iron ore, one application for dolomite, four applications for thermal coal and one application for manganese ore;
(b) On June 22, 2013, we entered into an MoU with Andhra Pradesh Mineral Development Corporation Limited and KIOCL to facilitate the production, utilisation and sale of pellets by way of a tripartite supply agreement;
(c) On May 24, 2012, we entered into an MoU with NMDC for setting up a JVC pipeline transport of materials from Jagdalpur to Visakhapatnam and setting up filtration and pellet plant at Visakhapatnam. This MoU has been extended till May 23, 2016;
(d) On August 31, 2011, we entered into a consortium agreement with other Indian steel producers to cooperate in the submission of a joint bid for iron ore deposits in Afghanistan;
(e) In January 2011, we acquired a 51.0% stake in EIL, a holding company for OMDC and BSLC, both mining companies which hold iron ore, limestone, dolomite and manganese ore reserves;
(f) In May 2009, we formed a joint venture company ("**JVC**") with MOIL to incorporate RINMOIL Ferro Alloys Private Limited ("**RMFA**"), for the purpose of setting up a ferro alloys unit. Ferro alloy is an essential resource required in quality steel production. RMFA intends to produce 37,500 tonnes per annum of silico manganese and 20,000 tonnes per annum of ferro manganese. For further details regarding RMFA, see section titled "***Joint Venture Agreements – RMFA***" on page 146 of this Draft Red Herring Prospectus; and
(g) In January 2009, we formed International Code Venture Private limited ("**ICVL**"), a JVC, with other PSUs, comprising SAIL, CIL, NMDC and NTPC. ICVL's objective is to acquire coking and thermal coal assets abroad. For further discussion on the current status of ICVL, see the section titled "***Joint Venture Agreements - ICVL***" on page 143 of this Draft Red Herring Prospectus.

For further discussion of the current status of our key raw material initiatives, see the section titled "***-Raw Material Projects***" on page 118 of this Draft Red Herring Prospectus, and for details of the MoUs and other agreements see the section titled "***History and Certain Corporate Matters***" on page 130 of this Draft Red Herring Prospectus. We intend to continue to collaborate with our partners to pursue our current initiatives and, if suitable opportunities arise, to pursue new initiatives to become more self-sufficient in our raw materials procurement.

Expand Product Mix to Meet Customer Expectations

We plan to expand our operations to improve our product mix and manufacture new products in line with our customers' requirements. In the three months ended June 30, 2014, sales of our value added products, including plain wire rods and rebars, as a percentage of total saleable steel stood at 77.1%. This percentage has consistently been at over 75% every year for the past five Financial Years, measuring 75.3%, 78.9%, 79.0%, 78.7% and 77.7% in the Financial Years 2010, 2011, 2012, 2013 and 2014, respectively. We intend to increase our production of value added steel products. To this end, we are constructing three new finishing mills namely, a wire rod mill, a special bar mill and a structural mill. The special bar mill and the structural mill are planned to be brought into operation during the Financial Year 2015 and the wire rod mill has already been commissioned. In addition, our Company has entered into an MoU with Power Grid Corporation of India Limited to set up a joint venture in order to supply end products such as a transmission line tower and tower parts, and on January 19, 2013, we entered into an MoU with MECON Limited for the selection and acquisition of the technology and process know-how required to produce cold rolled silicon steel. For details of these MoUs, see the section titled

"***History and Certain Corporate Matters***" on page 130 of this Draft Red Herring Prospectus. On October 3, 2013, our Company has also signed an off-take agreement and a land lease agreement with the Indian Railways for setting up a forged wheel plant and the process of tendering contracts for the construction of the main plant is in progress. For more information on these agreements, see the section titled "***History and Certain Corporate Matters***" on page 130 of this Draft Red Herring Prospectus. In addition, we are in discussions with the Indian Railways for setting up a rail axle plant for the manufacturing of railway axles, which we intend to produce with the large diameter round billets from VSP.

We believe that the improvement of our product mix will enable us to increase our sales volume by selling these additional products to our existing and new customers, with an anticipated beneficial impact on our profitability.

Continue to Strengthen Competitive Cost Structure

Our Company intends to maintain and strengthen our cost competitiveness by continuously pursuing a cost management strategy, and exercising close control over operational and capital expenditures. Initiatives that we have taken, and will continue to take, to reduce costs and strengthen cost competitiveness include:

(a) Installing waste gas based power capacity of 120 megawatts by Financial Year 2015;
(b) Using by-product gases generated in our coke ovens, blast furnaces and steel melt shop to supply heat to various metallurgical units and for electric power generation, thereby reducing our dependence on coal and furnace oil; we have also installed equipment for the recovery of waste heat in our sinter plant, which can generate an additional 20.6 megawatts of power;
(c) Utilising captive power to meet approximately 90.0% of our power requirement;
(d) Utilising pulverised coal injection technology to improve the cost effectiveness of our blast furnaces;
(e) Deploying cost effective substitutes for certain inputs in the steel production process, such as using nut coke in partial replacement of coking coke in the blast furnaces, and using metallurgical waste to partially replace iron ore fines in the sinter plant;
(f) Selling by-products generated during the process of steelmaking, thereby generating additional revenue; and
(g) Continuing to implement management information systems and related processes in order to enhance operational efficiencies and achieve seamless integration among major functional areas of the business.

Our Company's Facilities

Our production activities are conducted at a single facility, VSP located in Visakhapatnam. The facility has an original liquid steel production capacity of 3.0 mtpa, and expanded liquid steel production capacity of 6.3 mtpa, which is in the advanced stages of completion and is expected to be operational by the end of the Financial Year 2015, with only the expected commissioning for the calcining refractory material plant, special bar mill, structural mill plants and certain auxiliary facilities remaining. The commissioning of the plants is expected in the Financial Year 2015. Our existing facility manufactures a wide variety of steel products and consists of four coke oven batteries and three blast furnaces (including one commissioned in April 2012), along with the related processing units, five converters (including two commissioned in Financial Year 2014), four rolling facilities (including a wire rod mill commissioned in Financial Year 2014) and a thermal power plant and its ancillary facilities, including waste heat recovery facilities.
VSP comprises the following principal units:

(a) *Blast furnaces* – Three operating blast furnaces with an installed hot metal capacity of 6.7 mtpa, which produce hot metal from iron ore, sinter and coke, and their related processing units, including raw material handling facilities, four coke oven batteries to produce coke, a sinter plant and a lump ore crushing plant to produce the sinter and sized iron ore to meet the blast furnace requirement;
(b) *Converters* - Three Linz-Donawitz ("**LD**") converters used to convert hot metal into liquid steel, with an installed production capacity of 3.0 mtpa of liquid steel; two more converters were commissioned in the Financial Year 2014, as part of the 6.3 mtpa expansion plan;
(c) *Casters* - Six continuous casting machines used to produce crude steel in the form of cast blooms from liquid steel; three more casters were commissioned between Financial Years 2012 and 2014 as part of the 6.3 mtpa expansion plan;
(d) *Rolling facilities* - Three rolling mills used to produce finished steel products, including one light and medium merchant mill, one wire rod mill and one medium merchant and structural mill:

- The light and medium merchant mill rolls rebars, rounds, light structural and billets. It has evaporative cooling systems in its furnaces and is equipped with tempcore technology. This technology ensures uniform grain size and the desired metallurgical and mechanical properties for the bar products. The light and medium merchant mill has an installed production capacity of 0.7 mtpa;
- The wire rod mill rolls rebars and plain wire rods and is equipped with stelmore technology. This technology ensures uniform grain size and the desired metallurgical and mechanical properties for the wire rod products. The wire rod mill has an installed production capacity of 0.9 mtpa. One more wire rod mill with an installed capacity of 0.6 mtpa, was commissioned in Financial Year 2014, as part of the 6.3 mtpa expansion plan; and
- The medium merchant and structural mill rolls rounds, squares and structurals. It contains evaporative cooling systems in its furnaces and has an installed production capacity of 0.9 mtpa.

(e) *Power plant* - A thermal power plant equipped with five generators to produce 315 megawatts of power to meet our requirements, with an additional capacity of 87.6 megawatts provided by auxiliary units through waste heat utilisation. We are also in the process of installing waste gas based power capacity of 120 megawatts by Financial Year 2015.

Expansion and Development Projects

Expansion and Modernisation of Visakhapatnam Steel Plant

Our Company is implementing a brownfield expansion aimed at increasing the capacity of VSP in phases from 3.0 mtpa to 6.3 mtpa by the end of the Financial Year 2015, which is in its advanced stages of completion, and to approximately 7.3 mtpa by the end of the Financial Year 2017. Apart from capacity increase, the expansion is also expected to increase energy efficiency and productivity, as well as deploy more environmentally friendly technologies.

Expansion of liquid steel capacity to 6.3 mtpa
We are well advanced in the first phase of expansion for increasing our liquid steel capacity to 6.3 mtpa. The first phase has been divided into two stages. Stage I consists of setting up a new blast furnace with advanced technology, a sinter plant and raw material handling systems, a new steel melting shop ("**Steel Melt Shop**") along with enhanced technological facilities to produce clean steel, and a new wire rod mill. The commissioning activities of the Stage I units started in November 2011. Our equipment has been supplied by globally reputed contractors from among others, Russia, Luxembourg and the United States. All the major units have already been commissioned except for the calcining refractory material plant which we expect to commission in Financial Year 2015.

Stage II consists of setting up two new finishing mills, a special bar mill and a structural mill, along with the associated facilities. These facilities will give us enhanced capacity to meet market demand for long steel products. Equipment for these facilities are being supplied by contractors from Italy, Austria and the United States. As of March 31, 2014, most of the equipment erection had been completed on both the special bar and structural mill. We plan to bring these mills into operation during the Financial Year 2015.

The following table lists the expected production capacity once the mills are fully functional, following the completion of the expansion and modernisation described above:

Mill	Products	Capacity in mt
Wire Rod Mill(1)	Plain Wire Rods	0.60
Special Bar Mill(1)	Rounds	0.75
Structural Mill	Rounds, Squares, Structurals	0.70
Total		**2.05**

[1]*Our new mills produce both non value-added products and value-added products.*

The total capital expenditure expected to be incurred in connection with the expansion to 6.3 mtpa is approximately ₹ 122.91 billion. As of July 31, 2014, we had spent ₹ 109.0 billion on the expansion. While our Company expects to fund the majority of the expenditure of our current expansion through internal resources, we may need to raise funds through external financing in the future. For further discussion, see the section titled "***Risk Factors-Internal Risk Factors-Risk Factors Relating to Our Company's Business and Operations-If we***

are unable to obtain adequate funding for our expansion plans, our business, results of operations and financial condition would be adversely affected" on page 31 of this Draft Red Herring Prospectus.

We have already entered into an agreement, valid until March 31, 2015, with NMDC for the supply of iron ore in order to meet the requirements of our expanded capacity, and we import our requirement of coking coal from overseas suppliers. The renewal of this agreement is due on May 31, 2015 and we are currently negotiating the terms of the renewal with NMDC. Our mines are expected to fulfil most of our requirement for dolomite and BF (blast furnace) grade limestone. We have also recruited approximately 3,810 employees over the Financial Years 2008 to 2014 in anticipation of the additional manpower required by the expansion.

Expansion of liquid steel capacity to 7.3 mtpa

For the modernisation and further enhancement of our plant from 6.3 mtpa to approximately 7.3 mtpa by the Financial Year 2017, we are upgrading our two existing blast furnaces, which will increase our hot metal production by 1.0 mtpa. In order to convert this additional hot metal into liquid steel, we are also installing another LD converter and continuous casting machine. The 6.3 mtpa expansion project is already at an advanced stage of implementation and the LD converter is scheduled to be commissioned by July 2015 and the continuous casting machine by July 2016.

Additional Development Projects

Apart from our planned expansion, we are also undertaking an independent development project. This includes building a new coke oven battery of approximately 0.83 mtpa capacity, which will act as a replacement while we are modernising our other coke oven batteries and it will also meet additional supply requirements. Construction tenders have been issued for this project and are being evaluated.

On-going Productivity Improvement Initiatives

Alongside our expansion plans, we have also adopted a number of measures to improve our levels of productivity. These initiatives include:

(a) Redeploying experienced employees from our existing units to our expansion units;
(b) Reducing labour-intensive work through upgrading our technology;
(c) Outsourcing labour for non-core functions; and
(d) Introducing IT enabled services and implementing an ERP platform.

Development of Axle Plant and Forged Wheel Plant

On January 10, 2011, our Company entered into a MoU with Indian Railways, GoI, for the manufacture and supply of railway axles. We will produce the axles while Indian Railways will act as a long-term customer. We are setting up a plant with the capability of producing rail axles. The lease agreement for the land provided by the Ministry of Railways has been approved by our Board of Directors.

On October 3, 2013, our Company has also signed an off-take agreement and a land lease agreement with the Indian Railways for setting up a forged wheel plant and the process of tendering contracts for the construction of the main plant is in progress. For more information on these agreements, see the section titled "***History and Certain Corporate Matters***" on page 130 of this Draft Red Herring Prospectus.

Our Products

Production at VSP is comprised mainly of long steel products, such as plain wire rods, rebars, rounds and structurals, and semi-finished steel products, such as billets and blooms. Our products are made with 100% virgin steel, and we have adopted modernised technology to help improve product quality.

The following table sets out our sales for the periods indicated:

Financial Year

	2012		2013		2014		Three months ended June 30, 2014	
	Net Sales (₹ million)	% of Net Sales	Net Sales (₹ million)	% of Net Sales	Net Sales (₹ million)	% of Net Sales	Net Sales (₹ million)	% of Net Sales
Blooms	4,150.4	3.2%	3,749.8	3.1%	3,166.3	2.6%	249.3	1.1%
Billets	1,090.3	0.8%	1,029.0	0.9%	2,062.5	1.7%	177.1	0.8%
WRM[1]	40,215.7	30.5%	37,003.4	30.7%	36,654.2	30.6%	7,559.4	32.9%
LMMM[2]	34,349.7	26.1%	33,113.6	27.5%	31,623.1	26.4%	6,661.6	29.0%
MMSM[3]	36,701.5	27.9%	29,921.3	24.9%	32,903.8	27.4%	5,572.3	24.2%
Pig iron	9,567.9	7.3%	10,313.9	8.6%	6,555.7	5.5%	1,779.7	7.7%
Others	5,678.6	4.3%	5,232.3	4.3%	6,930.0	5.8%	1,004.6	4.4%
Total	**131,754.2**	**100.00%**	**120,363.2**	**100.00%**	**119,895.5**	**100.00%**	**23,003.8**	**100.00%**

[1]*Wire rod mill rolls rebars and plain wire rods.*
[2]*Light and medium merchant mill rolls rebars, rounds, light structurals and billets.*
[3]*Medium merchant and structural mill rolls rounds, squares and structurals.*
Note: *The above numbers exclude sales of trial-run production.*

Semi-finished Products

The following table lists our various semi-finished products, including our production for the Financial Year 2014, as well as for the three months ended June 30, 2014, and their end users.

Product	Financial Year 2014 Production (mt)	Three Months Ended June 30, 2014 Production (mt)	Key End User
Blooms	3.20	0.83	Processed further in our mills; surplus is sold to downstream producers
Billets	1.96	0.45	Processed further in our mills; surplus is sold to downstream producers

Blooms

Blooms are semi-finished products used for the manufacturing of long steel products. We produce blooms at our steel melt shop, which are then rolled to produce billets. Blooms not used by us are sold to downstream steel producers, who further process them into steel products that are utilised in a wide variety of construction and manufacturing sectors. In the Financial Year 2014 and the three months ended June 30, 2014, we produced 3.20 mt and 0.83 mt, respectively, of blooms, of which 0.15 mt and 0.03 mt, respectively, was sold to downstream producers, while the rest were further processed in our mills.

Billets

Billets are one of the first steel products produced in the steel manufacturing chain. They are semi-finished products used in the manufacturing of long steel products, such as bar products, rods and wires. Billets can be used as feedstock for rolling mills for the production of long products. Steel billets are also used extensively in forge shops and machine shops for the production of engineering goods.
Our Company manufactures billets for further rolling into bars and plain wire rods. We sell our non-rollable billets to downstream steel producers who further process them into steel products that are utilised in a wide

variety of construction and manufacturing sectors. In the Financial Year 2014 and in the three months ended June 30, 2014, we produced 1.96 mt and 0.45 mt, respectively, of billets, of which 0.056 mt and 0.004 mt, respectively, was sold to downstream producers, while the rest were further processed in our mills.

Long Products

The following table lists our various long steel products, including our production for the Financial Year 2014 as well as for the three months ended June 30, 2014 and their various end users.

Product	Financial Year 2014 Production (mt)	Three Months ended June 30, 2014 Production (mt)	Key End Users
Plain wire rods	0.35	0.084	Broad range of customers who use them for wire drawing, bright bars, fasteners and construction
Rebars	1.37	0.30	Used in construction and infrastructure projects
Structurals	0.20	0.04	Used in construction and infrastructure projects
Rounds	0.43	0.11	Mainly sold to manufacturing and automobile industries; some are sold to downstream producers who reroll them
Squares	0.45	0.12	Mainly sold to the automobile and engineering industries; some are sold to downstream producers who reroll them

Plain Wire Rods

Plain wire rods are a type of long steel product with a wide variety of functions such as making wires for welded mesh, nails, hangers, screws, chain link fencing, wire nets and barbed wires. Plain wire rods are produced both in the mild steel (a type of carbon steel) and value added steel categories. We sell plain wire rods to a broad range of large, medium and small scale users, who in turn use them for wire drawing, bright bar, fastener and construction purposes. Plain wire rods are also used in the manufacturing industry.
In the Financial Year 2014 and in the three months ended June 30, 2014, we produced 0.35 mt and 0.084 mt, respectively, of plain wire rods in our wire rod mill.

Rebars

Rebars are long steel products used for reinforcement in construction and infrastructure projects. They provide tensile strength to concrete sections subject to a bending load, and they normally have ribbed profiles on their surface to improve bonding with concrete. We have adopted the quenching and self-tempering technology for making our thermo-mechanically treated rebars, which are marketed under the registered trademark of “VIZAG TMT”. We produce rebars in our wire rod mill and light and medium merchant mill, depending on the size of the rebar. Rebars are mainly sold to project users.

In the Financial Year 2014 and in the three months ended June 30, 2014, we produced 0.64 mt and 0.15 mt, respectively, of rebars in our wire rod mill and 0.73 mt and 0.15 mt, respectively, of rebars in our light and medium merchant mill.

Structurals

Structurals are long steel products that include angles, channels and beams. Like rebars, structural products are mainly used in the construction and infrastructure sectors.

In the Financial Year 2014 and in the three months ended June 30, 2014 we produced 0.20 mt and 0.04 mt, respectively, of structurals in our medium merchant and structural mill.

Rounds

Rounds are a type of long steel bar product used mainly in the engineering and automobile industries. We produce rounds in our bar mill and medium merchant and structural mill, depending on the size of the round. We sell rounds to a broad range of large, medium and small scale users, many of whom further reroll the rounds to their desired sizes.

In the Financial Year 2014 and in the three months ended June 30, 2014, we produced 0.15 mt and 0.05 mt, respectively, of rounds in our bar mill and 0.28 mt and 0.06 mt, respectively, of rounds in our medium merchant and structural mill.

Squares

Squares are a type of long steel product used for rerolling and forging. We produce squares in our medium merchant and structural mill. Our Company sells squares to a broad range of large, medium and small scale users.

In the Financial Year 2014 and in the three months ended June 30, 2014, we produced 0.45 mt and 0.12 mt, respectively, of squares.

Pig Iron

We produce hot metal from high grade iron ore and low ash coke. Surplus hot metal produced from blast furnaces is cast into pig iron. Our Company sells pig iron to steel manufacturers as well as foundries. Our installed production capacity for pig iron is 0.56 mtpa. In the Financial Year 2014 and in the three months ended June 30, 2014, we produced approximately 0.33 mt and 0.05 mt, respectively, of pig iron.

By-products

A number of by-products are generated in the process of steelmaking. These products include coke products, benzol products, tar products, ammonium sulphate, granulated blast furnace slag, lime products and gases. Coke by-products are sold to the steel, cement and brick industries. Benzol by-products are used in the solvent, paint, dye, drugs and detergent industries. Tar by-products are sold to the aluminium and manufacturing industries. Ammonium sulphate is used as fertilizer. Granulated blast furnace slag is used for manufacturing slag cement. Lime by-products are sold to the paper industry. Gases such as liquid oxygen are sold for medical and industrial purposes while liquid nitrogen is used for industrial purposes. In the Financial Year 2014 and in the three months ended June 30, 2014, we sold ₹ 7.19 billion and ₹ 1.03 billion, respectively, of by-products, which accounted for 5.3% and 4.0%, respectively, of our sales turnover.

Production Process

Our Company's production facilities process iron ore and other raw materials into steel products. Our production processes can be broadly broken down into three categories: iron making, steelmaking and product rolling.

Iron making

Coking coal is heated in the coke ovens to produce coke, while iron ore fines, limestone, dolomite and coke are heated in the sinter plant to produce sinter, which is the major input for the blast furnaces. Afterwards, the coke, sinter and sized iron ore are charged in the blast furnace, with the coke acting as a main fuel and reducing agent for the smelting of the iron. The process converts the iron ore into liquid iron form, and it is then transported to the LD converters to make steel.

Steelmaking

Steel is made in our steel melting shop in LD converters by blowing oxygen into the converter until the desired carbon content is achieved and impurities are reduced to acceptable levels. Alloying elements including manganese, chromium, silicon and nickel are also added to achieve the required grade of liquid steel. Liquid steel is tapped from the LD converter and transported to a continuous casting machine, where it is cooled gradually, and then cast into blooms. We believe that we were one of the first integrated steel plants to adopt 100% continuous casting on a large scale in India. When the oxygen reacts with the carbon in the LD converters, the reaction releases large quantities of gas rich in carbon monoxide. The gases released from the converter are collected, cooled, cleaned and recycled for use as fuel in our steel plant.

Product rolling

Blooms which are cast are delivered to their respective rolling mills for the production of finished or semi-finished steel products in a multitude of sizes and shapes. The wire rod mill rolls rebars and plain wire rods, the light and medium merchant mill rolls rebars, rounds, light structurals and billets, and the medium merchant and structural mill rolls rounds, structurals and squares. Finished steel products are then packed in the required bundles and transported to customers by rail, road and sea.

For the previous ten consecutive years, production in all major units of VSP (except in hot metal) has exceeded 100% of rated capacity. The following table sets forth our capacity utilisation rates for hot metal, liquid steel and saleable steel for the periods indicated (note that certain additional facilities have been brought into production at various dates, as described elsewhere in this section):

Unit: %

Financial Year	**2010**	**2011l**	**2012**	**2013**	**2014**	**2015 (three months ended June 30, 2014)**
Hot Metal	114.7	112.7	111.1	81.8	82.4	89.4
Liquid Steel	113.3	114.1	110.3	108.3	111.2	102.7
Saleable Steel	119.2	115.9	112.6	109.2	112.0	100.5

Sales

We sell majority of our products to domestic customers. In the Financial Years 2012, 2013 and 2014 and the three months ended June 30, 2014, sales to domestic customers accounted for approximately 97.1%, 95.6%, 94.7% and 94.4%, respectively, of our turnover. The following table sets forth our sales by region for the periods indicated:

₹ in millions

Market	**Three Months Ended June 30, 2014**	**% of Total**	**Financial Year 2014**	**% of Total**	**Financial Year 2013**	**% of Total**	**Financial Year 2012**	**% of Total**
Domestic	**24,959**	**94.4%**	**127,405**	**94.7%**	**129,528**	**95.6%**	**140,468**	**97.1%**
Andhra Pradesh and Telengana[1]	8,641	32.7%	42,066	31.2%	43,645	32.2%	48,250	33.4%
North	6,383	24.1%	32,123	23.8%	28,940	21.4%	32,292	22.2%
South[2]	4,242	16.0%	22,364	16.6%	24,613	18.2%	26,713	18.5%
West	3,739	14.1%	21,799	16.2%	21,481	15.9%	21,196	14.7%
East	1,954	7.4%	9,053	6.7%	10,848	8.0%	12,016	8.3%
Export	**1,476**	**5.6%**	**7,472**	**5.5%**	**5,975**	**4.4%**	**4,151**	**2.9%**
Total	**26,435**		**134,878**		**135,503**		**144,619**	

[1]*See the section titled "**Certain Conventions, Presentation of Financial and Other Information and Currency of Presentation**" on page 14 of this Draft Red Herring Prospectus*

[2]*Excluding the state of Andhra Pradesh and Telangana*

Our customers are divided into three segments: project users, industrial users and retailers.

(a) Project users consist of infrastructure and construction companies. We provide mainly rebars and structural products to project users;
(b) Industrial users, which includes actual users of our products across various industry segments, consist of a wide range of large, medium and small scale industries, who mainly purchase plain wire rods, rounds and squares; and
(c) Retailers are parties who mainly procure products to sell to end users.

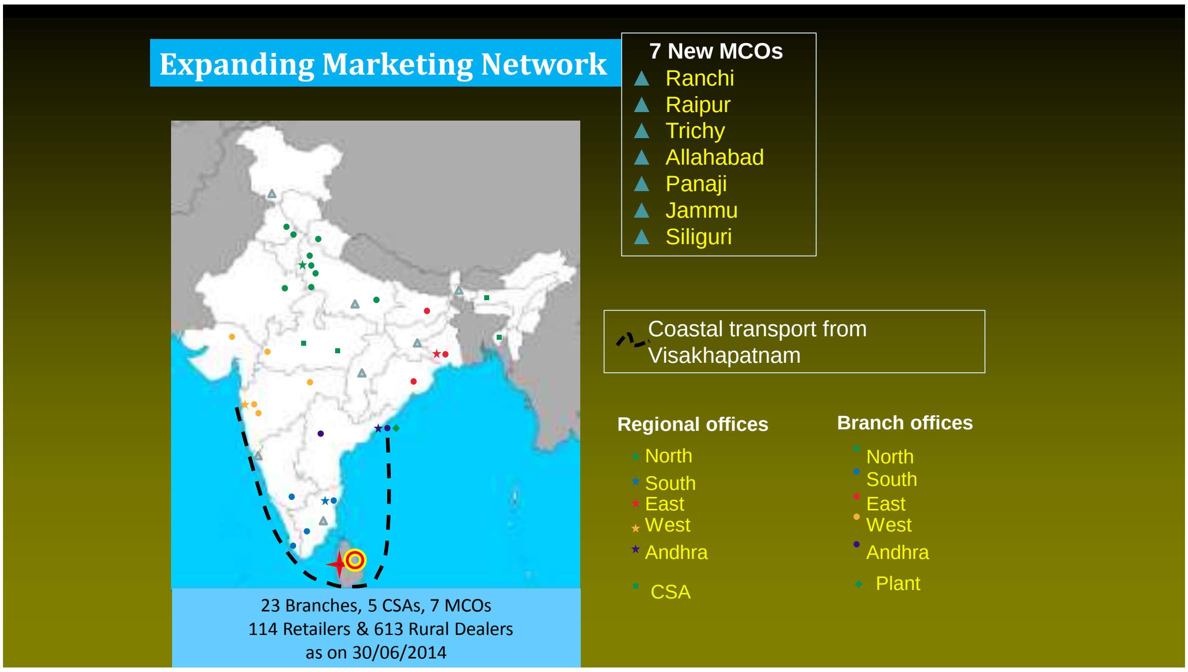
As of March 31, 2014, project users, industrial users and retailers accounted for 64%, 26% and 10% of our customers, respectively, based on our turnover. As of June 30, 2014, project users, industrial users and retailers accounted for 48%, 37% and 15% of our customers, respectively.

In the Financial Year 2014 and the three months ended June 30, 2014, our ten largest customers accounted for approximately 20% and 21%, respectively, of our total turnover. Over the same period, our biggest customer accounted for approximately 5% and 4%, respectively, of our turnover. Several of our customers have been in long-term relationships with us. The following table sets forth the contributions to sales of our top ten customers (all of which have been the customers of the Company for over 10 years), for the Financial Year 2014, and the approximate term of our relationships with those customers.

Customer	Sales in volume of saleable steel ('000 tons)	Sales in ₹ (million)
1	163	6,732
2	108	3,832
3	68	2,525
4	73	2,488
5	53	2,173
6	47	2,042
7	47	1,986
8	53	1,847
9	39	1,578
10	34	1,480

Marketing and Distribution

We sell our steel products either directly to customers or through stockyards located across the country. We have a wide marketing distribution network spread across the country. We have five regional offices located at Visakhapatnam, Mumbai, Kolkata, Chennai and Delhi. Furthermore, we have 23 branch offices, 22 stockyards and seven marketing contact offices. Four stockyards, located at Mumbai, Chennai, Visakhapatnam and Hyderabad, are owned by us, and the remaining 18 are operated by consignment agents. The consignment agents are chosen through an open national tender, a process by which prospective agents are selected by our Company, and sign seven year contracts with us. We have also signed seven year contracts with four consignment sales agents, where we do not have branch offices. There are also more than 128 retailers as on June 30, 2014 spread across the country. The diagram below illustrates our marketing network:



We rely on a variety of marketing methods, such as sales through MoUs, direct sales to projects through participation in tenders, sales to state small industries corporations and national small industries corporations as per government allocation, e-auctions and spot sales. We also use our brand name to market our products. For example, rebars are branded as "VIZAG TMT", and structural products are branded as "Vizag UKKU," ("ukku" means steel in the Telugu language).

As of June 30, 2014, we had 613 district level dealers and rural dealers for servicing rural customers, who find it difficult to source steel products in the remote regions of India. In the Financial Year 2014, we sold approximately 35,600 tonnes of steel products to rural dealers. For the three months ended June 30, 2014, we sold approximately 10,000 tonnes of steel products to rural dealers.

Raw Materials

Steel production requires a substantial amount of raw materials and energy, including iron ore, coking coal, limestone and dolomite. Raw materials comprise the single most significant percentage of our manufacturing costs and in the Financial Years 2012, 2013 and 2014 and the three months ended June 30, 2014, raw materials accounted for 70.4%, 69.8%, 62.3% and 76.0%, respectively, of our expenditure in the production of steel excluding certain adjustments for raw material mining costs, depreciation, and interest and finance charges. Iron ore and coking coal are the primary materials used in steel production and the prices of these commodities are subject to significant volatility. According to the CRISIL during the Calendar Years 2011-13, the global average iron ore prices ranged from $130 to $135 and reduced to $120 in March 2014, and coking coal prices declined from $191 to $148 between the Calendar Years 2012 and 2013 and to $125 by March 2014.

For more information, see the section titled "***Risk Factors-Internal Risk Factors—Risk Factors Relating to Our Company's Business and Operations-Significant increases in prices of key raw materials or our inability to continue to procure raw materials at favourable terms could have an adverse effect on our Company's results of operations and financial position***" on page 23 of this Draft Red Herring Prospectus.

We purchase iron ore and coking coal at market prices under supply contracts typically lasting up to five years. Under the long-term arrangements, the price is fixed on a quarterly or monthly basis. We have formed a joint procurement committee with SAIL for our and SAIL's coking coal supplies and we believe the combined purchasing requirements of our two entities benefits us in commercial negotiations with coking coal suppliers. For other raw materials, we float a tender and choose suppliers according to the lowest bidder who satisfies our terms and conditions.

Our Company uses various third parties for transportation of our raw materials. Most of our iron ore is transported from NMDC's mining complexes through rail. Coking coal is mostly imported on capesize and panamax vessels from Australia, New Zealand and the United States. Other raw material resources are also transported by road.

Iron Ore

We obtain most of our iron ore requirement (comprising iron ore fines, lumps and calibrated lump ore) from NMDC's mining complexes at Kirandul and Bacheli in the state of Chhattisgarh. In the Financial Years 2012, 2013 and 2014 and the three months ended June 30, 2014, the cost of such purchases accounted for 32.7%, 40.6%, 38.9% and 48.0% of our raw material purchases, respectively. We purchased approximately 5.7, 6.2, 5.8 and 1.4 mt of iron ore fines, lumps and calibrated lump ore during the Financial Years 2012, 2013, and 2014 and the three months ended June 30, 2014, for ₹ 28.60 billion, ₹ 33.41 billion, ₹ 27.65 billion and ₹ 7.19 billion, respectively. As of June 30, 2014, we have submitted 22 iron ore mining lease and prospecting licence applications to various State Governments in India, out of which the Company has received a letter of intent for the allotment of one of the mines in Rajasthan.

Coal

In the Financial Years 2012, 2013, and 2014 and the three months ended June 30, 2014, the cost of our coking coal purchases accounted for 62.4%, 52.1%, 52.4% and 43.4% of our raw material purchases, respectively. We use both imported and domestic coking coal in our steel production process. We import approximately 90.0% of our coking coal from Australia, New Zealand and the United States. In the Financial Years 2012, 2013, and 2014 and the three months ended June 30, 2014, we imported a total of 3.7, 3.3, 3.5 mt and 0.7 mt of coking coal valuing ₹ 51.44 billion, ₹ 39.44 billion, ₹ 34.41 billion and ₹ 5.67 billion, respectively. We procure approximately 10.0% of our coking coal from Central Coalfields Limited ("**CCL**"), a subsidiary of CIL. In the Financial Years 2012, 2013, and 2014 and the three months ended June 30, 2014, we obtained a total of 0.5, 0.5, 0.4 and 0.1 mt valuing ₹ 3.03 billion, ₹ 3.43 billion, ₹ 2.87 billion and ₹ 0.84 billion, respectively, from CCL. Our Company also procures thermal coal used in the power generation process from Mahanadi Coalfields Limited ("**MCL**"), a subsidiary of CIL. In the Financial Years 2012, 2013 and 2014 and the three months ended June 30, 2014, we obtained a total of 1.4, 1.5, 1.4 mt and 0.4 mt valuing ₹ 2.33 billion, ₹ 2.96 billion, ₹ 2.98 billion and ₹ 0.82 billion, respectively, from MCL.As of June 30, 2014, we have submitted four applications for allotment of blocks of thermal coal in various states of India.

Limestone

Two types of limestone are used in the steel production process: BF grade limestone to convert iron ore to iron, and high grade low silica limestone to convert iron to steel. We presently import high grade limestone from the Ras Al Khaimah Rock Company in the United Arab Emirates. In the Financial Years 2012, 2013 and 2014 and the three months ended June 30, 2014, the cost of such purchases accounted for 0.6%, 1.0%, 1.4% and 0.5% of our raw material purchases, respectively. In the Financial Years 2012, 2013 and 2014 and the three months ended June 30, 2014, we imported 0.4, 0.6, 0.7 and 0.5 mt at a cost of ₹ 560.72 million, ₹ 852.56 million, ₹ 1,006.71 million and ₹ 76.77 million, respectively. We source most of our BF grade limestone from our mine in Jaggayyapeta, Krishna district, in the state of Andhra Pradesh. In the Financial Years 2012, 2013 and 2014 and the three months ended June 30, 2014, our Company obtained a total of 0.4, 0.4, 0.4 and 0.1 mt, respectively, from our limestone mine.

Dolomite

As with limestone, two types of dolomite are required in the production of steel: BF grade dolomite is combined with limestone, iron ore and coal in blast furnaces to convert iron ore into liquid iron, and SMS grade dolomite is used to convert hot metal to steel in LD converters. We currently source almost all our dolomite requirement from our mine in Madharam, Khammam district in the state of Telengana and the remainder from BSLC and other companies. In the Financial Years 2012, 2013 and 2014 and the three months ended June 30, 2014, we obtained a total of 0.5, 0.5, 0.5 and 0.1 mt, respectively, from our dolomite mine. As of June 30, 2014, our Company had submitted one mining application seeking the grant of a mining lease for dolomite in Khammam district, in the state of Telengana.

Energy

Our energy consumption accounted for approximately 5.2%, 7.3%, 8.8% and 11.4% of our total raw materials and energy costs during the Financial Years 2012, 2013 and 2014 and the three months ended June 30, 2014, respectively. These costs consisted primarily of power and fuel. The cost per megawatt hour we purchased was ₹ 5,224.69, ₹ 7,414.77, ₹ 6,850.15 and ₹ 6,758.90, respectively, for the Financial Years 2012, 2013 and 2014 and the three months ended June 30, 2014. VSP consumed 553 and 603 kilowatt hours of gross power per tonne of crude steel in the Financial Year 2014 and the three months ended June 30, 2014, respectively. Our Company currently has five generators, three of which each have a capacity of 60.0 megawatts and the remaining two have a capacity of 67.5 megawatts each. We also have facilities to generate 87.6 megawatts of power through waste heat utilisation of our back pressure turbine station, gas expansion turbine station and a sinter plant. During the Financial Years 2012, 2013 and 2014 and the three months ended June 30, 2014, we generated 86%, 85%, 85% and 80%, respectively, of our power in-house, and we purchased the balance necessary for our operations from public utilities.

Raw Material Projects

We are focused on seeking secure access to raw materials in order to optimise our costs, increase integration in the production process and achieve a higher level of self-sufficiency in raw materials in order to respond better to cyclical fluctuations in demand and reduce volatility in production costs. We have pursued, and plan to continue to pursue, a number of initiatives to gain access to raw materials around the world. These initiatives include applying for mining licences, acquiring or taking interest in entities which have access to raw materials, entering into joint ventures in order to obtain mining licences indirectly, entering into MoUs with State Governments and applying for mining licences abroad. As of June 30, 2014, our key raw material initiatives included the following projects:

Acquisition of EIL

In January 2011, we acquired a 51.0% stake in EIL, the holding company of OMDC and BSLC, both of which are GoI enterprises, for ₹ 3.61 billion. EIL is the majority shareholder in BSLC and OMDC, holding a 50.01% and 50.01% stake, respectively, in these companies. BSLC is a mining company with both limestone and dolomite in its mines in the state of Odisha. OMDC is a mining company which deals in iron ore and manganese ore in its mines in Odisha. According to Behre Dolbear, as of May 17, 2012, OMDC has iron ore reserves of 245.5 mt and manganese reserves of 32.5 mt, while BSLC has limestone reserves of 192 mt and dolomite reserves of 114 mt. There have been no mining activities since May 2012. Please see "***Risk Factors-Internal Risk Factors–Risks Factors Relating to Our Company's Business and Operations - Our Company's estimates of our mineral reserves and the mineral reserves of our indirect subsidiaries, OMDC and BSLC, are subject to assumptions. The estimates of our third party consultant date from 2012. If the actual amounts of such reserves are less than estimated, our results of operations and financial condition could be adversely affected***" on page 22 of this Draft Red Herring Prospectus for a discussion of risks relating to the disclosure of reserve estimates. The acquisition of EIL is expected to provide additional sources of iron ore, limestone and dolomite and manganese ore to our Company. At present none of the mines are operational. Currently, the leases for the mines of both companies have expired and renewal applications have been filed. For more information, see the sections titled "***Risk Factors-Internal Risk Factors—Risk Factors Relating to Our Company's Business and Operations—If we are unable to integrate acquired businesses such as Eastern Investments Limited, ("EIL") successfully, our business, results of operations and financial condition may be adversely affected***", "***Risk Factors-Internal Risk Factors-Risk Factors Relating to Our Company's Business and Operations-We are involved in a number of legal proceedings that, if determined against us, could have a material adverse impact on our financial condition and results of operations***" and "***Risk Factors-Internal Risk Factors-Risk Factors Relating to Our Company's Business and Operations-We rely on leased mines to secure certain raw materials and if we are unable to renew these leases, obtain new leases or are required to pay more royalties under these leases, we may be forced to purchase such raw materials for higher prices in the open market or pay increased royalties, which could negatively affect our results of operations and financial condition***" on pages 22, 19 and 21 of this Draft Red Herring Prospectus, respectively.

Afghanistan Consortium

On August 30, 2011, we entered into a consortium agreement with SAIL, NMDC, JSW Steel Limited, JSPL and Monnet Ispat Energy Limited to cooperate in the submission of a joint bid for the Hajigak iron ore deposit in Afghanistan with SAIL as the lead partner. The consortium has been selected as the preferred bidder for three blocks of the iron ore project, and the reserve bidder for one block. No commercial production has commenced in any of the three blocks.

ICVL Joint Venture

On January 14, 2009, we entered into a joint venture with other GoI enterprises, SAIL, CIL, NTPC and NMDC, with the objective of acquiring coking and thermal coal assets abroad. The GoI has given powers equivalent to Navratna status to ICVL for making decisions on acquisitions. NTPC has since applied to exit the joint venture. ICVL entered into a share sale agreement on July 28, 2014 for the acquisition of a coal mine in Mozambique from Rio Tinto. The initial bid submitted by ICVL is for US$50 million. Our Company's current stake, as part of this bid, is 14.29% but is subject to increase dependent on, the continued participation of CIL and NTPC in this acquisition. The share sale agreement requires this transaction to be closed within 60 days of its signing.

Joint Venture with MOIL

On May 7, 2009, we entered into a joint venture with MOIL, a GoI enterprise, to create RINMOIL Ferro Alloys Private Limited. The JVC will combine the technical expertise, skilled manpower and infrastructure of the two companies to produce ferro manganese, silico manganese and other ferro alloys required for the production of steel. The JVC plans to set up a ferro alloys plant in Vizianagaram district in the state of Andhra Pradesh, located approximately 110 kilometres from Visakhapatnam. Once built, the plant is expected to produce 37,500 tonnes per annum of silico manganese ore and 20,000 tonnes per annum of ferro manganese ore.

Competition

The market for steel is very competitive, with high levels of international trade. Despite the consolidation that has taken place in the steel industry in recent years, such as that of both Mittal and Arcelor, and Tata Steel and Corus in 2006, levels of global industry concentration still remain well below those of other metals and mining sectors. According to the World Steel Association, the fifteen largest steel producers represented approximately 34.4% of global steel production in 2013. We continue to face strong competition domestically from steel producers in the private sector who are able to provide higher quantities of long products in the market, particularly in South India. Our main competitors consist of a number of secondary companies which are not integrated steel producers, most of which are small scrap steel companies. Our Company also faces competition from larger companies including SAIL, Tata Steel Limited, JSW Steel, Bhushan Power and Steel Limited and JSPL.

Research and Development and Intellectual Property Rights

Research and development activities are important to producers in the steel industry as these can provide producers with competitive advantages and new business opportunities with new and existing customers. As of June 30, 2014, we had 28 employees engaged in research and development activities.

We are participating in a number of joint research projects with institutes and universities including the Indian Institutes of Technology, the Indian Institute of Science, the Central Glass and Ceramics Institute, the National Geophysical Research Institute, Andhra University and the National Mineral Development Corporation. Research projects we are currently working on include introducing new coals for coke making and exploring various means for the utilisation of metallurgical wastes in sinter making. Research is also being carried out on lance tip designs for improving steel blowing at converters, which will improve the lifespan of LD converters as well as reduce costs.

For the Financial Years 2012, 2013 and 2014 and the three months ended June 30, 2014, we incurred total research and development expenditures of ₹ 202.94 million, ₹ 311.26 million, ₹ 502.74 million and ₹ 42.03 million, respectively.

We conduct our business using the Vizag brand, and have registered the trademarks “VIZAG STEEL”, “VIZAG TMT” and “VIZAG UKKU” and the copyrights for “VIZAG STEEL”. We have also obtained registration for the metal rod that we produce, under the Designs Act, 2005. Lastly, we also have one registered patent for an invention used in water cooling systems.

Insurance

As part of our risk management, we maintain a mega-risk insurance policy which covers all sudden and accidental physical loss, destruction or damage to our property. Our mega-risk insurance policy also covers business interruptions and loss of profits. We currently maintain insurance coverage selectively for third party liability and for the storage of goods. Any contracted employees working with the Company are covered by the insurance cover taken by the contractors, and not by our Company. For more information, see the section titled “***Risk Factors-Internal Risk Factors-Risk Factors Relating to Our Company’s Business and Operations-Our insurance policies provide limited coverage, potentially leaving us uninsured or under insured against certain business risks***” on page 35 of this Draft Red Herring Prospectus.

Environment

We are committed to developing environmentally sustainable operations. Our Visakhapatnam facility is certified to ISO-14001 standards. We believe that we adhere to the statutory norms applicable in India which concern the environmental aspects of our operations.

We have taken steps to reduce energy consumption by adopting several energy efficient technologies and initiatives during our expansion phase, including 100% coke dry quenching, 100% LD gas recovery, evaporative cooling systems in our rolling mills and a gas expansion turbine station in our blast furnace to recover the potential energy of blast furnace gas. These technologies have not only reduced energy consumption, but have also reduced greenhouse gas emissions by 13,000 tonnes annually. We believe that we were one of the first Indian steel companies to adopt the Energy Management System BS-EN-16001 for systematic improvement in energy efficiency, which was upgraded to ISO 50001 on August 6, 2012.

We have also participated in a number of environmentally friendly joint research projects, including a project attempting to remove carbon dioxide from flue gases by sequestration, which would result in reduced carbon dioxide emissions. We are a seven time recipient of the National Energy Efficiency Award given by the Ministry of Power for exemplary performance in energy conservation, and received the Excellent Energy Efficient Unit award from the Confederation of Indian Industry for 2010-11. In 2011, we received a BS EN 16001:2009 certification from the Bureau Veritas for our energy management system.

In May 2009, we signed an MoU with the Ministry of Steel, Ministry of Finance and the New Energy and Industrial Technology Development Organisation ("**NEDO**") of Japan with the purpose of reducing carbon dioxide emissions by 220,616 tonnes annually. We also place an emphasis on being a responsible corporate citizen, and we endeavour to plant a tree (either at our various plants and factories or in the townships) for every tonne of steel production capacity.

Employees

As of August 31, 2014, we employed approximately 18,328 permanent workers, comprising 6,374 executives and 11,954 non-executives. Of these non-executives, 6,230 are skilled workers, 3,480 are semi-skilled and the balance of the employees consists of unskilled labour and administrative staff.

We identify and develop competency requirements of employees in accordance with the Quality Management System certified to ISO 9001:2008. We maintain a detailed on-the-job training system run by two training advisory committees. Employees identified for specific training are sent to various reputed training institutes in India and abroad and on study trips to other plants.

We believe that we have peaceful and amicable relations with our employees. We have faced strikes only in the Financial Years 2012 and 2013 for a period ranging from one to two days. For more information, see the section titled "***Risk Factors-Internal Risk Factors-Risk Factors Relating to Our Company's Business and Operations-We are subject to trade union activity, and labour problems and disputes could adversely affect our results of operations and financial condition***" on page 34 of this Draft Red Herring Prospectus. Furthermore, we have been recognised as one of "India's Best Companies to Work For" for three consecutive years from 2009 till 2011 by the Economic Times and Great Place to Work For Institute. We received a merit certificate for Innovative Training Practices from Indian Society for Training & Development, New Delhi and a certificate of merit for best HR Practices 2012 from National Institute of Personnel Management in 2013.

Quality Control

The ability to deliver consistently high quality steel products to customers is critical to our business. Quality control is ensured by strict adherence to work protocols, from the procurement of raw materials through the stages of production. Work procedures and instructions are upgraded or amended based on mutually agreed quality parameters between different departments. The quality parameters are tested, recorded and monitored by our Quality Assurance and Technology Department ("**QATD**"), as well as our customer and supplier departments. Quality control starts by testing raw materials, process materials and semi-finished products, and ends at the testing and certification of finished products. The QATD department is also involved in the development of new products, customer support and product failure analysis.

Health and Safety

Health and safety is a priority at all of our facilities, and the implementation of OHSAS-18001 supports our efforts to create a safe work environment. We make continuous efforts in the implementation of safety standards, monitoring of risk control and other measures to reduce and eliminate potential workplace hazards. However, as a steel production company, our operations are inherently hazardous, and we have experienced industrial accidents including fatalities, in recent years. For more information, see the sections titled "***Risk Factors-Internal Risk Factors-Risk Factors Relating to Our Company's Business and Operations-Failure to maintain adequate health and safety standards may cause our Company to incur significant costs and liabilities and may damage our reputation***" and "***Risk Factors—Internal Risk Factors—Risk Factors Relating to Our Company's Business and Operations-Industrial accidents at our facilities have exposed us to possible financial liabilities and possible legal proceedings and resulted in adverse publicity for our Company***" on pages 33 and 20 of this Draft Red Herring Prospectus, respectively. In the wake of the industrial accidents in recent years, we have instituted more extensive workplace safety training across our operations.

As part of our commitment to a safer work place, our Company has organised a number of workplace safety publicity campaigns and initiatives, which include:

(a) Conducting hazard and operability studies for various works and expansion units;
(b) Requiring two levels of safety training to be given to contract workers. Each contract worker is issued an individual safety pass and each contract agency is issued a safety induction clearance certificate;
(c) Organising safety promotional campaigns such as safety week celebrations in individual departments and National Safety Day celebrations in our Company; and
(d) Giving employees various incentives to work safely, including monetary compensation and merit certificates.

Our efforts to improve workplace safety have been recognised publicly, including the awarding to us of the Ispat Suraksha Puraskar from the Joint Committee on Safety in Steel Industry for the Calendar Years 2011 to 2014.

Corporate Social Responsibility

We recognise our responsibilities to the communities in the regions where we operate. We have strong links to our neighbouring towns and surrounding regions. Up to 2.0% of our net profit is earmarked for corporate social responsibility activities, which include environmental, education and health care activities. We have contributed to the construction of school classrooms and provided scholarships to students. We also support a variety of cultural and sporting activities.

Properties

Our Company currently owns or leases a variety of properties, primarily for office space throughout India. Our Registered and Corporate Office and VSP are situated on the land granted to us through a duly executed power of attorney. The power of attorney has been granted to us by the GoI to use the land for the purpose of setting up the steel manufacturing facility and related purposes, and our Company does not have title over the property. Additionally, apart from the regional office at VSP, we have the following regional offices (out of which the east and south regional offices are established on rented properties):

S. No.	Regional Office	Description of Property
1.	North	4th Floor, IV Tower (East Side), NBCC Plaza, Pushp Vihar, Sector-V, New Delhi – 110 017 (owned)
2.	West	Office No. 101, 10th Floor, Free Press House, Free House Journal Road, Nariman Point, Mumbai – 400 021 (owned)
3.	East	2nd Floor, RINL, 1 A.J.C. Bose Road, Kolkata – 700 020 (rented)
4.	South	4th Floor, Rashmi Towers, 1 Village Road (Valluvarkottam High Road), Nungambakkam, Chennai – 700 020 (rented)

Some of our lease agreements and agreements to sell are not adequately stamped and registered and some of our lease agreements have expired. For further details, see the sections titled "***Risk Factors-Internal Risk Factors-Risk Factors Relating to Our Company's Business and Operations-Some of our regional and branch offices and stock yards are leased or procured by our Company on an agreement to sell basis***" and "***Risk Factors-Internal Risk Factors-Risk Factors Relating to Our Company's Business and Operations-Our Company does not own the land on which VSP and our Registered and Corporate Office are located***" on pages 37 and 25 of this Draft Red Herring Prospectus, respectively.

REGULATIONS AND POLICIES

A brief summary of certain laws and regulations that are relevant to our business are as stated below. Please note that the information set out below is based on legal provisions that are subject to change and is neither exhaustive nor a substitute for professional legal advice. Prospective investors should seek independent legal advice on the laws and regulations applicable to our business and the sectors in which we operate.

Regulatory Regime in India

The GoI has formulated various regulations which specifically apply to companies undertaking activities like mining and manufacturing of steel. Some of the key industry regulations applicable to our Company are discussed below.

Mines

Mines and Minerals (Development and Regulations) Act, 1957

The Mines and Minerals (Development and Regulations) Act, 1957, as amended ("**MMDR Act**"), was enacted to provide for the development and regulation of mines and minerals under the control of the union of India and it lays down the substantive law pertaining to the grant, renewal and termination of reconnaissance and prospecting licences and mining leases. The Mineral Concession Rules, 1960 ("**MC Rules**"), outline the procedures for obtaining a prospecting license or the mining lease, the terms and conditions of such licences and the model form in which they are to be issued. The Central Government has also framed the Mineral Conservation and Development Rules, 1988 ("**MCD Rules**"), that lay down guidelines for ensuring mining is carried out in a scientific and environmentally friendly manner. Furthermore, the Central Government announced the National Mineral Policy in 1993, which was modified in 2008, to sustain and develop mineral resources so as to ensure their adequate supply for the present needs and future requirements of India in a manner which will minimize the adverse effects of mineral development on forest, environment and ecology through appropriate protective measures. A mining lease must be executed with the relevant State Government. The mining lease agreement governs the terms on which the lessee can use the land for the purposes of mining operations. If the land on which a mine is located belongs to a private party, the lessee would have to acquire the surface rights from such private party. If the private party refuses to grant such surface rights, the lessee has to inform the relevant State Government of such refusal and deposit an amount in compensation for the acquisition of the surface rights with such State Government. If the State Government deems that the compensatory amount is fair and reasonable, then such State Government will order the private party to permit the lessee to enter the land and carry out such operations as may be necessary for the purpose of the mining lease. For determining the compensation to be paid to a private party, the State Governments are guided by the principles of the Land Acquisition Act, 1894. In case of government land, the surface right to operate in the lease area is granted by the State Government through the mining lease. If the mining operation in respect of any mining lease leads to a displacement of people, the mining project may commence only after obtaining the consent of such affected persons. The resettlement and rehabilitation of the persons displaced by the mining operations and payment of other benefits is required to be carried out in accordance with the guidelines prescribed by the State Governments, including payment for the acquired land, owned by those displaced persons. Applications for a mining lease must be made with the relevant State Government along with the proposed mining plan and must contain certain details in accordance with the MC Rules. In respect of iron ore, coal and other minerals listed in the first schedule of the MMDR Act, prior approval of the Central Government is required for the relevant State Government to enter into a mining lease. The approval of the Central Government is accorded on the basis of the recommendations of the relevant State Government; however, the Central Government has the discretion to disregard such recommendation. The approval of the Central Government is also based on the approval of the plan for the mine by the Indian Bureau of Mines. On receiving the clearance of the Central Government, the State Government grants the final mining lease. Further, in terms of Section 6 of the MMDR Act, in respect of any mineral or prescribed group of associated minerals in a state (province), one person cannot acquire one or more mining leases covering a total area of more than 10 square kilometers, unless the Central Government permits the same with reasons recorded in writing. The term for which a mining lease may be granted varies from a minimum period of 20 years to a maximum of 30 years. A mining lease may be renewed for a further period not exceeding 20 years, provided that for any renewal after the first renewal, the State Government must consult the Controller General of the Indian Bureau of Mines prior to granting approval. In the case of iron ore mine leases, only the approval of the applicable State Government is required. Renewals are subject to the lessee not being in breach of any applicable laws, including environmental laws. The lessee must apply to the relevant State Government for renewal of the mining lease at least one year prior to the expiry of the lease. In the event that the State Government does not pass any orders in relation to an application for renewal prior to the expiry of the lease it may be extended until the State Government passes an order on the application for renewal.

The MMDR Act also deals with the measures required to be taken by the lessee for the protection of the environment from any adverse effects of mining. The rules framed under the MMDR Act provide that every holder of a mining lease shall take all possible precautions for the protection of the environment and control of pollution while conducting mining operations in the area. The environmental protection measures touch upon a variety of matters, including prevention of water pollution, measures in respect of surface water, total suspended solids, ground water, chemicals and suspended particulate matter in respect of air pollution, noise levels, slope stability, impact on flora and fauna and local habitation. The MC Rules also provide the framework for the closure of mines by a lessee. The lessee is required to submit a final mine closure plan to the Regional Controller of Mines or an officer authorized by the State Government for the approval one year prior to the proposed closure of the mine. The Regional Controller of Mines or the authorized State Government officer conveys approval or refusal to such final mine closure plan. The mining closure plan must contain protective measures, including reclamation and rehabilitation work, and the lessee has the responsibility of carrying out such work. If the same is not carried out to the satisfaction of the Regional Controller of Mines or the authorized State Government officer, the lessee will be liable to forfeit the financial assurance that has to be furnished by the lessee, being computed in accordance with a formula provided in the MC Rules.

Royalties on minerals extracted and a dead rent component are payable to the relevant State Governments by the lessee in accordance with the MMDR Act by the lessee. The royalty is payable in respect of an operating mine that has started extracting minerals and is computed in accordance with a stipulated formula. The Central Government has broad powers to change the royalty scheme, but may not do so more than once every three years. In addition, the lessee will be liable to pay the occupier of the surface of the land, over which it holds the mining lease an annual compensation determined by the relevant State Government, which varies depending on whether the land is agricultural or non-agricultural. Other mining laws and regulations that may be applicable to our Company include the following:

i. Mining Lease (Modification of Terms) Rules, 1956;
ii. The Mines Act, 1952 ;
iii. The Mines Rules, 1955;
iv. Payment of Wages (Mines) Rules, 1956;
v. Metalliferous Mine Regulations, 1961; and
vi. The Mines Rescue Rules, 1985

Our Company has mines such as: limestone, dolomite, manganese, quartz, and sand, therefore the following regulations will be applicable:

i. The Iron Ore Mines, Manganese Ore Mines and Chrome Ore Mines Labour Welfare Fund Act, 1976;
ii. The Iron Ore Mines, Manganese Ore Mines and Chrome Ore Mines Labour Welfare Fund Rules, 1978;
iii. The Iron Ore Mines, Manganese Ore Mines and Chrome Ore Mines Labour Welfare Cess Act, 1976;
iv. The Iron Ore Mines, Manganese Ore Mines and Chrome Ore Mines Labour Welfare Cess Rules, 1978, and
v. The Limestone and Dolomite Mines Labour Welfare Act, 1972

National Mineral Policy, 2008

The Central Government approved the National Mineral Policy, 2008 ("**NMP**") on March 13, 2008, revisiting the previous National Mineral Policy, 1993, and has given its approval for setting up the Mining Administrative Appellate Tribunal as an independent dispute resolution authority. The NMP highlights the importance of ensuring that regional and detailed exploration is carried out systematically in the entire geologically conducive mineral-bearing area of the country, using state-of-the-art techniques in a time-efficient manner. The NMP calls for the maximization of extraction of mineral resources, located through exploration, using scientific methods of mining, beneficiation and economic utilization. The NMP also promotes zero waste mining and calls for an upgrade in existing mining technology. It proposes to freely allow the import of mining machinery and equipments and also strengthen indigenous industry for their manufacturing. The NMP proposes to facilitate financing and funding of mining activities and development of mining infrastructure based on the principle of user charges and public private partnerships. It aims to develop manpower through education and specialized training, making the regulatory environment conducive to investment and technology flow. The NMP aims to provide a framework of sustainable development designed to take care of bio-diversity issues, restoration of ecological balance, protection of environment and proper relief and rehabilitation of people displaced and affected by the mining process.

Mines and Minerals (Development and Regulation) Bill, 2011

The Draft 2011 MMDR Bill is proposed as a comprehensive law to consolidate and amend the law relating to the scientific development and regulation of mines and minerals under the control of the Union. While seeking to usher in greater liberalization and private sector involvement, the 2011 MMDR Bill, has simultaneously sought to widen the scope of the regulatory framework of the Central Government in the mining sector by shifting the focus from conventional areas of managing the mineral concession systems to new areas of regulating the mineral sector holistically through addressing issues of simplification, transparency and sectoral best practices in order to attract capital and technology in the sector from new sources. There is a need felt to incorporate provisions in the mining legislation enabling creation, activation and empowerment of institutional mechanisms for involvement of the local people, especially the tribal and under privileged communities, in the development of mineral resources through creation of Stakeholder rights. Considering that the existing law had already been amended several times, and further amendments may not clearly reflect the objects and reasons emanating from the new mineral policy and that a new legislation would be preferable in order to clarify the legislative intent, the Ministry of Mines framed the new MMDR, 2011, to replace the Mines and Minerals (Development and Regulation) Act, 1957.

Forest Act

Our Company is also required to obtain clearances under the Forest (Conservation) Act, 1980 (the "**Forest Act**"), if any forest land is involved, before commencing mining operations. To obtain an environmental clearance, a no-objection certificate from the concerned state pollution control board must first be obtained, which is granted after a notified public hearing, submission and approval under the Environment Impact Assessment Notification (No. 1533(E), 2006) (report, whereby, the earlier notification dated January 27, 1994 (including the amendments thereto) (the "**EIA Notification**") were superseded, and an environment management plan was incorporated. The EIA Notification spells out all the operating parameters, including, for example, the pollution load as well as any mitigating measures for the particular mine. Mining activity within a forest area is not permitted in contravention of the provisions of the Forest (Conservation) Act, 1980. The final clearance in respect of both forest and environment is given by the MoEF. However, all applications have to be made through the respective State Governments who then recommend the application to the Government of India. The penalties for non-compliance range from closure or prohibition of mining activity in respect of the mines as well as the power to stop supply of energy, water or other service and monetary penalties on and imprisonment of the persons in charge of the conduct of the business of the company in accordance with the terms of the Environment (Protection) Act, 1986, as amended, ("**Environment Act**") and the Forest Act.

National Steel Policy

The National Steel Policy, 2005 (hereinafter referred to as the "**Steel Policy**") lays down a broad policy framework for India's steel industry, and aspires India to have a modern and efficient steel industry of world standards, catering to diversified steel demand. The Steel Policy envisages a compounded annual growth of 7.3 per cent per annum in the steel sector. To achieve this, it aims to increase production through a multi-pronged strategy. The Policy focuses on achieving global competitiveness not only in terms of cost, quality and product-mix, but also in terms of global benchmarks of efficiency and productivity. The Central Government proposes to create incremental demand for domestic consumption through promotional efforts, awareness drives and strengthening the delivery chain, particularly in rural areas. On the supply side the strategy would be to facilitate creation of additional capacity, remove procedural and policy bottlenecks in the availability of inputs such as iron ore and coal, make higher investments in research and development and human resource development and encourage the creation of infrastructure such as roads, railways and ports.

The Ministry of Steel has also through its press release dated January 13, 2012, stated that in view of changed economic environment, both globally as well as domestically, the Ministry of Steel has initiated the process of drafting the 'New National Steel Policy' in place of existing Steel Policy. An apex committee, headed by Secretary, Ministry of Steel and consisting of representatives of the Planning Commission, the Ministries/ Departments of Central Government and the concerned State Governments has been constituted for monitoring the process of formulation of the New National Steel Policy.

Environment Regulations

Our Company is required to obtain clearances under the Environment Act, the Forest Act, if any forest land is involved, and other environmental laws, such as, Air (Prevention and Control of Pollution) Act, 1981, as amended, ("**Air Act**"), the Water (Prevention and Control of Pollution) Act, 1974, as amended, ("**Water Act**"), and Water (Prevention and Control of Pollution) Cess Act, 1977, as amended, ("**Water Cess Act**"). This is because the implementation of our projects might have an impact on the environment where they are situated in. before commencing the operations of the mines. Pollution Control Boards ("**PCBs"**) have been constituted in all the states in India to exercise the authority provided under these statutes for the purpose of preventing and controlling pollution. Companies are required to obtain approvals of the relevant state PCBs for emissions and discharge of effluents into the environment.

Environment Act

The Environment Act has been formulated by the Central Government for the protection and improvement of the environment in India and for matters connected therewith. The Environment Act is an umbrella legislation designated to provide a framework for the Central Government to co-ordinate activities of various state and central authorities established under previous environmental laws. The scope of the Environment Act is very broad with the term "environment" being defined to include water, air and land, human beings; and other living creatures, plant, micro-organisms and property. The Environment Act specifies that no person carrying on any industry, operation or process shall discharge or emit or permit to be discharged or emitted any environment pollutants in excess of such standards as may be prescribed. Penalties for violation of the Environment Act include fines up to ₹ 100,000 or imprisonment of up to five years, or both. Further, the Environment Act empowers the GoI to give directions to ensure remedial measures in the event there are damages to any of the constituents of "environment" defined under the Environment Act. The power to adjudge the amount of compensation is with the Central Government. The Supreme Court in *Indian Council for Enviro-Legal Action and Ors. v. Union of India and Ors* (2011 8 SCC 161) observed that it is the Central Government which is responsible for determining the amount of compensation required for carrying out the remedial measures, its recovery/ realization and undertaking remedial measures in light of the provisions of the Environment Act. The Central Government has been provided with broad rule making powers, such as: (a) the standards of quality of air, water or soil for various areas and purposes; (b) the prohibition and restriction on the location of industries and the carrying on process and operations in different areas; and (c) the procedures and safeguards for the prevention of accidents which may cause environmental pollution and for providing remedial measures for such accidents.

The EIA Notification issued under the Environment Act and the Environment (Protection) Rules, 1986, as amended, provides that the prior approval of the Ministry of Environment and Forests, Government of India, or the State Environment Impact Assessment Authority ("**SEIAA**"), 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 SEIAA may not require an Environment Impact Assessment Report (the "**EIA Report**"). For projects that require preparation of an EIA 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 Company must also comply at all times with the provisions of the following regulations:

Water (Prevention and Control of Pollution) Act, 1974

Our Company is required to comply with the provisions of the Water Act which aims at prevention and control of water pollution as well as restoration of water quality through the establishment of a central PCB and state PCBs. Under the provisions of the Water Act, any individual, industry or institution discharging industrial or domestic wastewater or establishing any treatment or disposal system or the using any new or altered outlet for the discharge of sewage is required to apply to obtain the consent of the state PCB(s), which is empowered to establish standards and conditions that are required to be complied with. The consent to operate is granted for a specific period after which the conditions stipulated at the time of granting consent are reviewed by the state PCB. Even before the expiry of the consent period, the state PCB(s) is authorized to carry out random checks on any industry to verify if the standards prescribed are being complied with by the industry. In the event of non-compliance, and after serving notice to the concerned industry, the state PCB may close the mine or withdraw water supply to the industry or cause magistrates to pass injunctions to restrain such polluters.

Water (Prevention and Control of Pollution) Cess Act, 1977

Mining is a specified industry under the Water Cess Act and the lessee is required to pay the cess as per the terms of the Water Cess Act. The state-level assessing authority levies and collects cess based on the amount of water consumed by such industries. The rate of cess is also based on the purpose for which the water is used. Based on the surcharge returns to be furnished by the industry every month, the amount of cess is assessed by the relevant authorities. A rebate of up to 25% on the cess payable is available to those companies which install any plant for the treatment of sewage or trade effluent, provided such companies consume water within the quantity prescribed for that category of industry in which such companies operates and also comply with the effluents standards prescribed under the Water Act or the Environment Act. The lessee can draw water from bore wells or from water harvested in open pits within the lease area. However, cess under the Water Cess Act is to be paid by a company to the State Government in which the mine is located.

Air (Prevention and Control of Pollution) Act, 1981

Our Company is also required to comply with the provisions of the Air Act. The terms of the Air Act provide that any individual, industry or institution responsible for emitting smoke or gases by way of the use of fuel or chemical reactions must apply for and obtain consent from the state PCB prior to commencing any mining activity. The state PCB is required to grant consent within four months of receipt of the application. Further, any person responsible for emitting smoke or gases by way of use as fuel or chemical reactions must apply in a prescribed form and obtain consent from the state PCB. The consent may contain conditions relating to specifications of pollution control equipment to be installed. For ensuring the continuation of the mining operations, a yearly consent certification from the state pollution control board is required both under the Air Act and the Water Act, as discussed above.

Apart from the above, other laws and regulations relating to environment that may be applicable to our Company include the following:

- Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008;
- The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989;
- The Explosives Act, 1884; and
- The Biological Diversity Act, 2002.

Employment and Labour Laws and Regulations

Factories Act, 1948

The Factories Act provides for healthy working environment for the workers/ labourers to work. It not only regulates the health, safety, welfare and other working conditions of workers in the factory but also the working hours of the workers and labourers. The Factories Act provides that the occupier of a factory i.e., the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers especially in respect of safety and proper maintenance of the factory such that it does not pose health risks, the safe use, handling, storage and transport of factory articles and substances, provision of adequate instruction, training and supervision to ensure workers' health and safety, cleanliness and safe working conditions.

Incident / Accident Investigation Mechanism under the Factories Act

Following any incident / accident in a factory, the occupier or the manager informs the Factories Department of such incident / accident in accordance with the provisions of the Factories Act read with the Andhra Pradesh Factories Rules, 1950.

The Inspector of Factories or Joint Chief Inspector of Factories conducts an inquiry into the incident / accident, whether or not such incident results in bodily injury or disability. Following his inquiry the Inspector of Factories or Joint Chief Inspector of Factories issues a show cause notice to the occupier and manager of the factory along with the inspection order, seeking explanation as to why action should not be taken for violation of the provisions of the Factories Act. On the basis of the report filed by the Inspector of Factories or the Joint Chief Inspector of Factories, the court can take cognizance of the offence and proceed to prosecute the occupier or the manager of the factory.

Depending upon the nature of the activity undertaken by our Company, applicable labour and employment laws and regulations include the following:

- The Contract Labour (Regulation & Abolition) Act;
- The Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- The Industrial Disputes Act, 1947;
- Industrial Disputes (Central) Rules, 1957;
- The Payment of Wages Act, 1936;
- The Workmen's Compensation Act, 1923;
- The Minimum Wages Act, 1948;
- The Payment of Bonus Act, 1965;
- The Payment of Gratuity Act, 1972;
- The Industrial Employment (Standing Orders) Act, 1946;
- Trade Union Act, 1926;
- The Indian Boilers Act, 1923 and the Indian Boiler Regulations, 1950;
- Public Liability Insurance Act, 1991;
- Shops and Establishments Acts; and
- Employees State Insurance Act, 1948.

Tax Related Legislations

Excise Regulations

The Central Excise Act, 1944 ("**CE Act**"), seeks to impose an excise duty on excisable goods which are produced or manufactured in India. The rate at which such a duty is imposed is contained in the Central Excise Tariff Act, 1985 ("**CE Tariff Act**"). However, the Central Government has the power to exempt certain specified goods from excise duty by notification. Steel products are classified under Chapter 72 of the CE Tariff Act and presently attract an *ad-valorem* excise duty at the rate of 12%, an education cess of 2% and a secondary and higher education cess of 1% over the duty element.

Customs Regulations

All imports into India are subject to duties under the Customs Act, 1962 ("**Customs Act**") at the rates specified under the Customs Tariff Act, 1975. However, the Central Government has the power to exempt certain specified goods from excise duty by notification.

Depending upon the nature of the activity undertaken by our Company, applicable tax laws and regulations include the following:

- Income Tax Act, 1961 ("**IT Act**");
- Central Sales Tax Act, 1956 ("**CST Act**"); and
- Andhra Pradesh Value Added Tax Act, 2005 and Andhra Pradesh Value Added Tax Rules, 2005.

Miscellaneous Laws

Competition Act, 2002

The Competition Act, 2002, as amended (the "**Competition Act**") prohibits anti-competitive agreements, abuse of dominant positions by enterprises and regulates "combinations" in India. Provisions relating to anti-competitive agreements and abuse of dominant position were brought into force with effect from May 20, 2009 along with the establishment of the Competition Commission of India (the "**CCI**") as the authority mandated to implement the provisions of the Competition Act. The provisions relating to combinations were notified on March 4, 2011 and came into effect on June 1, 2011. Combinations which are likely to cause '*an appreciable adverse effect'* on competition in a relevant market in India are void under the Competition Act. A combination is defined under the Competition Act as an acquisition, merger or amalgamation of enterprise(s) that meets certain asset or turnover thresholds. There are also different thresholds for those categorized as 'Individuals' and 'Group'. The CCI may enquire into all combinations, even if taking place outside India, or between parties outside India, if such combination is likely to have an appreciable adverse effect on competition in India. Pursuant to the issuance of the Competition Commission of India (Procedure in regard to the Transaction of Business Relating to Combinations) Regulations, 2011, with respect to notification requirements for such combinations, which also came into force on June 1, 2011, all combinations have to be notified to the CCI within 30 days of the execution of any agreement or other document for any acquisition of assets, shares, voting rights or control of an enterprise under sections 5 (a) and 5 (b) of the Competition Act (including any binding document conveying an agreement or decision to acquire control, shares, voting rights or assets of an enterprise); or the board of directors of a company (or an equivalent authority in case of other entities) approving a proposal for a merger or amalgamation under section 5 (c) of the Competition Act. The obligation to notify a combination to the CCI falls upon the acquirer in case of an acquisition, and on all parties to the combination jointly in case of a merger or amalgamation.

Regulations Regarding Foreign Investment in India

Under the Foreign Trade (Development and Regulation) Act, 1992, the Central Government is empowered to periodically formulate the Export Import Policy ("**EXIM Policy**") and amend it whenever it deems fit. All exports and imports must be in compliance with the EXIM Policy. The iron and steel industry has been extended various schemes for the promotion of exports of finished goods and imports of inputs. The major schemes available are the Duty Exemption and Remission Scheme and the Export Promotion of Capital Goods ("**EPCG Scheme**"). The Duty Exemption Scheme enables duty free imports of inputs required for the production of exports by obtaining an advance authorisation. The Duty Remission Scheme enables post export replenishment/remission of duty on inputs used in the export product. This scheme consists of a Duty Free Import Authorization Scheme ("**DFIA**") and the Duty Drawback Scheme ("**DDS**"). The DFIA enables duty free replenishment of inputs used in manufacture of exports and the DBK enables obtaining drawback credit against the exports. The EPCG Scheme permits the import of capital goods at a concession rate of duty, which as presently applicable to our Company is nil subject to additional export obligation, which is linked to the amount of duty saved at the time of import of such capital goods as per the provisions of the EXIM Policy.

Foreign investment in Indian securities is governed by the provisions of the Foreign Exchange Management Act, 1999, together with rules and regulations framed thereunder ("**FEMA**") read with the applicable Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("**FEMA Regulations**"). The Consolidated FDI Circular which consolidates the policy framework on FDI, with effect from April 17, 2014. The Consolidated FDI Circular consolidates and subsumes all the press notes, press releases, and clarifications on FDI issued by DIPP as on April 17, 2014.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief Corporate History of our Company

Our Company was originally incorporated as a private limited company with the name "Rashtriya Ispat Nigam Limited" on February 18, 1982, at Vishakapatnam under the Companies Act, 1956. Subsequently, pursuant to the approval of the MoS (letter no. 5(5)/2010-VSP) dated December 21, 2011, and a resolution passed by the shareholders at the EGM dated April 21, 2012, our Company was converted into a public limited company and a fresh certificate of incorporation was issued by the RoC on May 10, 2012. There has been no change in the name of our Company since its incorporation.

Our Company acquired all the assets and liabilities of Vishakapatnam steel project unit of SAIL as on March 31, 1982, with effect from April 1, 1982, at their book value, as per the audited balance sheet of the Visakhapatnam steel project unit of SAIL as on March 31, 1982.

Changes in the Registered Office of our Company

At the time of incorporation of our Company, the registered office of our Company was located at RTC Commercial Complex, Visakhapatnam – 530 020, Andhra Pradesh, India. Pursuant to a resolution passed by our Board on April 1, 1982, our registered office was changed to Project Office, Gajuwaka Post Office, Visakhapatnam – 530 026, Andhra Pradesh, India which was referred to as Project Office Complex, Visakhapatnam – 530 031 since March 19, 1984, due to the establishment of a post office within the premises of the project office, resulting in the change of the pin code. Thereafter, pursuant to the Board resolution dated February 8, 1992, a new administrative building was constructed for this purpose and the Registered and Corporate Office of our Company was shifted to Administrative Building, Visakhapatnam Steel Plant, Visakhapatnam – 530 031, Andhra Pradesh, India.

Major Events

Calendar **Year**	**Events**
1982	Formation of our Company a separate corporate entity for Visakhapatnam Steel Plant, which was known at that time as Visakhapatnam steel project unit of SAIL.
1992	Commissioning of the VSP.
1994	First capital restructuring by conversion of loans into capital.
1999	Second capital restructuring by conversion of loans into capital.
2003	First year of net profits in FY 2003.
2005	Approval for expansion to 6.3 mt
2010	Our Company was conferred the status of "Navratna" company.
2011	Acquisition of EIL as subsidiary and consequently OMDC and BSLC as indirect subsidiaries.
2012	New blast furnace-3 commissioned.
2012	Pursuant to MoS and shareholder's approval, our Company was converted into a public limited company.
2013	Under the 6.3 mtpa expansions approved in 2005, the steel melt shop – 2 ("**SMS-2**") and wire rod mills – 2 ("**WRM-2**") were commissioned.
2014	Category–1 capital repairs of blast furnace – 1 undertaken to enhance the production capacity.

Awards and Accreditations

Calendar Year	**Awards and Accreditations**
2014	Our Company received the "Performance Excellence Award for 2012-2013" by Indian Institution of Industrial Engineers.
	Our Company received the "Corporate Vigilance Excellence Award 2013-2014" by the Institute of Public Enterprises.
	Our Company received the "Ispat Suraksha Puraskar-2014" for the year 2013 by the Joint Committee on Safety Health and Environment in the Steel Industry for best performance in safety standards for rolling mills, steel melting shops and coke ovens and coal chemicals

Calendar Year	Awards and Accreditations
	department.
2013	Our Company received the "Significant Achievement Award" of CII–EXIM Bank for Business Excellence 2013.
	Our Company received the Indira Gandhi "Rajbhasha Shield" for effective implementation of official language in the organization.
	Our Company received the "Ispat Suraksha Puraskar" during the Calendar Year 2012-2013 by the Joint Committee on Safety Health and Environment in the Steel Industry for no fatal accidents in coal, coke and chemical zone and steel melting shops and continues casting shops zone and rolling mill zone.
2012	Our Company received the "Green Rating Project Award" for the year 2012 by the Centre for Science and Environment.
	Our Company received the "CII–ITC Sustainability Award – 2012 – Strong Commitment".
	Our Company received the "Ispat Suraksha Puraskar" during the Calendar Year 2011- 2012 by the Joint Committee on Safety Health and Environment in the Steel Industry for no fatal accidents in rolling mill zone.
2011	Our Company received the "National Sustainability Award: Iron & Steel" for overall performance excellence by the Indian Institute of Metallurgy Materials Engineering.
	Our Company received the "Commendation Certificate" and was ranked as first by the Department of Official Language, the Ministry of Home Affairs, GoI, in the field of implementation of the Official Language Policy of the Union during the year 2010-2011.
	Our Company was awarded the "Excellence in Energy Management 2011 Award" by the Confederation of Indian Industry, which certifies VSP as an "Excellent Energy Efficient Unit".
	Our Company received the "National Sustainability Award: Iron & Steel" for overall performance excellence by the Indian Institute of Metallurgy Materials Engineering.
	Our Company was recognised as one among "India's best companies to work for" for the year 2011 in manufacturing and production sector by Great Places to Work For Institute and the Economic Times.
2010	Our Company has received the "Commendation Certificate" and was ranked as first by the Department of Official Language and Ministry of Home Affairs, GoI for their excellent work and commendable achievements in the field of implementation of the Official Language Policy of the Union during the year 2009-2010.
	Our Company obtained "Excellent" MoU composite score rating for the year 2009-2010 issued by the Ministry of Heavy Industries and Public Enterprises. We have received similar rating for the years 2005-2006, 2004-2005, 2003-2004 and 2002-2003.
	Our Company received the "Global Human Resource Development Award" for setting high standards in human resource development.
	Our Company was awarded the "Prime Minister's Trophy" as runners up for the "Best Performing Integrated Steel Plant in the Country" for the year 2009-2010.
	Our Company was recognised as one among "India's Best Companies to Work for" for the year 2010 by Great Place to Work For Institute and the Economic Times.
2009	Our Company was certified for "Capability Maturity Model Integrated – Level 3" by Software Engineering Institute of Carnegie Mellon University, USA.
	Our Company was ranked as "Top 50 Best Companies to Work for in India" for the year 2009 by Great Place to Work For Institute and the Economic Times.
	Our Company was ranked as second "Public Sector Enterprise to Work for in India" for the year 2009 by Great Place to Work For Institute and the Economic Times.
	Our Company was ranked as fourth in "Large Organizations (more than 1,000 employees) to work for in India" for the year 2009 by Great Place to Work For Institute and Economic Times.
	Our Company was ranked as sixth in "Manufacturing and Production Companies to work for in India" for the year 2009 by Great Place to Work For Institute and the Economic Times.
	Our Company was awarded the "Ispat Suraksha Puraskar" for achieving no fatal accident during the Calendar Year 2008-2009 by Joint Committee on Safety, Health and Environment in the Steel Industry in rolling mills zone.
2008	Our Company received the CII National Award for "Excellence in Water Management" certifying that our Company is a "water efficient unit".

Calendar Year	Awards and Accreditations
	Our Company received two "Viswakarma Rashtriya Puraskar Award" for suggestions implemented for modification of plant processes involving 10 employees for the year 2008.
	Some of the employees of our Company were awarded the "Shram Veer Awards" from the Prime Minister for distinguished performance.
2007	Our Company received the CII National Award for "Excellence in Water Management" for the year 2006-2007.
	Our Company received the CII National Award for "Excellence in Energy Management" for the year 2006-2007.
2006	Our Company received the "National Energy Conservation Award" by the Ministry of Power for exemplary performance in energy conservation. Our Company had earlier received this award successively each year from 2000 to 2005.
	Our Company was awarded the "Prime Minister's Trophy" for the 'best integrated steel plant' for the year 2005-2006.
2004	Our Company received the CII National Award for "Excellence in Water Management" in 2004.
2003	Our Company was awarded the "Prime Minister's Trophy" for the best integrated steel plant for the year 2002-2003.

Main Objects of our Company

The main objects of our Company as contained in its MoA are:

Clause	Particulars
1.	To take over the Visakhapatnam Steel Project from the SAIL with all its assets, liabilities, rights and obligations.
2.	To carry on in India and elsewhere the trade or business or manufacturing, prospecting, raising, operating, buying, selling, importing, exporting, purchasing or otherwise dealing;
(i)	in iron and steel of all qualities, grades, types and kinds as iron mongers, iron masters, steel makers and steel converters;
(ii)	in Ferro Silicon, Ferro-Chrome and/or all products made of Iron and Steel, Coking coal, Manganese, Ferro manganese, Limestone, Refractories, Iron-ore and other alloys;
(iii)	as miners, smelters, iron founders in all respective branches;
(iv)	in stainless steel, silicon steel, special steel, mild steel and in allied products, fireclay, dolomite, limestone, refractories, iron ore, bauxite, cement, chemicals, fertilizers, manures, distilleries, dye making and industrial and non-industrial gas, lime burners, stone quarrying, concrete manufacturing in all respective branches, and other allied input or other materials, and, for that purpose to construct, install, operate, manage and maintain all plants, mines, establishments, works etc.
3.	To do consultancy services required to design, establish, provide, maintain and perform engineering and related technical and consultancy services for the development of ferrous and non-ferrous metallurgical enterprises, chemical and petro-chemical enterprises, fertilizer plants, cement plants, refractory plants, laboratories for control and/or research purposes, water works, gas works, sewage disposal plants, thermal and hydro-electric power stations, electrical generators, transmission and distribution and all other types of industrial projects, and for that purpose to prepare and get prepared feasibility reports, detailed project reports, market studies, techno-economic investigations, survey of all types, site selection, planning basic and process engineering, preparing specifications and documents, tender evaluation and purchase assistance, detailed design and working drawing, shop inspection, expediting construction, supervision, project management, commissioning, operation and maintenance, training of personnel, pre and post operation consultancy and any such other services.
4.	To construct, execute, carry out, improve, develop, manage or control iron and steel works and by-products and ancillary plants, fertilizer plants, coke ovens, foundries furnaces, bricks kilns, refractory works, factories, railways, tramways, ropeways, runways, roads, aerodromes, docks, harbours, piers wharves, dams, barrages, weirs, reservoirs, embankments, canals, irrigation, power houses, transmission lines, reclamation, improvement, sewage, drainage, sanitary, water, gas, electric, light, telephone and power supply works and hotels, houses, markets and buildings, private or public, and all other works, conveniences whatsoever, and generally to

Clause	Particulars
	carry on the business of builders, contractors, engineers, architects, estimators, and designers in all their respective branches and to undertake works on contract basis for civil engineering, mechanical engineering, electrical engineering, erection engineering, water supply, etc. and to tender for such works, and to undertake consultancy services in the above fields, general accounting, material management, industrial engineering and other management services, etc.
5.	To plan, promote, and organize an integrated and efficient development of the iron and steel and its associated input industries such as iron ore, coking coal, manganese, limestone, refractories, etc.
6.	To promote or concur in the promotion of any Company, the promotion of which shall be considered desirable.
7.	To carry on the business of trading in and dealing in any manner whatsoever in all commodities, goods and things, manufactured, produced or dealt with in any manner by any of the subsidiaries of the Company.
8.	To arrange, secure and make available to its subsidiary and other concerned organisations, such facilities, resources, inputs and services as may be required.

The main objects as contained in the Memorandum of Association of our Company enable us to carry our current business and also proposed business activities.

For further details of our business and operations, competitors, see the section titled "***Our Business***" on page 105 of this Draft Red Herring Prospectus.

Amendments to the Memorandum of Association of our Company

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

Date of Amendment	Details of Amendment
April 30, 1984	The authorized share capital of our Company was increased from ₹ 10,000 million divided into 10,000,000 equity shares of ₹ 1,000 each to ₹ 20,000 million divided into 20,000,000 equity shares of ₹ 1,000 each.
February 8, 1986	The authorized share capital of our Company was increased from ₹ 20,000 million divided into 20,000,000 equity shares of ₹ 1,000 each to ₹ 30,000 million divided into 30,000,000 equity shares of ₹ 1,000 each.
April 23, 1987	The authorized share capital of our Company was increased from ₹ 30,000 million divided into 30,000,000 equity shares of ₹ 1,000 each to ₹ 35,000 million divided into 35,000,000 equity shares of ₹ 1,000 each.
September 28, 1989	The authorized share capital of our Company was increased from ₹ 35,000 million divided into 35,000,000 equity shares of ₹ 1,000 each to ₹ 40,000 million divided into 40,000,000 equity shares of ₹ 1,000 each.
March 31, 1994	The authorized share capital of our Company was increased from ₹ 40,000 million divided into 40,000,000 equity shares of ₹ 1,000 each to ₹ 65,000 million divided into 48,900,000 equity shares of ₹ 1,000 each and 16,100,000 preference shares of ₹ 1,000 each.
September 30, 1998	The authorized share capital of our Company was increased from ₹ 65,000 million divided into 48,900,000 equity shares of ₹ 1,000 each and 16,100,000 preference shares of ₹ 1,000 each to ₹ 80,000 million divided into 48,900,000 equity shares of ₹ 1,000 each and 31,100,000 preference shares of ₹ 1,000 each.
October 25, 2005	Clause III(B) of the Memorandum of Association of our Company was amended to read as follows: *"**To Invest Money** - To accumulate funds and to invest or otherwise employ moneys belonging to or with the Company as per the extant DPE Guidelines or in the purchase or acquisition of any shares, securities, or other investment whatsoever whether movable or immovable upon such terms as may be thought proper and from time to time vary all or any such investment in such manner as the Company may think fit."*

Date of Amendment	Details of Amendment
April 21, 2012	The face value of the equity shares and preference shares of our Company was split from ₹ 1,000 each to ₹ 10 each and consequently, the authorized share capital of our Company of ₹ 80,000 million was split into 4,890,000,000 equity shares of ₹ 10 each and 3,110,000,000 preference shares of ₹ 10 each.

Other details regarding our Company

Details regarding the description of our activities, the growth of our Company, exports, technological and managerial competence, the standing of our Company with reference to the prominent competitors with reference to its products, management, major suppliers and customers, segment, capacity/facility creation, location of manufacturing facilities, marketing and competition.

For details, see sections titled "***Our Business***" and "***Our Management***" on pages 105 and 155 of this Draft Red Herring Prospectus, respectively.

Capital raising activities through equity and debt

Except as mentioned in the section titled "***Capital Structure***" on page 73 of this Draft Red Herring Prospectus, our Company has not raised capital through equity. For a description of our Company's debt facilities, see "***Financial Indebtedness***" on page 324 of this Draft Red Herring Prospectus.

Time and Cost Overrun

Our Company and our Subsidiaries may have experienced time and cost overrun in relation to some of the projects executed by them. On June 13, 2012, during the process of hot commissioning of one of the converters in the SMS-2 of the VSP, an explosion occurred at the pressure reducing station, an auxiliary unit supplying oxygen to this facility. The Steel Melt Shop was among the facilities being commissioned as part of our capacity expansion plans. The explosion resulted in 19 fatalities. In addition, there have been 11 other fatalities since 2012. These have been due to a variety of causes, including accidental fires, falls and electrocution.

During the year 2013 and 2014 there have been five fatal accidents in the work division including electrocution and few other incidents and there have been 3 fatal accidents in project division. One of the major accidents happened on June 16, 2014, when two workers of SMS–2 department died due to gas poisoning. For details of related risks, see "***Risk Factors–Internal Risk Factors–Industrial accidents at our facilities have exposed us to possible financial liabilities and possible legal proceedings and resulted in adverse publicity for our Company***" *and* "***Risk Factors–Internal Risk Factors–Risk Factors Relating to Our Company's Business and Operations–Our expansion plans may not result in expected benefits***" at pages 20 and 31 of this Draft Red Herring Prospectus, respectively.

Defaults or Rescheduling of Borrowings with Financial Institutions/Banks

There have been no defaults or rescheduling of the borrowings availed by us from financial institutions/banks.

Conversion of loans into equity

Our Company had availed certain loans and financial benefits from the MoS, GoI. Thereafter, based on the MoS's recommendation to the Cabinet Committee on Economic Affairs, the aforementioned loans were restructured as follows:

Date of allotment	Reasons for allotment
March 26, 1984	2,169,258 equity shares of ₹ 1,000 each were issued to the President of India in consideration of transfer of assets and liabilities of the Visakhapatnam steel project unit of SAIL to our Company as requested by the MoS through its letter no. 12(29)/83-SAIL dated June 29, 1983.
June 6, 1985	11,354 equity shares of ₹ 1,000 each were issued to the President of India against the expenditure incurred by the GoI towards acquisition of land and other preliminary expenses for setting up the steel plant for our Company as requested by the MoS through its letter no. 10(4)/85-VSP dated March 27, 1985.

Date of allotment	Reasons for allotment
March 31, 1994	11,840,000 equity shares of ₹ 1,000 each were issued to the President of India on account of the conversion of a loan amount of ₹ 11,840 million into 11,840,000 Equity Shares through letter (no. 10(13)/89-VSP(Vol.III) dated March 29, 1994, issued by the MoS conveying the approval of the Cabinet Committee on Economic Affairs for the financial restructuring of the loan.
March 31, 1994	16,040,000 7% non-cumulative redeemable preference shares of ₹ 1,000 each were issued to the President of India on account of the conversion of a loan amount of ₹ 3,235 million, ₹ 955 million and ₹ 11,850 million pursuant to three letters, all bearing no. 10(13)/89-VSP (Vol. III) dated March 29, 1994 issued by the MoS conveying the approval of the Cabinet Committee on Economic Affairs for the financial restructuring of the loan.
May 31, 1999	13,334,700 7% non-cumulative redeemable preference shares of ₹ 1,000 each were issued to the President of India on account of the conversion of a loan amount of ₹ 13,334.70 million pursuant to two letters, both bearing no. 10(13)/89-VSP(Vol. IV) dated March 26, 1999, issued by the MoS conveying the approval of the Cabinet Committee on Economic Affairs for the financial restructuring of the loan.

Strikes or Labour Unrest

Our non-executive employees are represented by several labour unions under collective wage settlement agreements which have different terms at different locations and are subject to periodic re-negotiation. The majority of our non-executive employees are members of several unions including certain registered trade unions such as the All India Trade Union Congress, the Centre of India Trade Unions, Hindustan Mazdoor Sabha and the Indian National Trade Union Congress. The collective wage settlement agreement, which only applies to all regular workers on the rolls of our Company as on December 31, 2011 and continued to be on the rolls of our Company on January 1, 2012 onwards and is effective from January 2, 2012 until December 31, 2016.

Our Company and our Subsidiaries have lost time on account of strikes or labour unrest, including industrial strikes and *bandhs*, in the past. Further, threats of strikes, work stoppages or other labour actions often have occurred in the past with government companies that were proposing public offerings or other significant transactions in order to disrupt these transactions, and we are facing similar threats in the context of the proposed Offer. Several unions gave notice on June 9, 2012, of a strike to protest against the disinvestment. The unions conducted a one day strike on July 24, 2012. Our operations were temporarily affected during the strike. On September 22, 2012, we received notice of an additional strike on October 12 and 13, 2012, to protest against the proposed disinvestment. We also have been threatened with an indefinite strike if we continue with the disinvestment process. Thereafter, on February 20, 2013, and February 21, 2013, a two day strike was conducted in response to the national call given by the "The National Convention of Workers" and the demands included generation and protection of employment, strict enforcement of all labour laws, demanding to contain price rise, universal social security cover for the unorganized workers and stoppage of disinvestment in central and state PSUs, etc. For details of related risk, see the sections titled "***Risk Factors-Internal Risk Factors-Risk Factors Relating to Our Company's Business and Operations-We are subject to trade union activity, and labour problems and disputes could adversely affect our results of operations and financial condition***" and "***Risk Factors-Internal Risk Factors-Risk Factors Relating to Our Company's Business and Operations- The Industrial accidents at our facilities have exposed us to possible financial liabilities and possible legal proceedings and resulted in adverse publicity for our Company***" on pages 34 and 20 of this Draft Red Herring Prospectus.

Changes in the activities of our Company during the last five years

Except as otherwise stated in the sections "***Our Business***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***", on pages 105, and 302 of this Draft Red Herring Prospectus, respectively, there have been no changes in the activities of our Company during the last five years preceding the date of this Draft Red Herring Prospectus, which may have had a material effect on our profits, including discontinuance of any line of business, loss of any agencies or markets and similar factors.

Injunction or Restraining Order

Our Company is not operating under any injunction or restraining order.

Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets

Our Company acquired 51% shareholding in EIL on January 5, 2011. EIL is the holding company of OMDC and BSLC. Our Company acquired 736,638 shares of EIL from the GoI at a price of ₹ 4,901.05 per share. This acquisition was done pursuant to the approval of the MoS (no. 8(16)/2009-RM II) dated December 23, 2010.

Holding Company

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

Shareholders

As on the date of this Draft Red Herring Prospectus, we have seven shareholders in our Company of which six hold Equity Shares as nominees of the President of India. For further details, see section titled "***Capital Structure***" on page 73 of this Draft Red Herring Prospectus.

Subsidiaries of our Company

Our Company has two direct Subsidiaries and two indirect Subsidiaries. EIL and URRKL* are our direct Subsidiaries. OMDC and BSLC are our indirect Subsidiaries, which are held through our Subsidiary, EIL.

**URRKL – The name has been struck off under section 560 (3) of the Companies Act, 1956 in MCA records and gazette notification is awaited.*

Details of our Direct Subsidiaries

1. Eastern Investments, Limited ("EIL")

EIL was incorporated as a public limited company on January 3, 1927, under the Indian Companies Act (VII of 1913) by a certificate of incorporation issued by the registrar of companies, Kolkata, West Bengal. EIL has its registered office at Sourav Abasan, 2nd floor, Sector-II, Salt Lake City, Kolkata – 700 091, West Bengal, India. EIL is an investment holding company and currently has investments in OMDC and BSLC. EIL was registered as a non-banking financial institution pursuant to a certificate of registration issued by the RBI on May 16, 1998.

Capital Structure

Authorised	**Aggregate Nominal Value**
13,500,000 equity shares of ₹ 10 each	₹ 135 million
Issued, subscribed and paid up	
14, 44,387 equity shares of ₹ 10 each	₹ 14.44 million

Shareholding Pattern

Our Company holds 736,638 shares, representing 51% of the equity share capital in EIL.

The shareholding pattern of EIL, as on August 30, 2014, is given below:

Category Code	**Category of Shareholders**	**Number of Shareholders**	**Total Number of shares**	**Number of Shares Held in dematerialized form**	**Total Shareholding as a percentage of total number of shares**		**Shares Pledged or otherwise encumbered**	
					As a percentage of A+B	**As a percentage A+B+C**	**Number of shares**	**As a percentage**
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VIII)/(IV)*100
(A)	**Shareholding of Promoter and Promoter Group**							
1	**Indian**							
(a)	Individuals/Hindu	0	0	0	0.00	0.00	0	0.00

Category Code	Category of Shareholders	Number of Shareholders	Total Number of shares	Number of Shares Held in dematerialized form	Total Shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
	Undivided Family							
(b)	Central Government/State Government	1	228,114	228,114	15.79	15.79	0	0.00
(c)	Bodies Corporate	2	762,072	762,072	52.76	52.76	0	0.00
(d)	Financial Institutions/Banks	0	0	0	0.00	0.00	0	0.00
(e)	Any Other (specify)	0	0	0	0.00	0.00	0	0.00
	Sub-Total (A) (1)	**3**	**990,186**	**990,186**	**68.55**	**68.55**	**0**	**0.00**
2	**Foreign**							
(a)	Individuals(Non-Resident Individuals)	0	0	0	0.00	0.00	0	0.00
(b)	Bodies Corporate *i.e.* OCBs	0	0	0	0.00	0.00	0	0.00
(c)	Institutions	0	0	0	0.00	0.00	0	0.00
(d)	Any Other (specify)	0	0	0	0.00	0.00	0	0.00
	Sub-Total (A) (2)	**0**	**0**	**0**	**0.00**	**0.00**	**0**	**0.00**
	Total Shareholding of Promoter and Promoter Group (A)(1)+(A)(2)	**3**	**990,186**	**990,186**	**68.55**	**68.55**	**0**	**0.00**
(B)	**Public Shareholding**							
1	**Institutions**							
(a)	Mutual Funds/UTI	0	0	0	0.00	0.00	0	0.00
(b)	Financial Institutions/Banks	13	8,905	4	0.62	0.62	0	0.00
(c)	Central Government/ State Government(s)	2	1,765	0	0.12	0.12	0	0.00
(d)	Venture Capital Fund	0	0	0	0.00	0.00	0	0.00
(e)	Insurance Companies	3	98,757	98, 757	6.84	6.84		
(f)	Foreign Institutional Investors	0	0	0	0.00	0.00	0	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00	0	0.00
(h)	Any Other (specify)	0	0	0	0.00	0.00	0	0.00
(h-i)	Custodian of Enemy Property	1	1,861	0	0.13	0.13	0	0.00
	Sub-Total (B) (1)	**19**	**111,288**	**98,761**	**7.71**	**7.71**	**0**	**0.00**
B2	**Non-Institutions**							
(a)	Bodies Corporate	73	77,761	63,443	5.38	5.38	NA	NA
(b)	Individuals	0	0	0	0.00	0.00	0	0.00
I	Individual Shareholders holding nominal Share Capital value upto ₹ 100,000	1,343	211,305	102127	14.63	14.63	0	0.00
II	Individual Shareholders holding nominal Share Capital value in excess of ₹ 100,000	3	47,542	31147	3.29	3.29	0	0.00
(c)	Qualified Foreign Investor							
(d)	Any Other (specify)	0	0	0	0.00	0.00	0	0.00
(d-i)	NRI's	23	6,305	0	0.44	0.44		

Category Code	Category of Shareholders	Number of Shareholders	Total Number of shares	Number of Shares Held in dematerialized form	Total Shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
(d-ii)	Clearing Member							
	Sub-Total (B) (2)	**1,442**	**342,913**	**196,717**	**23.74**	**23.74**	**0**	**0.00**
(B)	**Total Public Shareholding (B)= (B)(1)+(B)(2)**	**1,461**	**454,201**	**295,478**	**31.45**	**31.45**	**0**	**0.00**
	Total (A)+(B)	**1,464**	**1,444,387**	**1,285,664**	**100**	**100**	**0**	**0.00**
(C)	**Share held by Custodian and against which Depository Receipts have been issued**							
1.	Promoter and Promoter Group							
2.	Public							
	Sub-Total (C)	**0**	**0**	**0**	**0**	**0**	**0**	**0.00**
	Grand Total (A)+(B)+(C)	**1,464**	**1,444,387**	**1,285,664**	**100**	**100**	**0**	**0.00**

EIL has not appointed 'Independent Directors' as required to be appointed pursuant to Clause 49 of the Listing Agreement entered into with the stock exchanges where it is listed. Pursuant to a notice dated March 12, 2014 uploaded on the website of the CSE, trading in respect of EIL has been suspended with effect from March 21, 2014 on account of alleged non-compliance with the listing agreement. EIL vide letter dated September 17, 2014 bearing reference number EIL/CS/CSE/09-2014/01 has informed the CSE that it has submitted the corporate governance compliance report and other compliances of the listing agreement in time and further requested CSE for the particulars of the alleged non-compliance so it can take the necessary action accordingly. Further, it has not become a "sick industrial company" under the SICA and is not under winding up in accordance within the provisions of the Companies Act, 1956. Further, no application has been made in respect of EIL to the registrar of companies, Kolkata for striking off its name.

2. Uttarbanga RINL Rail Karkhana Limited ("URRKL")

URRKL was incorporated as a private company on January 12, 2011, under the Companies Act, 1956 by a certificate of incorporation issued by the RoC. URRKL has its registered office at Administrative Building, Visakhapatnam Steel Plant, Visakhapatnam – 530 031, Andhra Pradesh, India. URRKL has not undertaken any business operations since its incorporation.

Capital Structure

Authorised	**Aggregate Nominal Value**
100,000 equity shares of ₹ 10 each	1,000,000
Issued, subscribed and paid up	
Nil*	Nil*

* *Our Company, Mr. P.K. Bishnoi and Mr. P. Madhusudan are subscribers to the MoA of URRKL, however no shares have been allotted to them.*

Shareholding Pattern

URRKL does not have any issued share capital.

URRKL is an unlisted company and has not made any public issue or a rights issue. It has not become a "sick industrial company" under the SICA. URRKL pursuant to board resolution dated December 27, 2011 has filed an application to the RoC for striking off the name of URRKL under the fast track exit mode as it has not done any business since its incorporation.

Details of our Indirect Subsidiaries

1. The Orissa Mineral Development Company Limited ("OMDC")

OMDC was incorporated as a public limited company on August 16, 1918 under the Indian Companies Act (VII of 1913) by a certificate of incorporation issued by the registrar of companies. OMDC has its registered office at Sourav Abasan, 2nd floor, Sector – II, Salt Lake City, Kolkata – 700 091, West Bengal, India. OMDC is engaged in the business of mining iron and manganese ore and has a sponge iron plant and four crushing and screening plants.

Capital Structure

Authorised	**Aggregate Nominal Value**
600,000 equity shares of ₹ 10 each*	₹ 6 million
Issued, subscribed and paid up	
600,000 equity shares of ₹ 10 each*	₹ 6 million

* *The board of directors of OMDC by resolution dated August 11, 2012 approved the proposal to split the face value of the equity shares into ₹ 1 each. The record date for the proposed split was approved in the board meeting dated September 13, 2012, as October 30, 2012.*

Shareholding Pattern

The shareholding pattern of OMDC, as on August 30, 2014, is given below:

Category Code	**Category of Shareholders**	**Number of Shareholders**	**Total Number of shares**	**Number of Shares Held in dematerialized form**	**Total Shareholding as a percentage of total number of shares**		**Shares Pledged or otherwise encumbered**	
					As a percentage of A+B	**As a percentage A+B+C**	**Number of shares**	**As a percentage**
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VIII)/(IV) *100
(A)	**Shareholding of Promoter and Promoter Group**							
1	**Indian**							
(a)	Individuals/Hindu Undivided Family	0	0	0	0.00	0.00	0	0.00
(b)	Central Government/State Government	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	1	3,000,890	3,000,890	50.01	50.01	0	0.00
(d)	Financial Institutions/Banks	0	0	0	0.00	0.00	0	0.00
(e)	Any Other (specify)	0	0	0	0.00	0.00	0	0.00
	Sub-Total (A) (1)	**1**	**3,000,890**	**3,000,890**	**50.01**	**50.01**	**0**	**0.00**
2	**Foreign**							
(a)	Individuals(Non-Resident Individuals)	0	0	0	0.00	0.00	0	0.00
(b)	Bodies Corporate *i.e.* OCBs	0	0	0	0.00	0.00	0	0.00
(c)	Institutions	0	0	0	0.00	0.00	0	0.00
(d)	Any Other (specify)	0	0	0	0.00	0.00	0	0.00
	Sub-Total (A) (2)	**0**	**0**	**0**	**0.00**	**0.00**	**0**	**0.00**
	Total Shareholding of Promoter and Promoter Group (A)(1)+(A)(2)	**1**	**3,000,890**	**3,000,890**	**50.01**	**50.01**	**0**	**0.00**
(B)	**Public Shareholding**							

Category Code	Category of Shareholders	Number of Shareholders	Total Number of shares	Number of Shares Held in dematerialized form	Total Shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
1	**Institutions**							
(a)	Mutual Funds/UTI	1	52	52	0.00	0.00	0	0.00
(b)	Financial Institutions/Banks	6	20,010	10	0.33	0.33	0	0
(c)	Central Government/State Government(s)	0	0	0	0.00	0.00	0	0.00
(d)	Venture Capital Fund	0	0	0	0.00	0.00	0	0.00
(e)	Insurance Companies	1	925,000	925,000	15.42	15.42	0	0.00
(f)	Foreign Institutional Investors	16	147,073	147,073	2.45	2.45	0	0
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00	0	0.00
(h)	Any Other (specify)	0	0	0	0.00	0.00	0	0.00
	Sub-Total (B) (1)	**24**	**1,092,135**	**1,072,135**	**18.20**	**18.20**	**0**	**0.00**
B 2	**Non-Institutions**							
(a)	Bodies Corporate	550	416,385	374,885	6.94	6.94	0	0.00
(b)	Individuals	0	0	0	0.00	0.00	0	0.00
I	Individual Shareholders holding nominal Share Capital value upto ₹ 100,000	14,191	1,440,831	1,183,461	24.01	24.01	0	0.00
II	Individual Shareholders holding nominal Share Capital value in excess of ₹ 100,000	0	0	0	0.00	0.00	0	0.00
(c)	Qualified Foreign Investor							
(d-i)	Any Other (specify)	0	0	0	0.00	0.00	0	0.00
(d-ii)	NRI's	174	35,727	20,227	0.61	0.61	0	0.00
(d-iii)	Clearing Member	173	13,032	13,032	0.22	0.22		
(d-iv)	Trust	1	1,000	1,000	0.01	0.01	0	0.00
	Sub-Total (B) (2)	**15,089**	**1,906,975**	**1,592,605**	**31.79**	**31.79**	**0**	**0.00**
(B)	**Total Public Shareholding (B)= (B)(1)+(B)(2)**	**15,113**	**2,999,110**	**2,664,740**	**49.99**	**49.99**	**0**	**0.00**
	Total (A)+(B)	**15,114**	**6,000,000**	**5,665,630**	**100.00**	**100.00**	**0**	**0.00**
(C)	**Share held by Custodian and against which Depository Receipts have been issued**	0	0	0	0.00	0.00	0	0.00
3.	Promoter and Promoter Group	-	-	-	-	-	-	-
4.	Public	-	-	-	-	-	-	-
	Sub-Total (C)	**0**	**0**	**0**	**0**	**0**	**0**	**0.00**
	Grand Total (A)+(B)+(C)	**15,114**	**6,000,000**	**5,665,630**	**100.00**	**100.00**	**0**	**0.00**

OMDC is listed on the Calcutta Stock Exchange Limited, BSE and NSE. It has not become a "sick industrial company" under the SICA and is not under any order for winding up in accordance within the provisions of the Companies Act, 1956. Further, no application has been made in respect of OMDC to the registrar of companies, Kolkata for striking off its name.

In 2013-2014, OMDC was not in compliance with Clause 49 (I) of the Listing Agreement as it did not have the requisite members on its Board as mandated by Clause 49 (I) of the Listing Agreement. Consequently, no Audit Committee was constituted as per Clause 49(II) of the Listing Agreement. Pursuant to a notice dated March 12, 2014 uploaded on the website of the CSE, trading in respect of OMDC has been suspended with effect from March 21, 2014 on account of alleged non-compliance with the listing agreement. OMDC vide letter dated September 18, 2014 bearing reference number CSE/OMDC/CS/09-2014/04 has informed the CSE that it has submitted the corporate governance compliance report and other compliances of the listing agreement in time and further requested CSE for the particulars of the alleged non-compliance so it can take the necessary action accordingly.

2. The Bisra Stone Lime Company Limited ("BSLC")

BSLC was incorporated as a public company on October 1, 1910, under the Indian Companies Act (VI of 1882) by a certificate of incorporation issued by the registrar of companies, Kolkata, West Bengal. BSLC has its registered office at Sourav Abasan, 2nd floor, Sector – II, Salt Lake City, Kolkata – 700 091, West Bengal, India. BSLC is engaged in the business of mining and marketing of limestone and dolomite.

Capital Structure

Authorised	**Aggregate Nominal Value**
87,500,000 equity shares of ₹ 10 each	₹ 875 million
Issued, subscribed and paid up	
87,286,252 equity shares of ₹ 10 each	₹ 872.86 million

Shareholding Pattern

The shareholding pattern of BSLC, as on August 30, 2014, is given below:

Category Code	**Category of Shareholders**	**Number of Shareholders**	**Total Number of shares**	**Number of Shares Held in dematerialized form**	**Total Shareholding as a percentage of total number of shares**		**Shares Pledged or otherwise encumbered**	
					As a percentage of A+B	**As a percentage A+B+C**	**Number of shares**	**As a percentage**
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VIII)/(IV)*100
(A)	**Shareholding of Promoter and Promoter Group**							
1	**Indian**							
(a)	Individuals/Hindu Undivided Family	0	0	0	0	0	0	
(b)	Central Government/State Government	1	43,336,648	43,336,648	49.65	49.65	0	
(c)	Bodies Corporate	3	43,882,492	43,834,782	50.27	50.27	0	
(d)	Financial Institutions/Banks	0	0	0	0.00	0.00	0	
(e)	Any Other (specify)	0	0	0	0.00	0.00	0	
	Sub-Total (A) (1)	**4**	**87,219,140**	**87,171,430**	**99.92**	**99.92**	**0**	**0.00**
2	**Foreign**							
(a)	Individuals(Non-Resident Individuals)	0	0	0	0.00	0.00	0	
(b)	Bodies Corporate *i.e.* OCBs	0	0	0	0.00	0.00	0	

Category Code	Category of Shareholders	Number of Shareholders	Total Number of shares	Number of Shares Held in dematerialized form	Total Shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
(c)	Institutions	0	0	0	0.00	0.00	0	
(d)	Any Other (specify)	0	0	0	0.00	0.00	0	
	Sub-Total (A) (2)	**0**	**0**	**0**	**0.00**	**0.00**	**0**	**0.00**
	Total Shareholding of Promoter and Promoter Group (A)(1)+(A)(2)	**4**	**87,219,140**	**87,171,430**	**99.92**	**99.92**	**0**	**0.00**
(B)	**Public Shareholding**							
1	**Institutions**							
(a)	Mutual Funds/UTI	0	0	0	0.00	0.00	0	
(b)	Financial Institutions/Banks	4	3,907	500	0.00	0.00	0	
(c)	Central Government/State Government(s)	0	0	0	0.00	0.00	0	
(d)	Venture Capital Fund	0	0	0	0.00	0.00	0	
(e)	Insurance Companies	2	29,902	6,075	0.03	0.03	0	
(f)	Foreign Institutional Investors	0	0	0	0.00	0.00	0	
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00	0	
(h)	Any Other (specify)	0	0	0	0.00	0.00	0	
(h-i)	Custodian of Enemy Property	1	250	0	0.00	0.00	0	
	Sub-Total (B) (1)	**7**	**34,059**	**6,575**	**0.04**	**0.04**	**0**	**0.00**
B 2	**Non-Institutions**							
(a)	Bodies Corporate	14	7,493	5,000	0.01	0.01	0	
(b)	Individuals	0	0	0	0.00	0.00	0	
I	Individual Shareholders holding nominal Share Capital value upto ₹ 100,000	118	24,445	1277	0.03	0.03		
II	Individual Shareholders holding nominal Share Capital value in excess of ₹ 100,000	0	0	0	0.00	0.00	0	
(c)	Qualified Foreign Investor							
(d)	Any Other (specify)	0	0	0	0.00	0.00	0	
(d-i)	NRI’s/OCB	4	1,115	0	0.00	0.00		
(d-ii)	Trust	0	0	0	0.00	0.00	0	
(d-iii)	Clearing Member	0	0	0	0.00	0.00	0	
	Sub-Total (B) (2)	**136**	**33,053**	**6,277**	**0.04**	**0.04**	**0**	**0.00**
	Total Public Shareholding (B)= (B)(1)+(B)(2)	**143**	**67,112**	**12,852**	**0.08**	**0.08**	**0**	**0.00**
	Total (A)+(B)	**147**	**87,286,252**	**87,184,282**	**100.00**	**100.00**	**0**	**0.00**

Category Code	Category of Shareholders	Number of Shareholders	Total Number of shares	Number of Shares Held in dematerialized form	Total Shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
(C)	**Share held by Custodian and against which Depository Receipts have been issued**							
5.	Promoter and Promoter Group							
6.	Public							
	Sub-Total (C)	**0**	**0**	**0**	**0**	**0**	**0**	**0.00**
	Grand Total (A)+(B)+(C)	**147**	**87,286,252**	**87,184,282**	**100**	**100**	**0**	**0.00**

As per applicable law, BSLC is required to comply with minimum public shareholding requirement and is required to increase its public shareholding to at least ten percent by June 2013, otherwise BSLC could be delisted from the Calcutta Stock Exchange. BSLC had filed an application dated June 10, 2013 and follow-up applications dated July 4, 2013 and July 18, 2013 respectively with SEBI requesting an extension of time to comply with minimum public shareholding requirement.

Vide memo no. 1323 (4)/Mines dated August 13, 2014, Deputy Director (Mines), Rourkela Circle, Government of Odisha directed all mining operations in BSLC to be stopped. For details of BSLC's operations, see "***Risk Factors-If we are unable to integrate acquired businesses such as Eastern Investments, Limited ("EIL") successfully, our business results of operations and financial conditions may be adversely affected***" at page 22 of this Draft Red Herring Prospectus.

BSLC is listed on the Calcutta Stock Exchange. It has not become a "sick industrial company" under the SICA and is not under winding up in accordance within the provisions of the Companies Act, 1956. BSLC has not appointed 'Independent Directors' as required to be appointed pursuant to Clause 49 of the Listing Agreement entered into with the stock exchanges where it is listed. Further, no application has been made in respect of BSLC to the registrar of companies, Kolkata for striking off its name. BSLC vide letter dated September 17, 2014 bearing reference number BSLC/CS/CSE/09-2014/01 has informed the CSE that it has submitted the corporate governance compliance report and other compliances of the listing agreement in time and further requested CSE for the particulars of the alleged non-compliance so it can take the necessary action accordingly.

Accumulated profits or losses not accounted for

There are no profits or losses of our Subsidiaries not accounted for by our Company.

Our Subsidiaries and joint venture companies have not contributed more than five percent of revenue/profits/assets of our Company on a consolidated basis in the preceding Financial Year.

Joint Venture Agreements of our Company

As on date our Company has two joint ventures: (i) International Coal Ventures Private Limited ("**ICVL**") and (ii) RINMOIL Ferro Alloys Private Limited ("**RMFA**") and has entered into the following joint venture agreements and MoUs:

1. Joint Venture Agreements

a. ICVL

Joint Venture Agreement dated January 14, 2009 with SAIL, Coal India Limited ("CIL"), NMDC Limited ("NMDC") and National Thermal Power Corporation Limited ("NTPC")

Pursuant to an MoU dated August 3, 2007, and a subsequent joint venture agreement dated January 14, 2009, between our Company, SAIL, CIL, NMDC and NTPC, a joint venture company ("**JVC**") by the name of ICVL

was incorporated on May 20, 2009, with its registered office situated at 20th Floor, SCOPE Minar, Laxmi Nagar District Centre, Laxmi Nagar, New Delhi – 110 092. ICVL is engaged in the business of overseas acquisition and/or operation of coal mines or blocks or assets or properties.
The GoI, Ministry of Steel through its letter no. 1(2)99-VSP dated December 11, 2007, has accorded its approval for the formation of a special purpose vehicle ("**SPV**") for securing metallurgical coal and thermal coal assets from overseas by our Company, SAIL, CIL, NMDC and NTPC with the following objectives:

(a) to ensure supply of imported met coal, of at least 10% of the 2019-2020 requirements of SAIL and our Company, i.e., 5 million tonnes per annum, from assets overseas as medium term target to be achieved by 2011-2012, being a step towards security of supply;
(b) to be an owner of about 500 mt of metallurgical coal reserves (share of SPV) by 2019-2020; and
(c) to meet the requirements and to serve the organizational aspirations of other participating companies like CIL, NTPC and NMDC by providing a facility for enhancing and leveraging their domain knowledge and human capital for international mining business development and also for procuring high quality thermal coal for companies like NTPC.

Capital Structure

Authorised	**Aggregate Nominal Value**
1,110,000,000 equity shares of ₹ 10 each	₹ 11,100 million
Issued, subscribed and paid up	
9,800,000 equity shares of ₹ 10 each	₹ 98 million

Shareholding Pattern

SL No.	Name of Shareholder	No. of equity shares	Percentage (%) of equity capital
1.	SAIL	2,800,000	28.57
2.	CIL	2,800,000	28.57
3.	RINL	1,400,000	14.28
4.	NMDC	1,400,000	14.28
5.	NTPC	1,400,000	14.28
	Total	**9,800,000**	**100**

The key terms of this joint venture agreement are set forth below:

Board of Directors

The board of directors of the ICVL consists of seven directors comprising two each from SAIL and CIL and one each from our Company, NMDC and NTPC.

Further, the entitlement of the parties to nominate directors on the board of ICVL will be regulated in the following manner:

Shareholding (%) in the ICVL	No. of Directors a Party is Entitled to Nominate
Less than 10	Nil
From 10 to less than 20	1
From 20 to less than 30	2
From 30 to less than 40	3
And so on	

The board of directors of ICVL will have a minimum of three and a maximum of 12 directors, including any director nominated by a financial institution pursuant to the terms of any financing arrangement. If the shareholding of the parties is diluted, the parties will be entitled to appoint directors on a *pro-rata* basis. If dilution of shareholding of the parties jointly falls below 50% due to infusion of capital by any third party(ies), each party will be entitled to nominate at least one director. Further, dilution of shareholding of the parties will result in amendments to the terms and conditions of the agreement for protecting the right of all parties to nominate at least one director on the board.

Each party holding 10% or more shareholding in ICVL will be entitled to nominate the chairman by rotation. The term of the chairman nominated by a party holding 25% or more, will be two years, and for any party holding share capital between 10%-25%, such period will be one year. The first chairman will be appointed by SAIL and subsequently by CIL, our Company, NMDC and NTPC, in such order.

Affirmative vote

The board of directors of ICVL will not take any decision on the following matters unless at least one director nominated by all parties holding 10% of the fully paid up share capital of ICVL is present and voting in favour thereof:

(a) any reconstruction, re-organization, merger, amalgamation or consolidation of ICVL with any other party;
(b) any amendments to the memorandum and/or articles of association of ICVL;
(c) a material deviation or change in the objects or activities of ICVL and substantial expansion of such activities;
(d) approval or refusal to transfer shares or debentures, except for transfers to an affiliate and/or subsidiary;
(e) selling, leasing, charging or dealing with the whole or a substantial part of ICVL's undertaking, property or assets otherwise than in the ordinary course of business;
(f) any issue of share capital, or debentures, whether or not convertible or altering the capital structure of ICVL;
(g) entering into or amending any agreement or transaction with any of the parties;
(h) abandonment, waiver or settlement of any legal action, suits claims and other legal proceedings except for minor debt collection matters not exceeding ₹ 100 million;
(i) availing long term loans for an amount exceeding ₹ 1,000 million and altering any material term of such loan;
(j) filling vacancies on the board of directors other than those of directors nominated or appointed by either party;
(k) capital investment in any scheme, purchasing, leasing or otherwise acquiring machinery, equipment or other assets beyond ₹ 1,000 million;
(l) forming or dissolving a subsidiary of ICVL or subscribing to the shares or debentures or investing the funds of ICVL in any other company;
(m) creating any mortgage, charge or other encumbrance in respect of the properties and assets except with respect to loans from banks against current assets;
(n) granting loans to third parties or guaranteeing the obligations of third parties except giving advances to third parties in the ordinary course of business; and
(o) appointing or removal of ICVL's auditors or any other external agency appointed for conducting audits.

Restriction on transfer of shares

No party is permitted to transfer its shares in ICVL to a third party for a period of five years commencing from the date of incorporation of ICVL. However, at all times, the parties are free to transfer the shares held by it in ICVL to any of its affiliates with prior notice to the other parties. On expiry of the aforesaid five years period (or such other period spanning more than five years, as provided in a non-disposal undertaking given by a party to a bank or financial institution), if any of the party sells or otherwise disposes of the shares held by it in ICVL then such a party (offeror) will offer the first right of purchase/refusal to the other parties (offeree) in the same proportion at which the offerees are holding shares in ICVL. If any of the offeree fails to accept the offer within 90 days, it would be deemed that the said offeree is not interested in purchasing the shares. In case of such failure of the offeree to accept the offer to purchase shares, the offeror and the offeree will jointly appoint an independent auditor/valuer to determine the fair market price, within 60 days from the date to accept the offer. Where such independent auditor/valuer is appointed, a fresh offer will be made by the offeror to the offeree to purchase the shares at a price determined by the independent auditor/valuer. In the event the offeror and/or offeree fail to complete the sale of shares, the whole process mentioned above would have to be repeated.

Management deadlock

In the event three consecutive meetings of the board are unable to be held due to want of quorum and/or any resolution on the matters requiring affirmative votes not passed in two consecutive board meetings due to any director of any party not casting an affirmative vote upon the remaining members insisting on passing of such resolution, the chief executive officer or chairman of each of the five parties will constitute a committee to resolve the deadlock. If no solution is reached within 30 days, such dissenting party will be given 60 days to either consent, or to sell its shares in ICVL.

Termination

The agreement may be terminated either by mutual consent or in the event a resolution for winding up of ICVL has been passed. NTPC has applied to exit the joint venture.

b. RMFA

Joint Venture Agreement dated May 7, 2009 with MOIL Limited ("MOIL")

Pursuant to a joint venture agreement dated May 7, 2009, our Company and MOIL have established RMFA as a joint venture company. RMFA was incorporated on July 29, 2009 with its registered office situated at Ground Floor, Old Health Center, Sector-2, Ukkunagaram, Visakhapatnam – 530 032, Andhra Pradesh, India. RMFA is engaged in the business of manufacturing of ferro alloy. The joint venture agreement was entered into to synergise resources (including technical expertise, skilled manpower and available infrastructures) of our Company and MOIL, with a view to meet the uninterrupted requirement of ferro alloys, which is required for quality steel production by our Company. RMFA has been incorporated to set up ferro alloys plant at APIIC Growth Centre, Bobbilli, Vizianagaram, Andhra Pradesh, India. Our Company will provide coke, coal, dolomite and quartz as per RMFA's requirements and will make efforts to provide support services. MOIL will provide approximately 100 acres of land at Bobbili to RMFA on long term lease for 33 years for a consideration equivalent to the cost of acquisition and lease rent of 1% thereon, and it will provide the required quantity of manganese ore to RMFA at the agreed price.

Capital Structure

Authorised	**Aggregate Nominal Value**
200,000 equity shares of ₹ 10 each	₹ 2 million
Issued, subscribed and paid up	
200,000 equity shares of ₹ 10 each	₹ 2 million

Shareholding Pattern

S. No.	**Name of Shareholder**	**No. of equity shares**	**Percentage (%) of equity capital**
1.	RINL	100,000	50
2.	MOIL	100,000	50
	Total	**200,000**	**100**

The key terms of this joint venture agreement are set forth below:

Restriction on Share transfer

Neither MOIL nor our Company can sell, transfer, give away, assign, pledge, mortgage, create charge, donate or otherwise encumber its shareholdings/voting rights in RMFA for an initial period of five years from the date of acquisition of shares. MOIL and our Company agree that after the initial lock-in period of five years there will be a restriction on the transfer of shares to the extent that neither of them will be entitled to transfer its shareholding, wholly or in part, to any other person or party unless the said shares have first been offered to the other party at fair value determined by an independent and reputed valuation agency as mutually agreed between our Company and MOIL.

Board of Directors

The board of directors of RMFA will initially have two nominee directors of our Company and MOIL each. The number of the directors will later on be increased to a maximum of six directors wherein three directors will be from our Company and three from MOIL. Our Company and MOIL will be entitled to nominate directors to the board of RMFA in proportion to their respective shareholding in RMFA. However, in the event, the shareholding falls below 10%, neither party will have the right to nominate a director. The chairman will be appointed by our Company and MOIL alternatively every two years by rotation. The first such chairman will be appointed by our Company.

Reserved Matters

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

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

Termination

The agreement may be terminated with the mutual consent of each party. If at any time the shareholding of any party falls below 10% of the paid up equity share capital of the RMFA, the other party may terminate the agreement by written notice. If either MOIL or our Company commits or knowingly permits a material breach of any of the covenants or conditions contained in the agreement, the other party may serve a notice in writing requiring the defaulting party to remedy the breach within 90 days or to promptly pay a reasonable compensation in case the breach cannot be remedied and if the defaulting party fails to do so then the agreement would automatically stand terminated.

2. Memorandums of Understanding

MoU dated January 10, 2011 with the Ministry of Railways, GoI

Our Company has entered into a MoU dated January 10, 2011 with the Ministry of Railways for setting up a facility at Jalpaiguri, West Bengal for manufacturing of railway axles and other various railway products to be used by railway partly or fully and also any other products at mutually agreed terms and conditions. Our Company and Ministry of Railways have come to an understanding that this facility would be set up by our Company under its own aegis as a separate unit. This facility will be built on the land belonging to the Ministry of Railways, which will be leased to our Company for 30 years and renewable thereafter. The Ministry of

Railways has assured procurement of pro rata monthly deliveries of 20,000 rail axles per annum on an off-take basis from the start of the commercial operation of the facility till the expiry of the land lease. The Ministry of Railways reserves the right to procure further additional quantity of up to 5,000 rail axles per annum. Our Company will have the first right of supply of the additional quantity of axles required by the Ministry of Railways. The price of the axles will be determined by mutual consultations between the parties on the basis of the costing procedure adopted by the Ministry of Railways for procurement of axles from the Durgapur steel plant. The MoU is valid for a period of 12 months or the date of execution of the last agreement for the implementation of the MoU whichever is later unless either party notifies the other party of the termination thereof at least 30 days before such expiration.

Consortium Agreement dated August 30, 2011 with SAIL, NMDC, JSW Steel Limited, Jindal Steel Power Limited and Monnet Ispat and Energy Limited

Our Company has entered into a Consortium Agreement dated August 30, 2011 with SAIL, NMDC, JSW Steel Limited, Jindal Steel Power Limited ("**JSPL**") and Monnet Ispat and Energy Limited ("**MIEL**") (together the "**Consortium Parties**") to align, collaborate and co-operate with each other for the submission of a joint bid for the Hajigak iron ore deposit in Afghanistan with SAIL as its lead partner. The Consortium Parties have participated in the expression of interest invited by the Islamic Republic of Afghanistan and have been selected as the preferred bidder for three blocks of the iron ore project and the reserve bidder for one block.

The key terms of this consortium agreement are set forth below:

Bidding

If the bid submitted by the Consortium Parties materializes into an award then SAIL, NMDC, JSW, JSPL, JISL, MIEL and our Company will have equity participation of 20%, 18%, 16%, 16%, 8%, 4% and 18%, respectively in the project. In case any Consortium Party withdraws from the consortium agreement, then it will offer its share of equity in proportion to SAIL, NMDC and our Company in that order.

This is expressly understood by all the Consortium Parties that as long as they are a part of the consortium, their right/ownership to the minerals/reserves in the blocks awarded to them will be in proportion to the proposed equity mentioned above.

Duration

The Consortium Parties have timely extended the consortium agreement. Initially, the validity of consortium agreement was extended vide addendum dated August 29, 2012 for a period of one year August 29, 2012 or upon execution of the joint venture agreement by the Consortium Parties, whichever was earlier, and thus the validity of the consortium agreement was extended till August 28, 2013. The Consortium Parties by a second addendum dated December 10, 2013 have agreed to extend the validity of the consortium agreement for a further period of two years with effect from August 28, 2013 or upon execution of the joint venture agreement by the Consortium Parties, whichever was earlier. All the other terms and conditions of the consortium agreement remain unchanged.

MoU dated December 14, 2011 with Power Grid Corporation of India Limited ("PGCIL")

Our Company entered into an MoU dated December 14, 2011 with PGCIL for the establishment of a JVC for the manufacture of transmission line towers and tower parts. The partners equity stakes in the JVC will be decided on mutually negotiated terms. A feasibility report has been prepared by MECON Limited and a financial appraisal of the report has been conducted by Industrial Finance Corporation of India. The board of PGCIL is currently considering the feasibility report, financial appraisal and the terms of the draft shareholders agreement. Once approved by PGCIL, the terms of the draft shareholders agreement will be considered by the Board. The MoU is valid for a period of three years from December 14, 2011 and may be extended or amended in writing through mutual consent between the parties.

MoU dated January 13, 2012 with the Government of Andhra Pradesh

Our Company has entered into a MoU dated January 13, 2012 with the Government of Andhra Pradesh for the establishment of the following projects in Andhra Pradesh:

(a) Seamless tube mill;
(b) Coke oven battery–V, by-product plant and associated facilities;
(c) Addition of a converter and continuous caster and modernization and up gradation of existing units to add additional MT capacity;
(d) Setting up of captive jetty, cement plant, transmission tower manufacturing unit, wire drawing unit, steel processing unit, steel service centers, pelletization plant, slurry pipe line, expansion of Jaggayaapeta limestone mine;
(e) Expansion to 11.5 mtpa (indicative, subject to iron ore linkages); and
(f) Investment on 6.3 mtpa expansion (balance).

The Government of Andhra Pradesh has agreed to facilitate in obtaining necessary permissions/ registration/approvals/clearances from the concerned departments, as per the existing policies/rules and regulations of the State Government of Andhra Pradesh. The Government of Andhra Pradesh will also facilitate allotment of iron ore mines including other raw material mines, supply of water, power, etc., to our Company on priority. The total estimated investment in the above projects is ₹ 424,000 million.

MOU dated May 24, 2012 with NMDC

Our Company has entered into a MoU dated May 24, 2012 with NMDC for setting up a JVC for pipeline transport of materials from Jagdalpur to Visakhapatnam and setting up filtration and pellet plant at Visakhapatnam. For this purpose both NMDC and our Company have conducted studies and will conduct further feasibility studies for the proposed project. The shareholding in the JVC will be decided after the feasibility study and the expense of the feasibility study will be borne by the parties in proportion of their shareholding in the JVC. Our Company will facilitate the necessary infrastructure and utilities at Visakhapatnam for setting up the filtration plant and pellet plant. NMDC shall facilitate the necessary infrastructure and utilities for setting the slurry project at Jagdalpur. NMDC will enter into a long term supply agreement for supply of input material to JVC. The JVC will have arms length relationship with our Company and NMDC. The JVC shall offer finished products to our Company and NMDC in proportion to their shareholding and they can use these products either for captive consumption or for free trade. The cost of setting up of the slurry pipeline shall be borne proportionately by both NMDC and our Company. The MoU will remain valid for a period of two years. Further extensions can be made based on the mutual written consent of both parties and this MoU has been extended till May 23, 2016.

MoU dated January 19, 2013 with MECON Limited ("MECON")

Our Company has entered into a MoU dated January 19, 2013 with MECON to co-operate with each other for the selection and acquisition of suitable technology, process know-how for the production, implementation of cold rolled grain oriented silicon steel including high permeability grade and cold rolled non-oriented silicon steel including high permeability grade silicon steel plant at Visakhapatnam based on in-house research and development efforts for the selection and acquisition of suitable technology process knowhow for the production. Our Company and MECON have come to an understanding that MECON will assist in firming up the overall roadmap for project implementation, interacting and selecting the technology providers, visiting the production facilities, collection of data and evaluation of the expression of interest documents. The MoU is valid for two years and may be further extended by the mutual consent of the parties.

MoU dated April 1, 2013 with Central Coalfields Limited ("CCL")

Our Company has entered into a MoU dated April 1, 2013 with CCL for the supply of washed coking coal from CCL's washeries to our Company. As per the terms of the MoU, CCL is required to supply certain varieties of washed coking coal for the period April 1, 2013 till March 31, 2014 at prices mutually agreed between the parties. The term of the MoU was for a period of one year. A revised MoU for period 2014-2015 is yet to be signed between the parties. However, our Company is currently receiving washed coking coal supplies from CCL on the basis of standalone orders placed by our Company on CCL.

MoU dated June 22, 2013 with Andhra Pradesh Mineral Development Corporation Limited ("APMDC") and KIOCL Limited ("KIOCL")

Our Company has entered into a MoU dated June 22, 2013 with APMDC and KIOCL. Our Company alongwith APMDC and KIOCL have come to an understanding that the Government of Andhra Pradesh will issue prospecting licences for iron ore in the district of Anantapur in the State of Andhra Pradesh. A JVC will be formed on a 51:49 basis with 51% share held by APMDC and 49% held by KIOCL and the JCV will obtain the required permissions for grant of mining lease. Thereafter, on allotment of the mining lease, APMDC will transfer the mining leases in favor of the JVC in terms of MMDR Act and JVC will pay a minimum fixed consideration to APMDC, as decided by the Government of Andhra Pradesh. The JVC will enter into a long term concession agreement with KIOCL for supply of iron ore for value addition till the ore gets exhausted. APMDC will assist KIOCL in obtaining water, power and other facilities establishing a beneficiation/ pelletisation plant and iron and steel industry. It has also been agreed that 50% pellets produced in such plants by KIOCL will be given to our Company on a cost plus basis. The remaining 50% of the pellets produced may be sold in the open market or given to our Company at a mutually agreed price. A tripartite supply agreement to this effect will be entered among APMDC, KIOCL and our Company separately. The MoU is valid till the formation of JVC.

Material Agreements

In this section, unless the context requires otherwise, defined terms used in the descriptions below have the meanings given to such terms under the respective agreements. Our Company has entered into various agreements for the cargo handling services and procurement of raw material for the manufacture of steel. Details of the material agreements with respect to its cargo handling services, iron ore, coal and limestone procurement are as below.

Off Take Agreement dated October 3, 2013 between Ministry of Railways and our Company for supply of forged wheel plant.

Pursuant to the MoU entered between the President of India represented by Executive Director, mechanical engineering (Project), Ministry of Railways (Railway Boards), Government of India ("**Railways**") and our Company on December 21, 2012, our Company has entered into an off take agreement dated October 3, 2013 with Railways pursuant to which Company agreed to set up the forged wheel plant at Lalganj, District Rae Bareli, Uttar Pradesh for manufacture and supply of forged rail wheels for rolling stocks to the Railways and to other customers including exports after meeting requirement of Railways fully. Our Company will at its own cost and expense procure finance for and undertake the design, engineering, procurement, construction and operation of the project. Our Company shall not sub-lease, license, sub-license, assign or create an encumbrance on the site without prior approval of the Railways. The Railways agreed to provide support and undertakes to provide land comprising the site free from encumbrances on lease, along with the right to use and develop existing rail and road connectivity to the site, for construction of the factory. The off-take agreement is valid for a period of 30 years. Our Company has also entered into land lease agreement dated October 3, 2013 for setting up of the forge wheel plant, for a period of 30 years from the date of signing of the land lease agreement. The Railways, on the request from our Company will also provide reasonable support and assistance in procuring applicable permits including environmental clearance for construction and operation of the factory required from any governmental instrumentalities for implementation and operation of the agreement.

Member-Client Agreement dated March 31, 2014 between PTC India Limited ("PTC") and our Company for supply of electricity through Indian Energy Exchange Limited ("IEEL")

Our Company has entered into a Member-Client Agreement dated March 31, 2014 with PTC, a company registered as a member with IEEL, desirous of executing contracts transacted on the platform of IEEI as defined in the rules, by-laws and business rules of the IEEI through PTC. This agreement may be terminated at any time by mutual consent of the parties or by giving notice of at least one month by one party to the other party of its intention to terminate.

Member-Client agreement dated March 31, 2014 between PTC and our Company for purchase of power through IEEL

Our Company entered into a Member-Client Agreement dated March 31, 2014 with PTC whereby our Company has agreed to avail and utilize PTC's professional services for purchase of power through IEEL. As per the terms of the agreement, our Company has agreed to place order(s) for purchase of power through PTC and in return it agrees to place bid(s) for the purchase of the power on behalf of our company. This agreement is valid for a period of one year from March 31, 2014. Further, either party can terminate the agreement by giving 90 days' notice.

Cargo Handling Service Agreement dated August 4, 2014 with Gangavaram Port Limited ("GPL")

Our Company has entered into a cargo handling service agreement dated August 4, 2014 with GPL wherein GPL had agreed to provide cargo handling services in respect of handling cargo of limestone, metallurgical coke and coal at the Gangavaram port for a period of 15 years from August 4, 2014 and is extendable thereafter by five years each time solely at the discretion of our Company on the same terms and conditions. Our Company has agreed to provide 75% of all cargo imports in a year from the commencement date and 60% of all cargo imports in a year after the first phase of plant expansion by our Company. Our Company will notify the commissioning date of the first phase of plant expansion to GPL and GPL will provide additional cargo handling facilities for the cargo requirement of our Company's subsequent phases of expansion based on mutually agreed time lines without any extra cost to our Company. Our Company will pay the Terminal Handling Charges ("**THC**") and the Cargo Shortfall Charges ("**CSC**") and will provide GPL the likely annual volumes for each type of the cargo prior to the beginning of the each year. Our Company will also intimate the tentatively monthly cargo volumes and vessel arrival plan 10 days prior to beginning of each month.

GPL, for the provision of the cargo handling services, will provide marine facilities, services related to safe berthing/de-berthing of vessels, safe berths and material handling system and storage for discharging and delivering coking coal and pulverized coal from vessels up to a maximum draught of 18.5 meters, fully mechanized conveying system for on-ward delivery of the cargo at the plant, proper upkeep of nominated storage area and material handling systems. Our Company will have the option of handling balance cargo at any other port through any other service providers. In the event, our Company receives an offer from these service providers for handling the balance cargo on the terms, conditions and facilities equivalent to that of this agreement such that the landed cost to our Company becomes economical to our company by at least 5% when compared to that from GPL, then upon completion of the minimum period of one year of successful handling of the balance cargo in the relevant Financial Year by the third party, GPL will either reduce the prevailing THC such that landed cost through GPL becomes equivalent to that from the other service providers or express its inability to reduce the prevailing THC. In the latter case, our Company will have the right to terminate the agreement.

Iron Ore

Agreement dated November 25, 2011 between NMDC and our Company for supply of iron ore

Purpose

Our Company has entered into an agreement dated November 25, 2011, with NMDC for the supply of iron ore of two kinds, i.e., Baila ROM and Baila Fines from NMDC's Bailadila complex in Chattisgarh for use in our Company's steel plant at Visakhapatnam for a period of five years from April 1, 2010 to March 31, 2015.

Quantity and Price

The quantity of iron ore to be delivered by NMDC is to be mutually agreed amongst the parties at the time of annual review of the agreement and is subject to availability of the iron ore and the validity of the mining leases for whose renewal NMDC must take all appropriate steps. The agreement provides for the determination of price and the precise chemical and physical composition of iron ore to be supplied. The quantity of the iron ore to be supplied is agreed upon for each quarter and if our Company fails to take delivery of the same then our Company will have no right to demand that quantity in the subsequent quarters. However, NMDC may at his discretion supply that quantity in the subsequent quarters within the Financial Year subject to availability.

Our Company is required to obtain railway clearance and coordinate with the railways for transportation of the iron ore from Bacheli/Kirandul. In case there is any delay in payment, interest at the rate of 12% per annum or one percent above the bank borrowing rate applicable to NMDC, whichever is higher, will be to the account of our Company. NMDC has to arrange at its own expense weighment at loading station through electronic weightometer.

Transfer of title and Right to Use

Presently, NMDC is dispatching the material and submits the invoices to our Company and our Company is committed to release the payment within 3 days of receipt of invoices. The risk with respect to the iron ore will pass to our Company when the iron ore is loaded into the rake at Kirandul/Bacheli. Our Company is required to use the iron ore as actual user and does not have the right to resell or loan or gift or export or use in full or in part for any purpose other than for its use in its integrated steel plant at Visakhapatnam except with specific approval and consent of NMDC in writing.

Termination

Our Company will cease to be a long term customer of NMDC if : (i) the yearly lifting of iron ore is less than 90% of the minimum range specified in the agreement, provided allocated quantity for the particular year is more than the minimum range specified in the agreement; (ii) our Company violates the condition on re-sale and restriction on use of products; and (iii) the agreement is terminated before its natural expiry or foreclosed at the option of NMDC owing to a breach or default by our Company.

Coal

Our Company imports coking coal from Australia, New Zealand and the United States. For this purpose our Company has entered into the following agreements:

Agreement dated June 28, 2008 between Mahanadi Coalfields Limited and our Company for supply of boiler coal.

Our Company has also entered into a fuel supply agreement dated June 25, 2008, with Mahanadi Coalfields Limited for supply of 1,680,000 tonnes of boiler coal per year for a period of five years and has been further extended for a period of five years effective from July 1, 2013 unless terminated earlier.

Letter of intent dated July 2, 2009 issued by our Company in favour of BM Alliance and BHP Billiton for supply of hard coking coal from Australia

Our Company has issued a letter of intent dated July 2, 2009, in favor BM Alliance and BHP Billiton for supply of hard coking coal for a period of five years from April 2009. The base quantity agreed to be supplied is 1,660,000 mt during the first delivery period and each subsequent delivery period for the next five years. The price for the quantity of the materials supplied as stated in the schedule of the agreement is to be mutually discussed and settled by the parties. The price for delivery will be fixed and it will not be subject to any escalation for any reason until completion of delivery in the delivery period. BM Alliance has given an undertaking that the prices settled by them for our Company will not be higher than the prices settled by them with the other buyers and if the price settled for our Company is higher then our Company will have the right to renegotiate the price to obtain the lower price. Our Company will at his own expense, arrange for suitable marine insurance cover for the materials delivered by BM Alliance and BHP Billiton. Subject to the terms and conditions of this letter, if BM Alliance and BHP Billiton neglects or fails to perform the Agreement for any reason other than force majeure, our Company having come to know of such negligence or non-performance, after giving a notice of 60 days, take such action as it considers fit and reasonable including taking risk purchase action for supply of similar materials, mitigating any losses, at the risk and cost of the BM Alliance and BHP Billiton. The existing letter of intent has been extended till September 30, 2014 and the terms and conditions for a new long term agreement are under process.

Agreement dated December 24, 2010 between Solid Energy New Zealand Limited ("Solid Energy") and our Company for supply of low ash semi soft coking coal from New Zealand

Our Company has entered into an agreement dated December 24, 2010 with Solid Energy for purchase and sale of 150,000 mt of freshly mined 'New Zealand low ash semi soft coking' for the period from April 2010 to March 2013 with an option to extend the agreement by 2 (two) more years. The consideration for the supply of coking coal is to be mutually discussed and settled by the parties prior to the commencement of each delivery period. In the event of Solid Energy's failure to deliver the required materials within the time specified in the agreement for delivery, Solid Energy will be required to pay, as liquidated damages, a sum equivalent to one percent of the price of any materials which Solid Energy had failed to deliver, for each month of delay. Solid Energy will not sublet, transfer, assign or otherwise part with the agreement either directly or indirectly without the prior written permission of our Company. Solid Energy will be entirely responsible for the execution of the agreement by the subcontractor if any permitted by our Company. If Solid Energy neglects or fails to perform its obligations under the agreement, our Company, after giving a notice, will have the right to terminate this agreement at the risk and cost of Solid Energy. All risks in respect of the coal delivered under this contract will pass to our Company when the coal passes the ship's rail during loading. If Solid Energy ceases to be the owner of the mines from where the freshly mined coking coal is being supplied, our Company will have the right to terminate this agreement without giving any notice. It will be the responsibility of Solid Energy to obtain the requisite export license and comply with other relevant laws of New Zealand for export of coking coal and will keep our Company indemnified for any losses which may accrue to our Company because of any defect therein. The existing letter of intent has been extended till September 30, 2014 and the terms and conditions for a new long term agreement are under process.

Letter of intent dated February 26, 2011, issued by our Company in favour of M/s BM Alliance Coal Marketing Pty Limited ("BM Alliance") and BHP Billiton for supply of soft coking coal from Australia

Our Company has issued a letter of intent dated February 26, 2011, in favor BM Alliance and BHP Billiton for supply of black water soft coking coal for a period of four years from April 2010. The quantity agreed to be supplied during the first delivery period is 350,000 mt and the base quantity of 400,000 mt during the second delivery period and each subsequent delivery period for the next four years. The consideration for the supply of black water soft coking coal is to be determined by BM Alliance on the basis of the quarterly price settlement achieved with international buyers. BM Alliance has given an undertaking that the prices settled by them for our Company will not be higher than the prices settled by them with the other buyers, and if the price settled for our Company is higher, then our Company will have the right to renegotiate the price to obtain the lower price. Our Company will at his own expense arrange for suitable marine insurance cover for the materials delivered by BM Alliance and BHP Billiton. In the event of failure to deliver or despatch black water soft coking coal or in the event of any breach our Company is entitled to, *inter alia*, after giving a notice of 60 days, take such action as it considers fit and reasonable including taking risk purchase action for supply of similar materials, mitigating any losses, at the risk and cost of the BM Alliance and BHP Billiton. The existing letter of intent has been extended till September 30, 2014 and the terms and conditions for a new long term agreement are under process.

Agreement dated October 31, 2011 between M/s. Alpha Coal Sales Co., LLC, USA ("Alpha Coal") and our Company for supply of Soft Coking Coal.

Our Company has entered into an agreement with Alpha Coal on October 31, 2011, for purchase of freshly mined prime quality washed/unwashed cambria creek medium volatile hard coking coal for the period from April, 2011 up to April, 2014. The quantity of the materials to be supplied during the delivery period beginning from April 2012 will be approximately 225,000 mtpa. The price for the quantity of the materials is to be mutually discussed and settled by the parties. In case the umpire analysis of the sample is at adverse variance in any two consignments, then our Company will have the right to terminate the agreement at the risk and cost of Alpha Coal. The parties have mutually agreed that if the objectives of the agreement are not being fulfilled then the agreement can be foreclosed. In the event of Alpha Coal's failure to deliver the required materials within the time specified in this agreement, Alpha Coal must pay as liquidated damages, a sum equivalent to 1 % of the price of materials which Alpha Coal has failed to deliver for each month of delay. The existing letter of intent has been extended till September 30, 2014 and the terms and conditions for a new long term agreement are under process.

Agreement dated December 9, 2013 between Anglo American Metallurgical Coal Pty Limited ("Anglo American") and our Company for supply of coking coal from Australia.

Our Company has entered into an agreement with Anglo American on December 9, 2013, for purchase of hard coking coal for the period from November 1, 2013 to March 31, 2016 with the purchaser's option to extend the duration by two more years. The quantity agreed to be supplied is 900,000 mtpa. The price for the quantity of the materials supplied as stated in the schedule of the agreement is to be mutually discussed and settled by the parties. The price for delivery will be fixed and as per the terms of the agreement it will not be subject to any escalation for any reason until completion of delivery in the delivery period. The parties must not sublet, transfer, assign or otherwise part with the agreement or any part thereof, either directly or indirectly without the prior written permission of the other party. If either of the parties commits a material breach of any provisions of the agreement, the other party must notify the party in breach to remedy such breach within a reasonable period. If breach continues to occur, the party not in breach will have the right to terminate this agreement. The parties have mutually agreed that if the objectives of the agreement are not being fulfilled then the agreement can be foreclosed. In the event of Anglo American's failure to deliver the required materials within the time specified in this agreement, Anglo American must pay as liquidated damages, a sum equivalent to one percent of the price of materials which Anglo American has failed to deliver for each month of delay. Further, the maximum amount of liquidated damages levied on any shipment must not exceed 10% of the value of materials in that shipment.

Limestone

Acceptance to tender dated May 28, 2013 placed by our Company and accepted on October 18, 2013 for the supply of low silica limestone by M/s Ras Al Khaimah Rock Company, United Arab Emirates ("Ras Al Khaimah")

Our Company has placed the acceptance to tender dated May 28, 2013 on October 18, 2013, for the supply of a total quantity of 830,000 mt of 'low silica limestone' by Ras Al Khaimah to our Company at a consideration of USD 9.65 per tones, freight on board trimmed and USD 21.40 per tonnes cost and freight or freight on board. For any delay in clearance at the port of destination on account of non-supply of shipping documents in time or due to faulty documents, Ras Al Khaimah will be held responsible for any demurrage which our Company may become liable to pay the authorities at the discharge port in India. Ras Al Khaimah will not sublet, transfer, assign or otherwise part with the agreement either directly or indirectly without the prior written permission of our Company. Ras Al Khaimah will be entirely responsible for the execution of the agreement by a subcontractor if any permitted by our Company. Our Company is required to arrange suitable marine insurance cover for the entire material to be delivered by Ras Al Khaimah at its own expense. In the event Ras Al Khaimah fails to deliver the agreed amount of limestone within the agreed time, Ras Al Khaimah will have to pay as liquidated damages a sum equivalent to 0.5% of the price of the limestone that Ras Al Khaimah has failed to deliver for each week during which the limestone is not delivered. The maximum amount of liquidated damages will be 10% of the value of the limestone in the shipment. If Ras Al Khaimah, before the award of contract or during the execution of contract has committed a transgression that puts its reliability or credibility in question, our Company is entitled to disqualify it from the tender process or to terminate the contract, if already signed, moreover, the earnest money deposit/bid security furnished, if any, along with the offer as per the terms of the invitation to tender will be forfeited. If Ras Al Khaimah fails to provide low silica limestone within the stipulated time or fails to perform the acceptance to tender or in case a receiver is appointed on its assets, our Company will have the power to declare the acceptance to tender as at an end at the risk and cost of Ras Al Khaimah.

Strategic and Financial Partners

Our Company currently does not have any strategic or financial partners other than those with whom the above mentioned MoUs and joint ventures have been entered into.

Details of past performance

For further details in relation to the financial performance of our Company in the previous five Financial Years, including details of non-recurring items of income, see the section titled "***Financial Statements***" on page 181 of this Draft Red Herring Prospectus.

OUR MANAGEMENT

Under the Articles of Association, our Company shall not have less than five Directors and more than 16 Directors. Our Company currently has 16 Directors, of whom six are whole-time Directors, two non-executive and non-independent Directors and eight non-executive and independent Directors. Our Chairman is an executive and non-independent Director.

Our Board

The following table sets forth certain details of our Directors as of the date of this Draft Red Herring Prospectus:

Name, Designation and Occupation	Age	Address	Directors Identification Number	Other Directorships
Mr. P. Madhusudan *Designation:* Chairman-cum-Managing Director *Occupation:* Service	56	Steel House, D-6, Directors Bungalow, Sector 7, Ukkunagaram, Visakhapatnam – 530 032, Andhra Pradesh, India	02845996	(a) The Bisra Stone Lime Company Limited; (b) Eastern Investments, Limited; (c) International Coal Ventures Private Limited; (d) The Orissa Minerals Development Company Limited; (e) RINMOIL Ferro Alloys Private Limited; and (f) Uttarbanga RINL Rail Karkhana Limited.*
Mr. T. K. Chand *Designation:* Director (Commercial), executive non-independent Director *Occupation:* Service	54	D-1, Directors Bungalow, Sector 7, Ukkunagaram, Visakhapatnam – 530 032, Andhra Pradesh, India	01710900	(a) The Bisra Stone Lime Company Limited.
Mr. P. C. Mohapatra *Designation:* Director (Projects), executive non-independent Director *Occupation:* Service	55	D-2, Directors Bungalow, Sector 7, Ukkunagaram, Visakhapatnam – 530 032, Andhra Pradesh, India	06738364	(a) RINMOIL Ferro Alloys Private Limited.
Dr. G. B. S. Prasad *Designation:* Director (Personnel), executive non-independent Director *Occupation:* Service	57	D-3, Directors Bungalow, Sector 7, Ukkunagaram, Visakhapatnam – 530 032, Andhra Pradesh, India	06886500	Nil
Mr. D. N. Rao *Designation:* Director (Operations), executive non-independent Director *Occupation:* Service	57	D-4, Directors Bungalow, Sector 7, Ukkunagaram, Visakhapatnam – 530 032, Andhra Pradesh, India	06914797	(a) The Orissa Minerals Development Company Limited.
Mr. T. V. S. K. Kumar *Designation:* Director (Finance), executive non-independent Director *Occupation:* Service	58	D-7, Directors Bungalow, Sector 7, Ukkunagaram, Visakhapatnam – 530 032, Andhra Pradesh, India	06914774	Nil
Mr. V. K. Thakral *Designation:* Government nominee Director, non-executive non-independent Director *Occupation:* Service	58	C-II/164, Satya Marg, Chanakyapuri, New Delhi – 110 021, India	00402959	(a) KIOCL Limited; (b) MECON Limited; (c) NMDC Limited; and (d) Steel Authority of India Limited.
Mr. Lokesh Chandra *Designation:* Government nominee Director, non-executive non-independent Director *Occupation:* Service	43	D-II/ 351, Pandara Road, New Delhi – 110 003, India	06534076	(a) The Bisra Stone Lime Company Limited; (b) Eastern Investments, Limited; (c) KIOCL Limited; (d) Hindustan Steel Works Construction LTD; (e) MOIL Limited; (f) MSTC Limited; and (g) The Orissa Minerals Development Company Limited.
Mr. Virendra Singh Jain *Designation:* independent Director	68	B-12, 2nd Floor, Gyan Bharati School Lane, Saket, New Delhi – 110 017, India	00253196	(a) Dalmia Bharat Limited; (b) Essar Oil Limited and (c) National Multi-Commodity

Name, Designation and Occupation	Age	Address	Directors Identification Number	Other Directorships
Occupation: Service				Exchange of India Limited.
Mr. Ashhok Kumar Jain *Designation:* independent Director *Occupation:* Chartered Accountant	63	1C/5, New Rohtak Road, New Delhi – 110 005, India	05298647	Nil
Prof. Sushil *Designation:* independent Director *Occupation:* Professor	57	32 Vikramshila Apartments, IIT Campus, Shaheed Jeet Singh Marg, Hauz Khas, New Delhi – 110 016, India	05300091	(a) River Engineering Private Limited; and (b) Hospital Services Consultancy Corporation (India) Limited.
Prof. S. K. Garg *Designation:* independent Director *Occupation:* Professor	51	EC-293, Maya Enclave, Harinagar, New Delhi – 110 064, India	06416704	Nil
Dr. Sheela Bhide Designation: independent Director *Occupation:* Retired Indian Administrative Services Officer	66	B-1/8, Vasant Vihar, New Delhi – 110 057, India	01843547	(a) Suryoday Micro Finance Private Limited; (b) L&T Metro Rail (Hyderabad) Limited; (c) Gati – Kintetsu Express Private Limited; and (d) Gati Limited.
Lieutenant General (Retired) Arvind Mahajan Designation: independent Director *Occupation:* Retired Lieutenant General	66	V-12/18, DLF Phase-III, Gurgaon, Haryana – 122 002, India	02410540	(a) Konkan Railway Corporation Limited.
Mr. Ajay Kumar Goyal Designation: independent Director *Occupation:* Retired Indian Railways Traffic Service Officer	63	B-002, Alexandra, Grand Omaxe, Sector-93-B, Noida – 201 301,Uttar Pradesh, India	02726120	(a) MSTC Limited.
Mr. Rajib Sekhar Sahoo Designation: independent Director *Occupation:* Chartered Accountant	52	A/42, Nilakantha Nagar, Nayapalli, Near Deb Roy College, Bhubaneswar – 751 012, Odisha, India	02708503	(a) Hindustan Zinc Limited; (b) IFCI Factors Limited; (c) Odisha State Civil Supplies Corporation Limited; and (d) THDC India Limited.

URRKL – The name has been struck off under section 560 (3) of the Companies Act, 1956 in MCA records and gazette notification is awaited*.**

Nationality

All our Directors are Indian nationals.

Brief Profile of our Directors

A brief profile of each member of our Board of Directors is given below:

Mr. P. Madhusudan, aged 56 years, is the Chairman-cum-Managing Director of our Company. He holds a bachelor’s degree in commerce from Andhra University, Visakhapatnam. He qualified as a chartered accountant in 1982 and became a member of the Institute of Chartered Accountants of India in 1983 and Institute of Costs and Works Accountants of India in 1983. He also qualified as a member of the Institute of Company Secretaries of India in 1986. He became the Chairman-cum-Managing Director of our Company on January 1, 2014 and has been responsible for ongoing expansion of our Company and is setting long term growth strategies for our Company.

Mr. T. K. Chand, aged 54 years, is the Director (Commercial) of our Company. He holds a master’s degree in arts, public administration and history from Utkal University, Bhubaneswar. He also holds a bachelor’s degree in law from Andhra University, Visakhapatnam and a diploma in social welfare (labour welfare) from University of Calcutta. He has done a certificate course in corporate governance by SCOPE and the DPE and a course on international human resources from Queensland University, Australia. Additionally, he has also undergone training in advanced management programme on capacity building in marketing management and quality management in enterprises by International Centre for Promotion of Enterprises, Slovenia and the DPE. He also won the ‘Jawaharlal Nehru Award’ for outstanding performance as an executive of our Company. Mr. T. K. Chand has more than 26 years of experience in the steel industry in different capacities. Mr. T. K. Chand began his career with our Company in 1983 as a management trainee (administration). He was appointed as the director (personnel) of Central Coal Fields Limited on July 2007. He became the Director (Commercial) of our Company on September 20, 2010 and has been responsible for both materials management and marketing departments of our Company.

Mr. P. C. Mohapatra, aged 55 years, is the Director (Projects) of our Company. Mr. P. C. Mohapatra holds a bachelor's degree in mechanical engineering from Regional Engineering College, Rourkela. He has more than 25 years of experience in the steel industry. Prior to joining our Company, Mr. P.C. Mohapatra was working with Bharat Heavy Electricals Limited from December, 1981 until December, 1988. Mr. P. C. Mohapatra joined our Company on December 19, 1988 as a deputy manager (mechanical). During his 34 years of experience in steel and power industries, Mr. P. C. Mohapatra has acquired experience in managing projects, operation and maintenance of large organizations. He became the Director (Projects) of our Company on November 1, 2013.

Dr. G. B. S. Prasad, aged 58, is the Director (Personnel) of our Company. Dr. G. B. S. Prasad holds a bachelor's degree in law, a master's degree in industrial relations and labour welfare from Andhra University, Visakhapatnam. He also has a master of philosophy degree in labour studies from Madurai Kamraj University, Madhurai and masters in business administration and human resource management diploma from Dr. B. R. Ambedkar Open University, Hyderabad. He joined our Company on September 3, 1991 as deputy chief personnel manager and served in various capacities from deputy chief personnel manager to executive Director. Dr. Prasad has a vast experience of more than 35 years in Human Resources Management with proven track record. He became the Director (Personnel) of our Company on May 1, 2014.

Mr. D. N. Rao aged 57 years, is Director (Operations) of our Company. Mr. D. N. Rao holds a bachelors degree in mechanical engineering from Regional Engineering College, Warangal (presently known as National Institute of Technology, Warangal). Mr. D. N. Rao joined in our Company in November 1989 and served in various capacities. He is the recipient of the prestigious 'Jawaharlal Nehru Award' in 1999 for his outstanding contribution to VSP. He became the Director (Operations) of our Company on August 1, 2014.

Mr. T. V. S. K. Kumar aged 58 years, is Director (Finance) of our Company. Mr. T. V. S. K. Kumar holds a membership certificate from the Institute of Chartered Accountants of India since June 1981. He holds a bachelor's degree in commerce from Andhra University, Visakhapatnam. He also holds a master's degree in business administration from Andhra University, Visakhapatnam and a post graduate diploma in computer methods and programme from the Andhra Pradesh Productivity Council Hyderabad. He joined VSP, then an erstwhile unit of SAIL in May, 1981 as junior manager (Finance & Accounts). He worked through various positions reaching up to the level of general manager (Finance & Accounts) in 2010. He became the Director (Finance) of our Company on August 25, 2014.

Mr. Vinod Kumar Thakral, aged 58 years, is a non-executive, non-independent nominee Director of the GoI on our Board. Mr. Vinod Kumar Thakral holds a master's degree in political science and also a master's degree from the University of Birmingham, United Kingdom. Mr. Vinod Kumar Thakral is currently appointed as the 'Additional Secretary & Financial Adviser', Ministry of Steel. Having a working experience of 32 years, he has been posted in various positions in different ministries of the GoI. He was awarded with the 'Birmingham Chamber of Commerce Prize' for the best student in the year 1994. He is also nominee director in SAIL, NMDC, KIOCL and MECON. He became a Director of our Company on May 31, 2013.

Mr. Lokesh Chandra, aged 43 years, is a non-executive, non-independent nominee Director of the GoI on our Board. Mr. Lokesh Chandra holds a master's degree in technology and a bachelor's degree in civil engineering. Mr. Lokesh Chandra is the joint secretary of MoS and has a working experience of 18 years and he has been posted in various positions in different ministries of GoI. He became the Director of our Company from March 13, 2013.

Mr. Virendra Singh Jain, aged 68 years, is an independent Director of our Company. Mr. Virendra Singh Jain holds a bachelor's degree in commerce from University of Delhi and is a fellow member of the Institute of Chartered Accountants of India and the Institute of Cost Accountants of India. Mr. Virendra Singh Jain joined Indian Oil Corporation Limited in October 1969 and worked there for 26 years in various capacities. He became the Director of our Company from May 14, 2012.

Mr. Ashhok Kumar Jain, aged 63 years, is an independent Director of our Company. Mr. Ashhok Kumar Jain is a fellow associate of the Institute of Chartered Accountants of India since 1976. He has more than 34 years of experience as an income tax practitioner. He is a senior partner in the chartered accountant firm of M/s. Jain Kapila Associates, Chartered Accountants. He has been a Director of our Company from May 14, 2012.

Prof. Sushil, aged 57 years, is an independent Director of our Company. Prof. Sushil holds a bachelor of engineering degree in mechanical engineering from Madhav Institute of Technology and Sciences, Jiwaji University, Gwalior and masters in technology degree in industrial engineering from Indian Institute of Technology, Delhi. He has a doctorate of philosophy degree from Indian Institute of Technology, Delhi in 'systems modeling of waste management in national planning'. He has been a Director of our Company since May 14, 2012

Prof. S. K. Garg, aged 51 years, is an independent Director of our Company. Prof. S. K. Garg is a professor in department of mechanical engineering in Delhi Technological University, Delhi. His current teaching and research focus are manufacturing process and automation, technology management, decision science, production management, materials management, operations research, supply chain management, manufacturing strategy, production planning and control. He had been working in the Delhi Technological University, in various departments, since October 1992. He is a visiting faculty in Indian Institute of Technology, Delhi, Indian Institute of Foreign Trade, Delhi and Indian Management Institute, Delhi. He is a member in the editorial boards of journal of advances in management research and productivity promotion. He has been a Director of our Company since October 16, 2012.

Dr. Sheela Bhide, aged 66 years, is an independent Director of our Company. She holds a masters degree in political science from the University of Poona. She holds a doctorate in international trade from the Institute of International Studies, Geneva, and also holds a masters degree in arts from George Mason University, USA, a master's degree in public administration from John F. Kennedy School of Government, Harvard University, USA Fellow of the Edward S. Mason Program in Public Policy Management in Developing Countries at the John F. Kennedy School of Government, Harvard University. She has been a Director of our Company since February 20, 2014.

Lieutenant General (Retired) Arvind Mahajan, aged 66 years, is an independent Director of our Company. He is a Fellow of the Institution of Engineers (India).He holds a masters diploma in business administration from Symbosis Institute of Management Studies, Pune. He also holds a master's in philosophy in defence studies from Devi Ahilya University, Indore. Lieutenant General Mahajan served as a director general of electronics and mechanical engineers, MGO Branch at integrated headquarters of Ministry of Defence. He has 40 years of experience in the Indian Army in transforming operations of a large scale private sector / public sector organization. Lieutenant General Mahajan has been awarded with the highest military and national awards. He has been honoured four times by the President of India with 'Param Vishisht Seva' Medal (PVSM), 'Ati Vishisht Seva' Medal (AVSM), and twice the 'Vishisht Seva' Medal (VSM). He was awarded the 'Eminent Engineer' by the Institution of Engineers (India) in the year 2007. He has been a Director of our Company since February 20, 2014.

Mr. Ajay Kumar Goyal, aged 63 years, is an independent Director of our Company. He holds a master's degree in physics from University of Allahabad, Uttar Pradesh. He joined the Indian Railway Traffic Service in December, 1973 and superannuated from Railways service in August 2010. Mr. A. K. Goyal, during his 37 years career has held various positions in the Indian Railways. He has been a Director of our Company since February 20, 2014.

Mr. Rajib Sekhar Sahoo, aged 52 years, is an independent Director of our Company. Mr. Sahoo is a practicing Chartered Accountant and is one of the principal partners of M/s. SRB & Associates, Chartered Accountants, Bhubaneswar. He has been nominated at a member of 'panel of experts' in DPE, Ministry of Heavy Industries and Public Enterprises. He has been a Director of our Company since February 20, 2014.

Permanent Invitees to the meetings of the Board

There are no permanent invitees to the meetings of the Board.

Relationship between Directors

None of our Directors are related to each other.

Details of Appointment of our Directors

Name of Director	Appointment Letter from the MoS	Term
Mr. P. Madhusudan	1(10)2012- VSP dated January 1, 2014	Five years from the date of assumption of charge, i.e., January 1, 2014, or until the date of his superannuation, i.e., May 31, 2018 or until further orders from the MoS, whichever is earlier.
Mr. T. K. Chand	1(5)2009-VSP dated September 20, 2010	Five years from the date of assumption of charge, i.e., September 20, 2010, or until the date of his superannuation, i.e., November 30, 2019 or until further orders from the MoS, whichever is earlier.
Mr. P. C. Mohapatra	1(8)2012-VSP dated August 16, 2013	Five years from the date of assumption of charge, i.e. November 1, 2013, or until the date of his superannuation, i.e., January 31, 2019 or until further orders from the MoS, whichever is earlier.
Dr. G. B. S. Prasad	1(9)2013-VSP dated February 11, 2014	Five years from the date of assumption of charge, i.e., May 1, 2014, or until the date of his superannuation, i.e., December 31, 2016 or until further orders from the MoS, whichever is earlier.
Mr. D. N. Rao	1(11)2013-VSP dated July 1, 2014	Five years from the date of assumption of charge, i.e., August 1, 2014, or until the date of his superannuation, i.e., July 31, 2017 or until further orders from the MoS, whichever is earlier.
Mr. T.V.S.K Kumar	1(1)2014- VSP dated August 25, 2014	Five years from the date of assumption of charge, i.e., August 25, 2014, or until the date of his superannuation, i.e., May 31, 2016 or until further orders from the MoS, whichever is earlier.
Mr. V. K. Thakral	1(3)2013-VSP dated May 31, 2013	From May 31, 2013, until further orders of the MoS.
Mr. Lokesh Chandra	1(3)2013-VSP dated March 13, 2013	From March 13, 2013, until further orders of the MoS.
Mr. Virendra Singh Jain	1(1)2009-VSP dated May 14, 2012	Three years from the date of appointment i.e., May 14, 2012 or until further orders from the MoS, whichever is earlier.
Prof. Sushil	1(1)2009-VSP dated May 14, 2012	Three years from the date of appointment i.e., May 14, 2012 or until further orders from the MoS, whichever is earlier.
Mr. Ashhok Kumar Jain	1(1)2009-VSP dated May 14, 2012	Three years from the date of appointment i.e., May 14, 2012 or until further orders from the MoS, whichever is earlier.
Prof. S. K. Garg	1(1)2009-VSP dated October 16, 2012	Three years from the date of appointment i.e., October 16, 2012 or until further orders from the MoS, whichever is earlier.
Dr. Sheela Bhide	1(4)2013-VSP dated February 20, 2014	Three years from the date of appointment i.e., February 20, 2014 or until further orders from the MoS, whichever is earlier.
Lieutenant General (Retired) Arvind Mahajan	1(4)2013-VSP dated February 20, 2014	Three years from the date of appointment i.e., February 20, 2014 or until further orders from the MoS, whichever is earlier.
Mr. Ajay Kumar Goyal	1(4)2013-VSP dated February 20, 2014	Three years from the date of appointment i.e., February 20, 2014 or until further orders from the MoS, whichever is earlier.
Mr. Rajib Sekhar Sahoo	1(4)2013-VSP dated February 20, 2014	Three years from the date of appointment i.e., February 20, 2014 or until further orders from the MoS, whichever is earlier.

Remuneration Details of our Directors

The following table sets forth the details of the gross remuneration of Directors for the Fiscal 2014. Our executive Directors are also entitled to benefits / facilities such as official vehicle, medical reimbursements, leave travel concession and gratuity.

S. No.	Name	Basic Salary in ₹	Allowances and Perquisites in ₹	Sitting Fees in ₹	Total in ₹
1.	Mr. P. Madhusudan*	998,426	1,711,234	Nil	2,709,660
2.	Mr. A. P. Choudhury*	772,480	2,961,461	Nil	3,733,941
3.	Mr. Umesh Chandra*	1,025,740	1,719,703	Nil	2,745,443
4.	Mr. T. K. Chand*	946,330	1,617,898	Nil	2,564,228
5.	Mr. Y. R. Reddy*	900,000	1,501,821	Nil	2,401,821
6.	Mr. N. S. Rao*	526,330	4,121,464	Nil	4,647,794
7.	Mr. P. C. Mohapatra*	403,686	646,962	Nil	1,050,648
8.	Mr. E. K. Bharat Bhusuan**	Nil	Nil	Nil	Nil
9.	Mr. V. K. Thakral**	Nil	Nil	Nil	Nil
10.	Mr. Lokesh Chandra**	Nil	Nil	Nil	Nil
11.	Mr. A. P. V. N. Sarma***	Nil	Nil	160,000	160,000
12.	Mr. Swashpawan Singh***	Nil	Nil	420,000	420,000
13.	Dr. U. D. Choubey***	Nil	Nil	160,000	160,000
14.	Mr. H. S. Chahar***	Nil	Nil	380,000	380,000
15.	Mr. Ashhok Kumar Jain***	Nil	Nil	440,000	440,000
16.	Mr. V. S. Jain***	Nil	Nil	300,000	300,000
17.	Prof. Sushil***	Nil	Nil	300,000	300,000
18.	Prof. S.K.Garg***	Nil	Nil	280,000	280,000

***Whole Time Directors (WTD)/ Functional Directors:** *The Whole Time Directors/ Functional Directors are appointed in terms of the Articles of Association of the Company by the President of India, in consultation with the Chairman of the Company for a period of five years or till the age of Superannuation or until further orders, whichever is earlier. The appointment may, however, be terminated by either side on three months' notice or on payment of three months' salary in lieu thereof.*

*****Part-time official Directors/ Government Directors:** Part-time official Directors/ Government Directors are nominated by Government of India as Directors. No remuneration is paid to the Part-time official Directors by the Company.*

******Part-time non-official Directors (Independent Directors):** The part-time non-official directors (i.e. Independent Directors) are appointed by Government of India as Director for a period of three years from the date of assumption of charge or until further orders, whichever is earlier. Sitting fees is only paid by the Company to the part-time non-official directors @ ₹ 20,000/- for each Board/Board Sub-Committee Meetings attended to by them.*

Our Government nominee Directors are not entitled to any remuneration or fees from us as they have been nominated on our Board by the MoS. Apart from a sitting fee of ₹ 20,000 paid for attending each meeting of our Board and ₹ 20,000 for attending the meetings of the sub-committee of the Board and empowered joint committee on coal, the independent Directors of our Company do not receive any other remuneration from our Company. The sitting fee for our Directors has been fixed pursuant to a Board resolution dated December 18, 2009.

Details of terms and conditions of appointment of our executive Directors

The terms and conditions governing the appointment of Mr. P. Madhusudan, Mr. T. K. Chand, Mr. P. C. Mohapatra, Dr. G. B. S. Prasad, Mr. D. N. Rao and Mr. T. V. S. K. Kumar are set forth below:

Mr. P. Madhusudan

Mr. P. Madhusudan was appointed as the Chairman-cum-Managing Director of our Company with effect from January 1, 2014 for a period of five years from the date of assumption of charge or until the date of his superannuation i.e., May 31, 2018, or until further orders from MoS, whichever is earlier, by the President of India pursuant to letter no. 1(10)2012-VSP dated January 1, 2014 issued by the MoS. The terms of employment of Mr. P. Madhusudan as conveyed by MoS by its letter dated February 10, 2014 are as under:

Basic Salary	In the existing scale of ₹ 80,000 – 3% – ₹125,000 and basic pay of ₹ 86,953 per month
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.
Annual Increment	At 3% of basic pay on the anniversary date of appointment in the scale and further increments on the same date in subsequent years until the maximum of the pay-scale is reached.
Housing and Furnishing	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 favour of our Company is executed or on the basis of existing lease deeds. Housing rent allowance at the rates indicated in the DPE's office memorandum dated November 26, 2008.
Superannuation Benefits	Eligible for superannuation benefit based on approved schemes as per DPE's office memorandum dated November 26, 2008 and April 2, 2009.
Other Allowances/Perks	Entitled to allowances and perks subject to a maximum ceiling of 50% of basic pay as per DPE's office memorandum dated November 26, 2008 and April 2, 2009.
Conveyance	Entitled to staff car for private use subject to a ceiling of 750 km per month and 1000 km per month for Delhi, Mumbai, Kolkata, Chennai, Bangalore and Hyderabad.
Performance Related Payment	Eligible for approved performance related payment as per DPE's office memorandum dated November 26, 2008, February 19, 2009 and April 2, 2009.
Leave and Vacation	As per the leave rules of our Company.
Restriction on Joining Private	After retirement or resignation from the service of our Company, shall not accept any appointment or post whether advisory or administrative, in any firm or company, whether Indian or foreign, with which our Company has or had business relations within one year from the date of his retirement or 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.
Termination	The appointment may be terminated by either party on 3 months' notice or on payment of three months' salary in lieu thereof.

Mr. T. K. Chand

Mr. T. K. Chand was appointed as the Director (Commercial) of our Company with effect from September 22, 2010 for a period of five years from the date of assumption of charge or until the date of his superannuation, i.e. November 30, 2019 or until further orders from the MoS, whichever is earlier, by the President of India pursuant to letter no. 1(5)2009-VSP dated September 20, 2010 issued by the MoS. The terms of employment of Mr. T. K. Chand as conveyed by MoS by its letter dated September 5, 2013 are as under:

Basic Salary	In the existing scale of ₹ 75,000 – 3% – ₹ 100,000 and a basic pay of ₹ 75,000 per month.
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.
Annual Increment	At 3% of basic pay on the anniversary date of appointment in the scale and further increments on the same date in subsequent years until the maximum of the pay-scale is reached.
Housing and Furnishing	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

	favour of our Company is executed or on the basis of existing lease deeds. Housing rent allowance at the rates indicated in the DPE's office memorandum dated November 26, 2008.
Superannuation Benefits	Eligible for superannuation benefit based on approved schemes as per DPE's office memorandum dated November 26, 2008 and April 2, 2009.
Other Allowances/Perks	Entitled to allowances and perks subject to a maximum ceiling of 50% of basic pay as per DPE's office memorandum dated November 26, 2008 and April 2, 2009.
Conveyance	Entitled to staff car for private use subject to a ceiling of 750 km per month and 1000 km per month for Delhi, Mumbai, Kolkata, Chennai, Bangalore and Hyderabad.
Performance Related Payment	Eligible for approved performance related payment as per DPE's office memorandum dated November 26, 2008, February 19, 2009 and April 2, 2009.
Leave and Vacation	As per the leave rules of our Company.
Restriction on Joining Private	After retirement or resignation from the service of our Company, shall not accept any appointment or post whether advisory or administrative, in any firm or company, whether Indian or foreign, with which our Company has or had business relations within one year from the date of his retirement or 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.
Termination	The appointment may be terminated by either party on 3 months' notice or on payment of three months' salary in lieu thereof.

Mr. P. C. Mohapatra

Mr. P.C. Mohapatra was appointed as the Director (Projects) of our Company with effect from November 1, 2013 for a period of five years from the date of assumption of charge or until the date of his superannuation i.e., January 31, 2019 or until further orders from the MoS, whichever is earlier, by the President of India pursuant to letter (no. 1(8)2012-VSP) dated August 16, 2013 issued by the MoS. The terms of employment of Mr. P. C. Mohapatra as conveyed by MoS by its letter dated February 10, 2014 are as under:

Basic Salary	In the existing scale of ₹ 75,000 – 3% – ₹ 100,000 and basic pay of ₹ 82,173 per month.
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.
Annual Increment	At 3% of basic pay on the anniversary date of appointment in the scale and further increments on the same date in subsequent years until the maximum of the pay-scale is reached.
Housing and Furnishing	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 favour of our Company is executed or on the basis of existing lease deeds. Housing rent allowance at the rates indicated in the DPE's office memorandum dated November 26, 2008.
Superannuation Benefits	Eligible for superannuation benefit based on approved schemes as per DPE's office memorandum dated November 26, 2008 and April 2, 2009.
Other Allowances/Perks	Entitled to allowances and perks subject to a maximum ceiling of 50% of basic pay as per DPE's office memorandum dated November 26, 2008 and April 2, 2009.
Conveyance	Entitled to staff car for private use subject to a ceiling of 750 km per month and 1000 km per month for Delhi, Mumbai, Kolkata, Chennai, Bangalore and Hyderabad.
Performance Related Payment	Eligible for approved performance related payment as per DPE's office memorandum dated November 26, 2008, February 19, 2009 and April 2, 2009.
Leave and Vacation	As per the leave rules of our Company.
Restriction on Joining Private	After retirement or resignation from the service of our Company, shall not accept any appointment or post whether advisory or administrative, in any firm or company, whether Indian or foreign, with which our Company has or had business relations within one year from the date of his retirement or 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.
Termination	The appointment may be terminated by either party on 3 months' notice or on payment of three months' salary in lieu thereof.

Dr. G. B. S. Prasad

Dr. G. B. S. Prasad was appointed as the Director (Personnel) of our Company with effect from May 1, 2014 for a period of five years from the date of assumption of charge or until the date of his superannuation i.e., December 31 2016 or until further orders from the MoS, whichever is earlier, by the President of India pursuant to letter no. 1(9)/2013-VSP dated February 11, 2014 issued by the MoS. The terms of employment of Dr. G. B. S. Prasad as conveyed by MoS by its letter dated July 2, 2014 are as under:

Basic Salary	In the existing scale of ₹ 75,000 – 3% – ₹ 100,000 and a basic pay of ₹ 82,400 per month.
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.
Annual Increment	At 3% of basic pay on the anniversary date of appointment in the scale and further increments on the same date in subsequent years until the maximum of the pay-scale is reached.
Housing and Furnishing	Entitled to suitable residential accommodation from our Company including company leased

	accommodation. Accommodation can also be taken on self l-ease basis provided that a lease deed in favour of our Company is executed or on the basis of existing lease deeds. Housing rent allowance at the rates indicated in the DPE's office memorandum dated November 26, 2008.
Superannuation Benefits	Eligible for superannuation benefit based on approved schemes as per DPE's office memorandum dated November 26, 2008 and April 2, 2009.
Other Allowances/Perks	Entitled to allowances and perks subject to a maximum ceiling of 50% of basic pay as per DPE's office memorandum dated November 26, 2008 and April 2, 2009.
Conveyance	Entitled to staff car for private use subject to a ceiling of 750 km per month and 1000 km per month for Delhi, Mumbai, Kolkata, Chennai, Bangalore and Hyderabad.
Performance Related Payment	Eligible for approved performance related payment as per DPE's office memorandum dated November 26, 2008, February 19, 2009 and April 2, 2009.
Leave and Vacation	As per the leave rules of our Company.
Restriction on Joining Private	After retirement or resignation from the service of our Company, shall not accept any appointment or post whether advisory or administrative, in any firm or company, whether Indian or foreign, with which our Company has or had business relations within one year from the date of his retirement or 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.
Termination	The appointment may be terminated by either party on 3 months' notice or on payment of three months' salary in lieu thereof.

Mr. D. N. Rao

Mr. D. N. Rao was appointed as the Director (Operations) of our Company with effect from August 1, 2014 for a period of five years from the date of assumption of charge or until the date of his superannuation i.e., July 31, 2017 or until further orders from the MoS, whichever is earlier, by the President of India pursuant to letter no. 1(11)2013-VSP dated July 1, 2014 issued by the MoS. The terms of employment of Mr. D. N. Rao as the Director (Operations) of our Company have not been conveyed by the MoS till date. In terms of the standard terms of employment applicable to board level executives of CPSE notified by the DPE by their letter no. 2(34)/12-DPE(WC)-GLXX/12 dated December 14, 2012, the terms of employment subject to MoS approval of Mr. D. N. Rao are as under:

Basic Salary	In the existing scale of ₹ 75,000 – 3% – ₹ 100,000
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.
Annual Increment	At 3% of basic pay on the anniversary date of appointment in the scale and further increments on the same date in subsequent years until the maximum of the pay-scale is reached.
Housing and Furnishing	Entitled to suitable residential accommodation from our Company including company leased accommodation. Accommodation can also be taken on self l-ease basis provided that a lease deed in favour of our Company is executed or on the basis of existing lease deeds. Housing rent allowance at the rates indicated in the DPE's office memorandum dated November 26, 2008.
Superannuation Benefits	Eligible for superannuation benefit based on approved schemes as per DPE's office memorandum dated November 26, 2008 and April 2, 2009.
Other Allowances/Perks	Entitled to allowances and perks subject to a maximum ceiling of 50% of basic pay as per DPE's office memorandum dated November 26, 2008 and April 2, 2009.
Conveyance	Entitled to staff car for private use subject to a ceiling of 750 km per month and 1000 km per month for Delhi, Mumbai, Kolkata, Chennai, Bangalore and Hyderabad.
Performance Related Payment	Eligible for approved performance related payment as per DPE's office memorandum dated November 26, 2008, February 19, 2009 and April 2, 2009.
Leave and Vacation	As per the leave rules of our Company.
Restriction on Joining Private	After retirement or resignation from the service of our Company, shall not accept any appointment or post whether advisory or administrative, in any firm or company, whether Indian or foreign, with which our Company has or had business relations within one year from the date of his retirement or 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.
Termination	The appointment may be terminated by either party on 3 months' notice or on payment of three months' salary in lieu thereof.

Mr. T. V. S. K. Kumar

Mr. T. V. S. K. Kumar was appointed as the Director (Finance) of our Company with effect from August 25, 2014 for a period of five years from the date of assumption of charge or until the date of his superannuation i.e., May 31, 2016 or until further orders from the MoS, whichever is earlier, by the President of India pursuant to letter no. 1(1)/2014-VSP dated August 25, 2014 issued by the MoS. The terms of employment of Mr. T. V. S. K. Kumar as the Director (Finance) of our Company have not been conveyed by the MoS till date. In terms of the standard terms of employment applicable to board level executives of CPSE notified by the DPE by their letter no. 2(34)/12-DPE(WC)-GLXX/12 dated December 14, 2012, the terms of employment subject to MoS approval of Mr. T. V. S. K. Kumar are as under:

Basic Salary	In the existing scale of ₹ 75,000 – 3% – ₹ 100,000
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.
Annual Increment	At 3% of basic pay on the anniversary date of appointment in the scale and further increments on the same date in subsequent years until the maximum of the pay-scale is reached.
Housing and Furnishing	Entitled to suitable residential accommodation from our Company including company leased accommodation. Accommodation can also be taken on self l-ease basis provided that a lease deed in favour of our Company is executed or on the basis of existing lease deeds. Housing rent allowance at the rates indicated in the DPE's office memorandum dated November 26, 2008.
Superannuation Benefits	Eligible for superannuation benefit based on approved schemes as per DPE's office memorandum dated November 26, 2008 and April 2, 2009.
Other Allowances/Perks	Entitled to allowances and perks subject to a maximum ceiling of 50% of basic pay as per DPE's office memorandum dated November 26, 2008 and April 2, 2009.
Conveyance	Entitled to staff car for private use subject to a ceiling of 750 km per month and 1000 km per month for Delhi, Mumbai, Kolkata, Chennai, Bangalore and Hyderabad.
Performance Related Payment	Eligible for approved performance related payment as per DPE's office memorandum dated November 26, 2008, February 19, 2009 and April 2, 2009.
Leave and Vacation	As per the leave rules of our Company.
Restriction on Joining Private	After retirement or resignation from the service of our Company, shall not accept any appointment or post whether advisory or administrative, in any firm or company, whether Indian or foreign, with which our Company has or had business relations within one year from the date of his retirement or 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.
Termination	The appointment may be terminated by either party on 3 months' notice or on payment of three months' salary in lieu thereof.

Details of Service Contracts

There are no service contracts entered into by our Company with any Director for the provision of benefits or payments of any amount upon termination of employment or retirement.

Shareholding of Directors in our Company

Other than Mr. P. Madhusudan who holds 300 Equity Shares as nominee of the President of India and Mr. T. V. S. K. Kumar* Mr. T. K. Chand, Mr. P. C. Mohapatra, Mr. V. K.Thakral and Mr. Lokesh Chandra who hold 100 Equity Shares each as nominees of the President of India, acting through the MoS, GoI, none of our other Directors have any shareholding in our Company. For further details, see section titled "***Capital Structure***" on page 73 of this Draft Red Herring Prospectus.

* *The Company vide letter no.CA — MOS/TS/14 dated September 1, 2014 has informed the Under Secretary of MoS to transfer the shares held by Mr. Umesh Chandra to Mr. T. V. S. K. Kumar.*

Borrowing Powers of our Board of Directors

As per the Articles of Association and subject to the approval of the President of India and the provisions of the Companies Act, the Board of Directors may by means of a resolution passed at a meeting of the Board from time to time, borrow and/or secure the payment of any sum or sums of money for the purposes of the Company provided that no approval of the President of India would be necessary for borrowing from the banks for the purposes of meeting the working capital requirements on the hypothecation of our Company's current assets. The Board of Directors are also empowered to exercise the powers conferred under Navratna status. Our Board of Directors pursuant to resolution dated September 8, 2014 has approved the borrowing limits of ₹ 90,000 million and ₹ 100,000 million for capital expenditure and working capital, respectively.

Interest of our Directors

All of our Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of reimbursement of expenses, if any, payable to them under our Articles, and to the extent of remuneration, if any, paid to them for services rendered as an officer or employee of our Company.

Except for our executive Directors who are entitled to statutory benefits upon termination of their tenure in the board, or upon their resignation or retirement, along with certain post-retirement benefits, no other Director is entitled to any benefit upon termination of their tenure in the board, or upon their resignation or retirement, as the case may be.

All the independent Directors are entitled to receive sitting fees for attending the Board/committee meetings within the limits laid down in the Companies Act and as decided by our Board.

Our Directors have no interest in any property acquired by our Company or its Subsidiaries within two years of the date of filing of this Draft Red Herring Prospectus or presently intended to be acquired by our Company or its Subsidiaries as disclosed in this Draft Red Herring Prospectus.

None of the Directors were interested in any transaction by our Company involving acquisition of land, construction of building or supply of any machinery.

Except as stated in this section, no amount or benefits were paid or were intended to be paid to our Directors during the last two years preceding the date of filing of this Draft Red Herring Prospectus.

Except as stated below, none of our Directors are directors on the Boards of our Subsidiaries:

S. No.	Name	Subsidiary
1.	Mr. P. Madhusudan	(a) Eastern Investments, Limited; (b) The Bisra Stone Lime Company Limited; (c) The Orissa Minerals Development Company Limited; and (d) Uttarbanga RINL Rail Karkhana Limited.
2.	Mr. T. K. Chand	(a) The Bisra Stone Lime Company Limited.
3.	Mr. D. N. Rao	(a) The Orissa Minerals Development Company Limited.
4.	Mr. Lokesh Chandra	(a) Eastern Investments, Limited; (b) The Bisra Stone Lime Company Limited; and (c) The Orissa Minerals Development Company Limited.

Our executive Directors may also be interested in the Equity Shares, if any, that may be subscribed by them in the Offer. Such executive Directors 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, if any.

Changes in our Board of Directors during the last three years

The changes in our Board in the last three years are as follows:

S. No.	Name	Date of Appointment	Date of Cessation	Reason
1.	Mr. T. V. S. K. Kumar Director (Finance)	August 25, 2014	-	Appointed pursuant to letter no.1(1)2014-VSP dated August 25, 2014
2.	Mr. D. N. Rao Director (Operations)	August 1, 2014	-	Appointed pursuant to letter no.1(11)2013-VSP dated July 1, 2014
3.	Dr. G. B. S. Prasad Director (Personnel)	May 1, 2014	-	Appointed pursuant to letter no.1(9)2013-VSP dated February 11, 2014
4.	Dr. Sheela Bhide Independent Director	February 20, 2014	-	Appointed pursuant to letter no.1(4)2013-VSP dated February 20, 2014
5.	Lieutenant General (Retired) Arvind Mahajan Independent Director	February 20, 2014	-	Appointed pursuant to letter no.1(4)2013-VSP dated February 20, 2014
6.	Mr. Ajay Kumar Goyal Independent Director	February 20, 2014	-	Appointed pursuant to letter no.1(4)2013-VSP dated February 20, 2014
7.	Mr. Rajib Sekhar Sahoo Independent Director	February 20, 2014	-	Appointed pursuant to letter no.1(4)2013-VSP dated February 20, 2014
8.	Mr. P.C. Mohapatra Director (Projects)	November 1, 2013	-	Appointed pursuant to letter no.1(8)2012-VSP dated August 16, 2013
9.	Mr. Lokesh Chandra, Government Nominee Director	March 15, 2013	-	Appointed pursuant to letter no.1(3)2013-VSP dated March 13, 2013
10.	Mr. E. K. Bharat Bhusan	October 25, 2012	April 29, 2013	Resignation
11.	Prof. S. K. Garg Independent Director	October 16, 2012	-	Appointed pursuant to letter no.1(1)2009-VSP dated October 16, 2012
12.	Mr. Virendra Singh Jain Independent Director	May 14, 2012	-	Appointed pursuant to letter no. 1(1)2009-VSP dated May 14, 2012
13.	Mr. Ashhok Kumar Jain Independent Director	May 14, 2012	-	Appointed pursuant to letter no. 1(1)2009-VSP dated May 14, 2012

S. No.	Name	Date of Appointment	Date of Cessation	Reason
14.	Prof. Sushil Independent Director	May 14, 2012	-	Appointed pursuant to letter no. 1(1)2009-VSP dated May 14, 2012
15.	Mr. A.P. Choudhary Chairman-cum-Managing Director*	August 1, 2011	December 31, 2013	Completion of tenure
16.	Mr. Y. R. Reddy Director (Personnel)	December 22, 2010	April 30, 2014	Completion of tenure
17.	Mr. Swashpawan Singh Independent Director	October 1, 2010	September 30, 2013	Completion of tenure
18.	Mr. A. P. V. N. Sharma Independent Director	September 30, 2010	September 29, 2013	Completion of tenure
19.	Mr. H. S. Chahar Independent Director	September 28, 2010	September 29, 2013	Completion of tenure
20.	Mr. N. S. Rao Director (Projects)	April 19, 2012	October 31, 2013	Completion of tenure
21.	Mr. S. Machendra Nathan, Government Nominee Director	May 24, 2010	May 14, 2012	Withdrawal of appointment by the MoS
22.	Dr. Dalip Singh Government Nominee Director	March 2, 2010	February 17, 2013	Withdrawal of appointment by the MoS
23.	Mr. P. Madhusudan Chairman-cum-Managing Director*	January 1, 2014	-	Change in Designation (appointed as the Chairman-cum-Managing Director)
		November 1, 2009	December 31, 2013	Appointed pursuant to letter no. 1(10)2010-VSP dated July 26, 2011
24.	Mr. P. K. Bishnoi Chairman -cum -Managing Director	April 1, 2004	July 31, 2011	Completion of tenure

**Mr. P. Madhusudan was the Director (Finance) during the period from November 2, 2009 until December 31, 2013. He assumed the charge of Chairman-cum-Managing Director on January 1, 2014.*

Further Confirmations

None of the Directors is or was a director of any listed company during the five years preceding the date of this Draft Red Herring Prospectus, whose shares have been or were suspended from being traded or delisted from the BSE or the NSE during the term of their directorship in such company.

Corporate Governance

The provisions of the Listing Agreements with respect to corporate governance and the ICDR Regulations in respect of corporate governance will be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Company has complied with the corporate governance code in accordance with Clause 49 (as applicable), especially in relation to appointment of independent Directors to our Board and constitution of the audit committee, the shareholders'/investors' grievance committee and the remuneration committee. Our Company undertakes to take all necessary steps to continue to comply with all the requirements of Clause 49 of the Listing Agreement.

Our Board has 16 Directors and the chairman of our Board is an executive Director. In compliance with the requirements of Clause 49 of the Listing Agreement, our Company has six executive Directors, two non-executive and non-independent Directors and eight non-executive and independent Directors.

In terms of the Clause 49 of the Listing Agreement, our Company has constituted the following committees:

1. Audit Committee;
2. Nomination and Remuneration Committee and Stakeholders Relationship Committee;
3. Shareholders'/Investors' Grievance Committee; and
4. Corporate Social Responsibility Committee.

Audit Committee

The audit committee was first constituted by our Board of Directors at a meeting held on July 26, 2006 ("**Audit Committee**"). It was reconstituted on October 15, 2010, May 16, 2012, July 12, 2012 and further reconstituted on May 5, 2014 and July 3, 2014. The terms of reference of the Audit Committee are in accordance with Section 177(2) of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, the guidelines issued by DPE for Corporate Governance in respect of unlisted Companies and Clause 49 of the Listing Agreement and other applicable laws. All the members of the Audit Committee are independent directors. All the members are financially literate and at least two members have accounting or related financial management expertise.

The composition of the Audit Committee is as follows:

S. No.	Name of Director	Designation
1.	Mr. Ashhok Kumar Jain	Chairman
2.	Prof. Sushil	Member
3.	Prof. S K. Garg	Member
4.	Mr. Rajib Sekhar Sahoo	Member
5.	Director (Finance) and Head of Department (Internal Audit and Stock Verification)**	Invitees

* Company Secretary is the convener and secretary to the Committee.
**Director (Finance) is a permanent invitee and head of internal audit and sock verification department is an invitee for the meeting of the Audit Committee.

Empowerment/Scope:

The scope of the Audit Committee has to be in conformity with Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, the guidelines issued by DPE for Corporate Governance in respect of unlisted Companies and Clause 49 of the Listing Agreement.

Statutory nature:

A. In terms of the provisions of Section 177 of the Companies Act, 2013, following functions are required statutorily to be discharged by the Audit Committee:

1) The terms of reference shall, *inter alia*, include:-

a) the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
b) review and monitor the auditor’s independence and performance, and effectiveness of audit process;
c) examination of the financial statement and the auditors’ report thereon;
d) approval or any subsequent modification of transactions of the company with related parties;
e) scrutiny of inter-corporate loans and investments;
f) valuation of undertakings or assets of the company, wherever it is necessary;
g) evaluation of internal financial controls and risk management systems; and
h) monitoring the end use of funds raised through public offers and related matters.

2) The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.

3) The Audit Committee shall have authority to investigate into any matter in relation to the items specified in (1) or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company.

B. As per Corporate Governance Guidelines issued by DPE, the main functions of the Audit Committee are as follows:

1) Oversight of the Company’s financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

Approval nature:

2) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

Recommending nature:

3) Recommending to the Board the fixation of audit fees;

Review nature:

4) To review the functioning of the vigil mechanism (whistle blower mechanism);
5) Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
a) matters required to be included in the directors' responsibility statement to be included in the Board's report in terms of Section 134(5) of the Companies Act 2013;
b) changes, if any, in accounting policies and practices and reasons for the same;
c) major accounting entries involving estimates based on the exercise of judgment by management;
d) significant adjustments made in the financial statements arising out of audit findings;
e) compliance with legal requirements relating to financial statements;
f) disclosure of any related party transactions; and
g) qualifications in the draft audit report.

6) Reviewing with the management, the quarterly financial statements before submission to the Board for approval;

7) Discussion with statutory and internal auditors any significant findings and follow up there on;

8) Reviewing with the management, the performance of statutory and internal auditors, adequacy of the internal control systems;

9) Reviewing the adequacy of the 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;

10) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

11) Discussion with statutory auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

12) To look into the reasons for substantial defaults in the payment to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividends) and creditors;

13) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;

14) To review the follow up action on the audit observations of the Comptroller & Audit General ("**C&AG**") Audit;

15) To review the follow up action taken on the recommendations of committee on public undertakings of the Parliament;

16) Provide an open avenue of communication between the independent auditor, internal auditor and the Board;

17) Review all related party transactions in the Company. For this purpose, the Audit Committee may designate a member who shall be responsible for pre-approving related party transactions;

18) Review with the independent auditor the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of all audit resources;

19) Review of management discussion and analysis of financial condition and results of operations;

20) Review of statement of related party transactions submitted by management;

21) Review of management letters / letters of internal control weaknesses issued by the statutory auditors;

22) Review of internal audit reports relating to internal control weaknesses;

23) Certification / declaration of financial statements by the Chief Executive Officer i.e., CMD and Chief Financial Officer i.e., Director (Finance);

24) Appointment and removal of the chief internal auditor shall be placed before the Audit Committee;

25) Review of status of sundry debtors;

26) Consider and review the following with the independent auditor, if any, and the management:

a) The adequacy of internal controls including computerized information system controls and security, and

b) Related findings and recommendations of the independent auditor and internal auditor, together with the management responses.

27) Consider and review the following with the management, internal auditor and the independent auditor:

a) Significant findings during the year, including the status of previous audit recommendations; and

b) Any difficulties encountered during audit work including any restrictions on the scope of activities or access to required information.

C. In addition to the above, the Audit Committee should also fulfill the following requirements of Clause 49 of the Listing Agreement:

a) The Audit Committee shall approve the appointment of the Chief Financial Officer (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate;

b) The chairman of the audit committee shall be present at annual general meeting to answer shareholder queries provided that in case the chairman is unable to attend due to unavoidable reasons, he may nominate any member of the audit committee; and

c) The Audit Committee may invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the Committee, but on occasions it may also meet without the presence of any executives of the Company. The finance director, head of internal audit and a representative of the statutory auditor may be present as invitees for the meetings of the Audit Committee.

D. In terms of our Company's Board directions, in addition to the above, the Audit Committee shall also look into the following areas:

1) <u>Recommending nature</u>**:**

a) Recommendations on working capital arrangements and term loans including borrowings for capital expenditure.

b) Recommendations on investment of surplus funds.

c) Recommendations of write off of losses requiring approval of Board.

2) <u>Review of information by Audit Committee</u>

a) Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

b) To review contracts on nomination basis as per extant guidelines.

E. The powers of the Committee include the following:

a) To investigate any activity within its terms of reference.

b) To seek information from any employee.

c) To obtain outside legal or other professional advice, subject to the approval of the Board of Directors.

d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

e) To protect whistle blowers.

F. The Audit Committee may also look into any such other matter as may be prescribed by the statutory authorities from time to time.

Periodicity: In terms of the Corporate Governance guidelines issued by DPE vide para 4.4 from time to time, the Audit Committee should meet at least four times in a year and not more than four months shall elapse between two meetings. The quorum shall be either two members or one third of the members of the Audit Committee whichever is greater, but a minimum of two independent members must be present.

Nomination and Remuneration Committee & Stakeholders Relationship Committee

The remuneration committee was constituted by our Board of Directors at a meeting held on October 15, 2010. It was reconstituted in line with Companies Act, 2013 as *Nomination and Remuneration Committee & Stakeholders Relationship Committee* on May 5, 2014. The composition of the Committee is as follows:

S. No.	Name of Director	Designation
1.	Prof. Sushil	Chairman
2.	Mr. A. K. Jain	Member
3.	Dr. Sheela Bhide	Member
4.	Director (Personnel)	Invitee and Convener
5.	Director (Finance)**	Invitee
6.	Mr. P. Mohan Rao*	Secretary to the Committee

*Company Secretary is secretary to the Committee
**Mr. T. V. S. K. Kumar is the invitee following his assumption of office as Director (Finance) from August 25, 2014.

This committee oversees the implementation of directives concerning implementation of latest pay and perks on a continuous basis.

The Nomination and Remuneration & Stakeholders Relationship Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.

The Nomination and Remuneration & Stakeholders Relationship Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

The Nomination and Remuneration & Stakeholders Relationship Committee shall, while formulating the policy ensure that:

a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Provided that such policy shall be disclosed in the Board's report.

The Nomination and Remuneration & Stakeholders Relationship Committee shall consider and resolve the grievances of security holders of the company.

The chairperson of each of the committees constituted under this section or, in his absence, any other member of the committee authorized by him in this behalf shall attend the general meetings of the company.

Explanation.—The expression 'Senior Management' means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

Shareholders'/Investors' Grievance Committee

The shareholders'/investors' grievance committee was constituted by our Board at its meeting held on May 16, 2012 ("**Shareholders'/Investors' Grievance Committee**"). It was reconstituted on July 3, 2014. The scope and function of the Shareholders'/Investors' Grievance Committee is in accordance with Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreements.

The composition of the Shareholders'/Investors' Grievance Committee is as follows:

S. No.	Name of Director	Designation
1.	Prof. S. K. Garg	Chairman
2.	Mr. P. C. Mohapatra	Member
3.	Dr. G. B. S. Prasad	Member
4.	Mr. T. V. S. K. Kumar	Member
5.	Mr. P. Mohan Rao*	Secretary to the Committee

* Company Secretary is the secretary to the Committee

The Shareholders'/Investors' Grievance Committee shall be responsible for:

a) Redressal of shareholder's and investors' complaints;

b) Allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

c) Issue of duplicate certificates and new certificates on split/ consolidation/ renewal, etc.

d) Non-receipt of declared dividends, balance sheets of the Company; etc.

e) Review of cases for refusal of transfer/transmission of Equity Shares;

f) Reference to statutory and regulatory authorities regarding Shareholders'/Investors' grievances;

g) Ensure proper and timely attendance and redressal of Shareholders'/ Investors' queries and grievances; and

h) Carrying out any other function contained in the Listing Agreement as and when amended from time to time.

IPO Committee

The Board has constituted an IPO committee ("**IPO Committee**") by a Board resolution dated May 16, 2012 and further reconstituted on July 3, 2014 so as to expedite the decision making process in relation to the Offer.

The composition of the IPO Committee is as follows:

S. No.	Name of Director	Designation
1.	Mr. T. K. Chand	Chairman
2.	Mr. P. C. Mohapatra	Member
3.	Dr. G. B. S. Prasad	Member
4.	Mr. T. V. S. K. Kumar	Member
5.	Mr. P. Mohan Rao*	Secretary to the Committee

*Company Secretary is the secretary to the Committee

Mr. T. K. Chand is the Chairman of the IPO Committee.

The terms of reference of the IPO Committee are as follows:

a) to note on the actual size of the Initial Public Offer, including offer for sale by promoters/shareholders, and/or reservation on a competitive basis, and/or any discount to be offered to retail individual investors or eligible employees participating in the IPO and all the terms and conditions of the IPO, including without limitation timing, opening and closing dates of the issue, price band and to accept any amendments, modifications, variations or alterations thereto as determined by the GoI;

b) to finalize and arrange for submission of this Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the preliminary and final international wrap and any amendments, supplements, notices or corrigenda thereto, to appropriate government and regulatory authorities, institutions or bodies;

c) to issue advertisements in such newspapers as it may deem fit and proper conforming to the regulations and guidelines issued by SEBI;

d) to decide the total number of equity shares to be reserved for allocation to employees of the Company in the proposed issue and on permitting existing shareholders to sell any equity shares of the Company held by them;

e) to open separate current accounts name or style, as may be necessary, with scheduled commercial banks to receive applications along with application monies in relation to the Initial Public Offer;

f) to finalize, sign and execute the issue agreement, syndicate agreement, escrow agreement and the underwriting agreement and any other agreements or documents required in relation to the Initial Public Offer;

g) the opening of a bank account of the Company for handling of refunds for the Initial Public Offer;

h) to make any applications to the FIPB, RBI and such other authorities, as may be required, for the purpose of issue of shares by the Company to non-resident investors, including NRIs and FIIs;

i) to select a designated stock exchange;

j) to make applications for listing of the equity shares of the Company on one or more stock exchange(s), to execute and to deliver or arrange the delivery of the equity listing agreement(s) or equivalent documentation to the concerned stock exchange(s) and to take all such other actions as may be necessary in connection with obtaining such listing;

k) to finalize the basis of allocation and to allot the equity shares to the successful allottees and issue of share certificates in accordance with the relevant rules;

l) to approve the code of conduct, suitable insider trading policy and corporate governance requirements considered necessary by the Board or the IPO Committee or as required under applicable laws;

m) to seek, if required, the consent of the Company's lenders, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in connection with the Initial Public Offer in accordance with the applicable regulations;

n) to settle all questions, difficulties or doubts that may arise in relation to the Initial Public Offer, as it may in its absolute discretion deem fit;

o) to do all acts and deeds, and execute all documents, agreements, forms, certificates, undertakings, letters and instruments as may be necessary for the purpose of or in connection with the Initial Public Offer;

p) to authorize and approve the incurring of expenditure and payment of fees in connection with the Initial Public Offer;

q) to submit undertaking/certificates or provide clarifications to the SEBI and the relevant stock exchanges where the equity shares of the Company are to be listed; and

r) to authorize and empower Mr. G. N. Murty, Mr. T. V. S. K. Kumar, and Mr. P. Mohan Rao, officers of the Company (each, an "**Authorized Officer**"), for and on behalf of the Company, to execute and deliver, on a several basis, any agreements and arrangements as well as amendments or supplements thereto that the Authorized Officers consider necessary, appropriate or advisable, in connection with the IPO, including, without limitation, engagement letter(s), memorandum of understanding, the listing agreements, the registrar's agreement and memorandum of understanding, the depositories agreements, the issue agreement with the book running lead managers (and other entities as appropriate), the underwriting agreement, the syndicate agreement, the stabilization agreement, the escrow agreement, confirmation of allocation notes with the book running lead managers, and all such acts or things that the Authorized Officer may deem necessary, appropriate or desirable in order to carry out the purpose and intent of the foregoing resolutions for the IPO and any such agreements or documents so executed and delivered and acts and things done by any such Authorized Officer shall be conclusive evidence of the authority of the Authorized Officer and the Company in so doing.

Corporate Social Responsibility and Sustainability Development Committee

The Board of Directors at their 279th Meeting held on May 5, 2014 at New Delhi had accorded approval for the constitution of Board subcommittee on Corporate Social Responsibility and Sustainability Development Committee ("***CSR Committee***"). The constituted committee is given below:

S. No.	Name of Director	Designation
1.	Prof. S.K. Garg	Chairman
2.	Mr. Rajib Sekhar Sahoo	Member
3.	Mr. A.K. Goyal	Member
4.	Director (Operations)	Member
5.	Director (Finance)	Member
6.	Director(Personnel)	Member
7.	Company Secretary	Secretary to the Committee

Concerned head of departments of Corporate Strategic Management and Corporate Social Responsibility Departments shall be invitees.

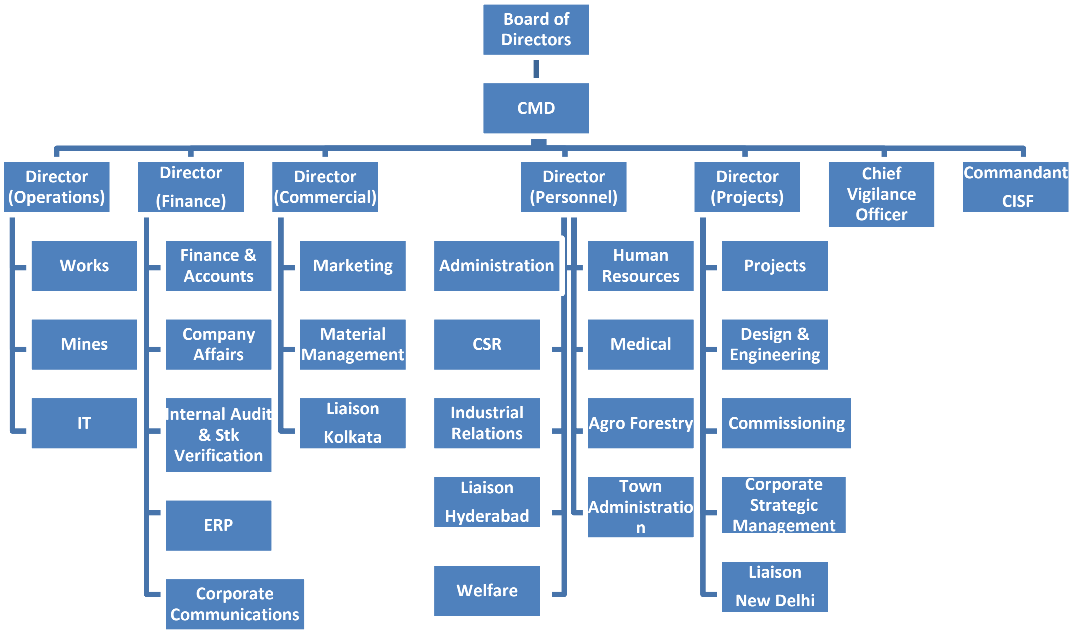
A. Meetings:
1. The Committee shall meet periodically depending upon the requirement; and
2. The quorum shall be two members.

B. Empowerment /Scope:

1. For corporate social responsibility activities:
(a) To approve the corporate social responsibility projects (each case) valuing above ₹ 10,000,000 and upto ₹ 20,000,000; and
(b) To review and recommend corporate social responsibility projects valuing above ₹ 20,000,000.
2. For sustainable development activities:
(a) To approve sustainable development plan; and
(b) To oversight the sustainable development performance.

C. In terms of Section 135 of the Companies Act the CSR Committee shall:
1. Formulate and recommend to the Board, a corporate social responsibility policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013;
2. Recommend the amount of expenditure to be incurred on the activities referred to in above clause; and
3. Monitor the corporate social responsibility policy of the company from time to time.

Management Organization Structure:



Key Management Personnel

The details of our Key Management Personnel, as of the date of this Draft Red Herring Prospectus, are set forth below.

Mr. Sunil Kumar Gupta, aged 56 years, is the Executive Director (Materials Management). He is a science graduate specializing in mechanical engineering from Bhagalpur University. He also holds a masters degree in business administration and finance from Pondicherry University and a post graduate diploma in alternate dispute resolution from NALSAR University of Law, Hyderabad. He has 33 years of experience out of which he has worked for more than 20 years at our Company. His current responsibilities at our Company are to procure and ensure availability of spares, consumables and raw materials (indigenous and imported) amounting to ₹ 9000 crores approximately, handling storage and inspection of materials. Prior to working with us, he has worked at Bhillai Steel Plant as assistant manager in machine maintenance section of sintering plant. Mr. Gupta became the Executive Director (Materials Management) on January 9, 2013 and was paid a remuneration of ₹ 1,957,790 in Fiscal 2014.

Mr. N. Hariharan, aged 59 years, is the Executive Director (Projects). He has bachelor's degree in electrical and electronics engineering from University of Madras and has been working with our Company for more than 30 years. He joined our Company as the assistant divisional engineer. His current responsibility is to look over the construction of expansion project. Mr. N. Hariharan became the Executive Director (Projects) on November 1, 2013 and was paid ₹ 2,351,866 in Fiscal 2014.

Mr. V. Pradeep, aged 57 years, is the Executive Director (Modernisation). He has an engineering degree specializing in mechanical engineering from University of Mysore and has been working with our Company for 25 years. He joined our Company as the deputy manager (mechanical). His current responsibilities are modernization and upgradation of the VSP. Prior to working with us, he was working with SAIL at the Bakaro Steel Plant. Mr. V. Pradeep became the Executive Director (Modernization) on January 9, 2013 and was paid ₹ 2,234,899 in Fiscal 2014.

Mr. M. M. K. Murthy, aged 58 years, is the Executive Director (Mines). He has a bachelors degree in technology specializing in mechanical engineering from Warangal Engineering College, Kakatiya University and a graduate diploma in materials management along with a post graduate diploma in management from All India Management Association. He joined service as a graduate engineer in SAIL. He has been working with our Company for over 35 years. His current responsibilities at our Company are to look over the operation of mines at Jaggayyapeta for limestone, Madharam for dolomite and Garbham for manganese. He was elevated to the position of Executive Director (Mines) on January 9, 2013 and was paid ₹ 2,457,249 in Fiscal 2014.

Mr. R. Shankar, aged 59 years, is the Executive Director (Marketing). He has a masters in science degree from Birla Insitute of Technology and Science, Pillani and a masters in business administration from Andhra University. He has been working with our Company for more than 30 years and He joined our Company as a management trainee. His current responsibilities at our Company are to look over all India domestic and international sales, policy making and pricing of products including byproducts, providing sales administrative enablers for achieving sales realization targets, coordinating with all stakeholders in relation to any concern, managing logistics, warehouses and contracts, providing development and production schedule inputs, looking over customer satisfaction, product and quality promotion along with feedback/ customer interactions, surveying and researching market along with channel management. Mr. R. Shankar was transferred to the post of Executive Director (Marketing) on February 1, 2014 and was paid ₹ 2,086,936 in Fiscal 2014.

Mr. S. Sreesa Kumar, aged 59 years, is the Executive Director (Works). He has a bachelors degree in technology specializing in mechanical engineering from Sri Venkateswara University and has been working with our Company for 25 years. His current responsibilities at our Company are development and monitoring of annual and long term business plans and strategies at corporate level, managing business diversification, acquisitions, and mergers with other assets including acquisition and development of mines. Prior to working with us he was working for SAIL at Bakaro Steel Plant. He was transferred to the position of Executive Director (Work) on August 1, 2014 and was paid ₹ 2,273,357 in Fiscal 2014.

Mr. P. Mohan Rao, aged 59 years, is the General Manager (Company Affairs) and Company Secretary. Mr. P. Mohan Rao is a Fellow Member from the Institute of Cost Accountants of India and a Fellow Member of the Institute of Company Secretaries of India, New Delhi. He also holds a bachelor's degree in law (L. L. B) from Utkal University, Bhubaneswar. Mr. P. Mohan Rao joined our Company in July 1984 and has over 30 years of experience of which he has worked for 20 years in the finance and accounts department in various functional areas like cash and loans, purchase bills areas covering indigenous and import suppliers, taxation issues of contracts relating to foreign suppliers, finance concurrence relating to project contracts, works and general finance, internal audit, cost accounting, operations finance and worked as the finance chief of the Strategic Business Group for coke and coal chemicals division for three years looking after sales, costing, budgeting, concurrence matters of marketing, purchase and general finance etc. Mr. P. Mohan Rao took over as our Company Secretary in April 2004 and for the last ten years is the head of the company affairs department and is responsible for, among other things, corporate governance compliances, functioning of the Board and its committees, statutory compliances, intellectual property rights matters, joint venture agreements, incorporation of subsidiary companies and joint venture companies, matters relating to acquisition of subsidiary companies and coordination with MoS for matters relating to the company affairs department. Mr. P. Mohan Rao became the General Manager (Company Affairs) on January 30, 2013 and was paid a remuneration of ₹ 2,372,149 in Fiscal 2014.

Mr. G. N. Murty, aged 59 years, is the Executive Director (Finance & Accounts) in-charge of Finance and Accounts Department. He is a member of Institute of Chartered Accountants of India and passed the final examination of Institute of Company Secretaries of India. Mr. G. N. Murty holds a bachelor's degree in commerce form Andhra University, master of business administration degree from Andhra University and a post graduate diploma in computer applications from Pondicherry University. Mr. G. N. Murty joined our Company in January 1981 and has 33 years of experience in the finance and accounts department functions of our Company, which includes treasury management, foreign exchange management, financial evaluation of the strategic initiatives taken by our Company in the areas of acquisition of mines, joint ventures, capital restructuring exercises of our Company, ensuring funds for expansion as well as working capital requirements, issue of commercial papers, obtaining ratings from the recognised agencies, establishment matters, etc. He is also in-charge of overlooking the process of initial public offering by our Company. Mr. G. N. Murty has experience in investments of provident fund and other trusts of our Company and is a member of the project implementation committee for implementation of enterprise resource planning. He has been instrumental in developing various functional policies and accounting systems. Mr. Murty is the management representative for ISO procedures of the finance and accounts department. Mr. G. N. Murty became the Executive Director (Finance & Accounts) in-charge of Finance and Accounts Department on January 9, 2013 and was paid a remuneration of ₹ 2,396,251 in Fiscal 2014.

Mr. B. Siddhartha Kumar, aged 54 years, is the Chief Vigilance Officer of our Company and joined our Company on deputation on November 23, 2011. Mr. B. Siddhartha Kumar holds a master's degree in science (agriculture) from Andhra Pradesh Agricultural University, Hyderabad. Mr. B. Siddhartha Kumar joined the Indian Forest Service in the year 1986. As the Chief Vigilance Officer of our Company, Mr. B. Siddhartha Kumar heads the Vigilance Department of our Company set up in accordance with the Central Vigilance Commission Act, 2003 and acts as a link between our Company and the Central Vigilance Commission. He assists our Company in developing and streamlining procedures to improve efficiency, transparency and ethics in working. He also carries out various activities that broadly include: (i) surveillance and detection of existence or likelihood of corruption in the organization (ii) pro-active / preventive vigilance and (iii) punitive vigilance to identify and eliminate corruption and system loopholes that can cause leakages. Mr. B. Siddhartha Kumar was paid a remuneration of ₹ 2,282,520 in Fiscal 2014.

Except Mr. B. Siddhartha Kumar, who is on deputation, all our Key Management Personnel are permanent employees of our Company.

Service Contracts

No service contracts have been entered into with any Key Management Personnel for provision of benefits or payments of any amount upon termination of employment.

Changes in our Key Management Personnel in the Past Three Years

Name	Designation	Date of Appointment as a Key Management Personnel	Date of cessation as a Key Management Personnel	Reason
Mr. Kesava Rao J.	Executive Director (Finance and Accounts)	January 15, 2009	April 30, 2012	Superannuation
Mr. G. V. N. Reddy	Executive Director (Materials Management)	August 10, 2011	June 30, 2012	Superannuation
Mr. M. S. Sudhakar	Executive Director (Projects)	August 10, 2011	-	Promotion
Mr. Ravindra Ranjan	Executive Director (Works)	August 10, 2011	January 31, 2014	Superannuation
Mr. N. S. Rao	Executive Director (Projects and Commissioning)	August 10, 2011	April 19, 2012	Promotion
Mr. P. C. Mohapatra	Executive Director (Maintenance)	August 10, 2011	October 31, 2013	Promotion
Mr. B. Siddhartha Kumar	Chief Vigilance Officer	January 2, 2012	-	Deputation
Mr. D. S. Sastry	Executive Director (Maintenance)	January 9, 2013	April 30, 2014	Superannuation
Mr. V. Pradeep	Executive Director (Modernization)	January 9, 2013	-	Promotion
Mr. G. N. Murty	Executive Director (Finance and Accounts)	January 9, 2013	-	Promotion
Mr. S. K. Gupta	Executive Director (Materials Management)	January 9, 2013	-	Promotion
Mr. P. Ramudu	Executive Director (Automation and I.T.)	January 9, 2013	June 30, 2014	Superannuation
Mr. D. N. Rao	Executive Director (Services)	January 9, 2013	July 31, 2014	Promotion
Mr. S. S. Kumar	Executive Director (Safety and Environment)	January 9, 2013	-	Promotion
Mr. N. Hariharan	Executive Director (Projects Services)	January 9, 2013	-	Promotion
Mr. M. M. K. Murty	Executive Director (Mines)	January 9, 2013	-	Promotion
Mr. A. Senapati	Executive Director (Personnel and Corporate Services)	January 9, 2013	November 30, 2014	Superannuation
Mr. R. Shankar	Executive Director (Business Development and Acquisitions)	January 9, 2013	-	Promotion
Mr. N. Hariharan	Executive Director (Projects)	November 1, 2013	-	Change in designation

The changes in our Key Management Personnel in the last three years have been on account of promotions, superannuation or deputation, and not on account of appointments or resignations. Accordingly, the turnover of our Key Management Personnel for the last three years has been nil.

Shareholding and Interest of the Key Management Personnel

None of the Key Management Personnel hold any Equity Shares in our Company as of the date of filing this Draft Red Herring Prospectus.

Bonus or profit sharing plan for our Directors and Key Management Personnel

There is no bonus or profit sharing plan for our Key Management Personnel and our Directors except the performance related pay scheme, as laid down in the DPE Guidelines OM No. 2(70)/08-DPE (WC) –GLXVI/08 dated November 26, 2008, DPE Guidelines OM No. F. No. 2(70)/08-DPE(WC)-GL-IV/09 dated February 19, 2009 and DPE Guidelines OM No. 2(70)/08-DPE(WC)-GL-VII/09 dated April 2, 2009. The above mentioned guidelines seek to link the performance related pay to the profits of our Company. The performance related pay is based on the performance of both the employees and our Company and is determined out of the profits of our Company.

Interest of our Key Management Personnel

Except as disclosed in this section, none of our Key Management Personnel have any interest in our Company and/or our Subsidiaries other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Except as disclosed in this Draft Red Herring Prospectus and any statutory payments made by our Company, our Company has not paid any amounts to any of its officers in connection with superannuation payments, awards or any non-salary amounts or benefits in the past two years.

None of our Key Management Personnel are directors in our Subsidiaries.

Our Key Management Personnel may be interested in the Equity Shares, if any, that may be subscribed by them in the Offer under the Employee Reservation Portion. Such Key Management 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, if any.

Payment of benefit to officers of our Company (non-salary related)

No amount or benefit has been paid or given to any officer of our Company since the incorporation of our Company or is intended to be paid, other than in the ordinary course of their employment.

Employee Stock Option Plan

We do not have any employee stock option schemes as on the date of filing this Draft Red Herring Prospectus.

Arrangements and understanding with major shareholders, customers, suppliers or others

As per Article 75 of the Articles of Association, our Directors are appointed by the President of India. Pursuant to the DPE Guidelines, one-sixth of the total strength of the directors of any Government company, subject to a maximum limit of two directors will be Government nominees. In this regard, Mr. V. K. Thakral, IAS, Additional Secretary & Financial Advisor, MoS and Mr. Lokesh Chandra, Indian Administrative Services, Joint Secretary, MoS has been appointed as the Government nominee Directors on our Board. Except as stated above, none of our Directors or Key Management Personnel has been appointed pursuant to any arrangement or understanding with major shareholders, customers, suppliers or others.

Loans taken by Directors and Key Management Personnel

Other than as mentioned below, there are no outstanding loans taken by our Directors and Key Management Personnel from our Company as per the Companies Act, 1956 as on August 31, 2014:

S. No.	Name	Director / Key Management Personnel	Amount (in ₹)
1.	Mr. V. Pradeep	Key Management Personnel	1,500 (Festival advance)
2.	Mr. Sunil Kumar Gupta	Key Management Personnel	1,500 (Festival advance)

S. No.	Name	Director / Key Management Personnel	Amount (in ₹)
3.	Mr. P. Mohan Rao	Key Management Personnel	1,500 (Festival advance)
4.	Mr. T. V. S. K. Kumar	Director	1,500 (Festival advance)
5.	Dr. G. B. S. Prasad	Director	2,000 (Festival advance)
6.	Mr. D. N. Rao	Director	1,500 (Festival advance)

Relationships among Key Management Personnel

None of our Key Management Personnel are related to each other.

Termination/Retirement benefits paid to Key Management Personnel

Except statutory benefits and contractual payments upon termination of their employment in our Company, resignation or superannuation, as the case may be, and certain post-retirement benefits like medical insurance and extended medical facilities at our Company's health centres, no officer of our Company is entitled to any benefit upon termination of such officer's employment in our Company or superannuation.

OUR PROMOTER AND GROUP COMPANIES

Our Promoter is the President of India acting through the MoS. Our Promoter currently holds, directly and indirectly, 100% of the pre-Offer paid-up equity share capital of our Company. Assuming the sale of all Equity Shares offered pursuant to this Offer, our Promoter shall hold 90% of the post-Offer paid-up equity share capital of our Company. As our Promoter is the President of India acting through the MoS, disclosures on our group companies as defined under Schedule VIII of the ICDR Regulations has not been provided.

RELATED PARTY TRANSACTIONS

For details of Related Party Transactions, see the section titled "***Financial Statements***" on page 181 of this Draft Red Herring Prospectus.

DIVIDEND POLICY

The declaration and payment of dividends 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. As per the Office Memorandum (F. No. 7(5)/E-Coord/2004) dated September 24, 2004 issued by the Department of Expenditure, Ministry of Finance, GoI, all profit making CPSE are required to declare a minimum dividend on equity of 20% or a minimum dividend payout of 20% of post-tax profits, whichever is higher. For the Financial Year 2014, our Company has recommended for a dividend payout of 10% of the profit after tax on Equity Share capital and 7% on preference share capital.

The dividend and dividend tax paid by our Company during the Financial Years 2014**, 2013 and 2012 is presented below:

	Financial Year 2014	Financial Year 2013	Financial Year 2012
Equity Shares			
Face value of Equity Shares (in ₹ per Equity Share)*	10	10	1,000
Dividend (in ₹ Million) (A)	366.5	352.8	751.5
Dividend per Equity Share (₹)	0.07	0.07	15.37
Dividend Rate (%)	0.75	0.72	1.54
Dividend Tax (in ₹ Million) (B)	62.3	59.0	121.9
Redeemable Preference Shares			
Face Value of Redeemable Preference Shares (in ₹ per Redeemable Preference Share)*	10	10	1,000
Dividend (in ₹ Million) (C)	560.0	912.5	1,127.6
Dividend per Redeemable Preference Shares (₹)	0.70	0.70	70.00
Dividend Rate (%)	7.00	7.00	7.00
Dividend Tax (in ₹ Million) (D)	95.2	149.4	182.9
Total Dividend (in ₹ Million) (A + C)	926.5	1,265.3	1,879.1
Total Dividend Tax (in ₹ Million) (B + D)	157.5	208.4	304.8

** The face value of the equity shares of our Company was split from ₹1,000 per share to ₹10 per share on April 21, 2012.*
***Dividend for the year 2014 is inclusive of proposed final dividend which is to be paid after approval in Annual general Meeting. Dividend tax for the Financial Year 2014 is only on interim dividend. On finalization of dividend to be paid, appropriate tax will be paid.*

The amounts paid as dividends in the past are not necessarily indicative of our dividend policy or dividend amounts payable, if any, in the future.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

AUDITORS' REPORT

To
The Board of Directors
Rashtriya Ispat Nigam Limited,
Administrative Building,
Visakhapatnam- 530031.

Dear Sirs,

1. We, the joint statutory auditors of Rashtriya Ispat Nigam Limited (RINL) have examined the attached **Consolidated Restated Financial Information of Rashtriya Ispat Nigam Limited** (RINL) and its subsidiary Eastern Investments Limited (EIL) and Eastern Investments Limited's (EIL's) subsidiaries Orissa Mineral Development Corporation Limited (OMDC) and Bisra Stone Lime Company Limited (BSLC) (collectively referred to as the "Group"), for the three months period ended 30th June 2014 and Financial Years ended as on 31/03/2014, 31/03/2013, 31/03/2012 and 31/03/2011 as approved by the Board of Directors of RINL prepared in terms Sub-clauses (i) & (iii) of clause (b) of Sub-Section (1) of Section 26 of The Companies Act, 2013 (**the Act")** read with Rule 4 and Rule 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended to date (the "SEBI Regulations") and terms of our engagement agreed with you in accordance with our letter dated 20/08/2014 in connection with the proposed Equity offering by the selling Shareholder, the Government of India, in **Rashtriya Ispat Nigam Limited**.

2. These Consolidated Restated Financial Information has been prepared by the Management by consolidating the Standalone Restated Financial Information of RINL for the three months period ended 30th June 2014 and years ended 31st March 2014, 31st March 2013, 31st March 2012 and 31st March 2011 and the Consolidated Restated Financial Information of EIL and its subsidiary companies, namely OMDC & BSLC for the three months period ended 30th June 2014 and years ended 31st March 2014, 2013, 2012 and 2011. The Standalone Restated Financial Information of RINL and Consolidated Restated Financial Information of EIL and its subsidiaries are prepared in terms of the requirements of Sub-clauses (i) & (iii) of clause (b) of Sub-Section (1) of Section 26 of the Act read with Rule 4 and Rule 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended to date (the "SEBI Regulations") by the respective companies. The Standalone Restated Financial Information of RINL are examined by us and the Consolidated Restated Financial Information of EIL and its subsidiaries are examined by M/s. Sarma & Co, Chartered Accountants("other auditors") and accordingly reliance has been placed on the Consolidated Restated Financial Information of EIL and its subsidiaries examined by them for the said period and we relied on the Report submitted by them.

   We did not audit the Consolidated Restated Financial Information of the EIL and its subsidiaries. These financial information have been audited by other auditors, whose Report has been furnished to us and our opinion in so far as it relates to the amounts included in these Consolidated Restated Summary Statement of Asset & Liabilities and Consolidated Restated Summary Statement of Profit & Loss Account and Consolidated Restated Summary Statement of Cash Flow are based solely on the Report of other auditors.

   The financial information relating to the following joint ventures of RINL (except the value of the investments in joint ventures) and subsidiaries and Associates of EIL are not included in the Consolidated Restated Financial Information which has been detailed in note no. 20.2, 20.5, 2.3 of Annexure H. However, the amounts involved are not material.

I. Joint Ventures of RINL:

a) International Coal Ventures Pvt Ltd.

b) RINMOIL Ferro Alloys (P) Ltd.

II. Associates of EIL:

a) The Karanpura Development Co. Ltd. (under liquidation)

b) The Burrakur Coal Co. Ltd. (under liquidation)

III. Subsidiaries of EIL:

a) The Borrea Coal Company Limited. (under liquidation)

3. In accordance with the requirements of Sub-clauses (i) & (iii) of clause (b) of Sub-Section (1) of Section 26 of The Companies Act, 2013 (**the Act")** read with Rule 4 and Rule 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, the SEBI Regulations and terms of our engagement agreed with you; we further report that:

   a) The Consolidated Restated Summary Statement of Assets and Liabilities of RINL and its subsidiaries as at 30th June 2014, 31st March 2014 , 2013, 2012 and 2011 as set out in Annexure-A to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Significant Accounting Policies (Annexure E), Notes on Adjustments made for Consolidated Restated Financial Information (Annexure F), Notes on Adjustments not made for Consolidated Restated Financial Information (Annexure G) and Other Notes on Consolidated Restated Financial Information (Annexure H).

   b) The Consolidated Restated Summary Statement of Profit & Loss of RINL and its subsidiaries for the three months period ended 30th June 2014 and years ended 31st March 2014, 2013, 2012 and 2011 as set out in Annexure-B to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Significant Accounting Policies (Annexure E), Notes on Adjustments made for Consolidated Restated Financial Information (Annexure F), Notes on Adjustments not made for Consolidated Restated Financial Information (Annexure G) and Other Notes on Consolidated Restated Financial Information (Annexure H).

   c) The Consolidated Restated Summary Statement of Cash Flow of RINL and its subsidiaries for the three months ended 30th June 2014 and years ended 31st March 2014, 2013, 2012 and 2011 as set out in Annexure-C to this report are after making adjustments and regrouping as in our opinion were appropriate.

   d) Based on the above and also as per the reliance placed on the Report submitted by other auditors , we confirm that the Consolidated Restated Financial Information has been made after incorporating:

      i. Adjustments for the changes in accounting policies of Eastern Investments Limited (EIL) retrospectively in respective Financial Years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods. However adjustments in respect of change in accounting of in-process material valuation of Hot Metal & Liquid Steel has not been carried out which is detailed in note No. 2 of Annexure G. The impact of the same on consolidated restated financial information is not ascertainable.

      ii. Adjustments for the material amounts in respective Financial Years to which they relate.

4. We have also examined the following other Consolidated Restated Financial Statements relating to the group prepared by the Management and approved by the Board of Directors for the three months period ended 30th June 2014 and years ended 31st March 2014, 2013, 2012 and 2011.

    i. Statement of Fixed Assets and Capital Work in Progress (Annexure D-I).
    ii. Statement of Non-Current Investments (Annexure D-II).
    iii. Statement of Long-Term Loans and Advances (Annexure D-III).
    iv. Statement of Other Non-Current Assets (Annexure D-IV).
    v. Statement of Inventories (Annexure D-V).
    vi. Statement of Trade Receivables (Annexure D-VI).
    vii. Statement of Cash and Bank Balances (Annexure D-VII).
    viii. Statement of Short Term Loans and Advances (Annexure D-VIII).
    ix. Statement of Other Current Assets (Annexure D-IX).
    x. Statement of Long Term Liabilities & Provisions (Annexure D-X).
    xi. Statement of Short Term Borrowings (Annexure D-XI).
    xii. Statement of Trade Payables (Annexure D-XII)
    xiii. Statement of Other Current Liabilities & Short Term Provisions (Annexure D-XIII)
    xiv. Statement of Share Capital (Annexure D-XIV)
    xv. Statement of Reserves and Surplus (Annexure D-XV)
    xvi. Statement of Revenue (Annexure D-XVI)
    xvii. Statement of Other Expenses (Annexure D-XVII)
    xviii. Statement of Significant Accounting Policies (Annexure E).
    xix. Statement of Notes on Adjustments made for Restated Financial Information (Annexure F).
    xx. Statement of Notes on Adjustments not made for Restated Financial Information (Annexure G).
    xxi. Statement of Other Notes on Restated Financial Information (Annexure H).
    xxii. Statement of Employee Benefits (Annexure I).
    xxiii. Statement of Related Party Transactions (Annexure J).
    xxiv. Statement of Dividend Paid/Proposed (Annexure K).
    xxv. Statement of Capitalization (Annexure L).
    xxvi. Statement of Accounting Ratios of the Company (Annexure M).
    xxvii. Statement of Tax Shelter of the Company (Annexure N).
    xxviii. Statement of Financial Indebtedness (Annexure O).
    xxix. Statement of Prior Period Adjustments (Annexure P).
    xxx. Statement of Contingent Liabilities and Capital Commitments (Annexure Q).

   In our opinion the Other Consolidated Restated Financial Statements contained in Annexure D-I to D-XVII and Annexure I to Q of this report read along with the Significant Accounting Policies (Annexure E), Notes on Adjustments made for Consolidated Restated Financial Information (Annexure F), Notes on Adjustments not made for Consolidated Restated Financial Information (Annexure G) and Other Notes on Consolidated Restated Financial Information (Annexure H) have been prepared after making adjustments and regrouping as considered appropriate in accordance with Sub-clauses (i) & (iii) of clause (b) of Sub-Section (1) of Section 26 of the Act and the SEBI Regulations subject to *subject to Items no.2 stated in Annexure - VII - Notes on Adjustments not made for the Restated Financial Information as regards valuation of In-process Materials viz, Hot Metal and Liquid Steel. The impact of the same on restated consolidated financial information is unascertainable.*

   This report should not, in any way, be construed as a re-issuance or re-dating of any of the previous Audit Reports nor should be construed as a new opinion on any of the financial statements referred to herein.

5. Our report is intended solely for use of the Management and for inclusion in the offer document in connection to the proposed offering of equity shares of RINL. Our report should not be used for any other purpose except with our consent in writing.

For Tej Raj & Pal	For Rao & Kumar
Chartered Accountants	Chartered Accountants
Regn. No (F.R.N) 304124E	Regn. No (F.R.N) 003089S
(CA P.Venugoapala Rao)	(CA Guru Prasad K.C.S)
Partner	Partner
M.No. 10905	M.No.215652

Place: Visakhapatnam
Date: 09/09/2014

ANNEXURE A

RASHTRIYA ISPAT NIGAM LIMITED (CONSOLIDATED)

STATEMENT OF ASSETS AND LIABILITIES - RESTATED

(₹ in million)

PARTICULARS	As at 30-06-2014	As at March 31st 2014	2013	2012	2011	2010
EQUITY & LIABILITIES						
SHAREHOLDERS' FUNDS						
Share capital	56898.5	57398.5	63468.2	77273.2	78273.2	78273.2
Reserves and surplus	64955.1	64011.7	62022.3	62317.1	54252.0	50928.5
MINORITY INTEREST	5966.8	5975.2	6062.9	6086.4	6079.2	0.0
NON CURRENT LIABILITES						
Long-term borrowings	11300.9	12035.3	12415.6	0.0	0.0	0.0
Deferred Tax Liabilities (Net)	3181.8	2703.2	1358.9	646.4	824.3	1032.7
Other Long term Liabilites	1172.8	1794.3	1134.4	907.5	486.0	433.8
Long term provisions	5760.7	5549.1	4196.2	4869.3	5843.1	5674.7
CURRENT LIABILITES						
Short term borrowings	38433.0	37399.3	36584.4	25751.4	11358.8	12324.1
Trade payables	1853.8	8399.2	7463.9	3718.2	5920.5	5547.0
Other current liabilities	65603.7	55651.9	56265.2	35545.1	25977.9	20859.4
Short term provisions	3474.4	3254.6	3353.5	7674.8	8086.1	9181.5
Total	**258601.5**	**254172.0**	**254325.4**	**224789.3**	**197101.1**	**184254.7**
NON-CURRENT ASSETS						
Goodwill	1501.5	1501.5	1501.5	1501.5	1501.5	0.0
Fixed Assets						
Tangible assets	44518.4	45672.8	38552.6	18330.7	15606.4	14649.4
Intangible assets	535.8	552.9	597.5	604.1	655.7	29.3
Capital work-in-progress	111705.7	106687.3	99336.2	105760.0	93159.9	68834.7
Intangible assets under development	322.5	301.1	222.0	150.1	0.0	0.0
Non Current Investments	83.5	86.5	87.1	87.2	107.3	2.5
Long term Loans and Advances	6574.9	6707.1	5462.8	2459.5	3731.2	7886.9
Other Non Current assets	607.0	602.3	366.1	103.3	79.7	61.5
CURRENT ASSETS						
Inventories	44196.6	38930.9	38603.6	34375.8	32895.6	24644.2
Trade receivables	3851.4	8050.8	10148.5	4289.2	3362.6	1801.6
Cash and Bank balances	7869.3	9225.8	23105.3	27902.7	27264.7	54155.4
Short term Loans and Advances	35196.3	34632.5	35092.5	24997.7	16330.5	10529.7
Other Current assets	1638.6	1220.5	1249.9	4227.5	2406.2	1659.5
Total	**258601.5**	**254172.0**	**254325.4**	**224789.3**	**197101.1**	**184254.7**

Note: Consequent upon acquisition of majority stake in M/s Eastern Investment Ltd (EIL) by RINL during the year 2010-11, EIL has become a subsidiary of RINL and accordingly the figures as reported during 2009-10 are on standalone basis and for the periods subsequent to that are on consolidated basis.

ANNEXURE B

RASHTRIYA ISPAT NIGAM LIMITED (CONSOLIDATED)

SUMMARY STATEMENT OF PROFIT AND LOSS – RESTATED

(₹ in million)

PARTICULARS	For the three months ended	For the year ended March 31st				
	30-06-2014	2014	2013	2012	2011	2010
INCOME						
Revenue From Operations	25706.6	134612.8	135936.5	146037.6	117246.2	107653.9
Less: Excise duty	2606.8	14031.5	14545.9	13191.5	10458.1	8254.8
Other Income	439.4	3834.5	5365.2	3901.3	4822.7	6240.2
Total Revenue	**23539.2**	**124415.7**	**126755.7**	**136747.4**	**111610.8**	**105639.4**
EXPENSES						
Cost of materials consumed	15478.3	70258.2	80986.6	84722.3	71893.2	55351.1
Changes in Inventories of Semi-finished/Finished goods	-6251.9	203.1	-3011.5	454.9	-5328.6	4153.4
Employees' benefits	4687.2	17986.5	15146.0	15107.1	13195.9	13997.4
Other expenses	6589.8	24895.5	23374.4	20575.4	18164.8	16618.6
Total Expenses	**20503.4**	**113343.4**	**116495.5**	**120859.7**	**97925.3**	**90120.6**
Less: Inter account adjustments-raw material mining cost	128.4	585.7	521.7	500.3	491.0	432.6
Net Expenses	20375.0	112757.7	115973.8	120359.4	97434.3	89688.0
Earnings before interest, tax, depreciation & amortisation(EBITDA)	**3164.2**	**11658.0**	**10781.9**	**16388.0**	**14176.5**	**15951.4**
Finance Costs	754.4	3381.2	3592.5	1906.0	1644.9	775.6
Depreciation and Amortisation	640.2	2813.1	1965.4	3414.9	2879.8	2771.7
Prior period items - Net credit	5.3	-9.9	-138.6	-69.5	-339.8	-72.4
Profit after PPI and Before Exceptional & Extraordinary Items and Tax	1764.3	5473.6	5362.6	11136.6	9991.6	12476.5
Exceptional Items	-	-	-2.9	-	28.7	-
Profit Before Extraordinary Items and Tax	1764.3	5473.6	5365.4	11136.6	9962.9	12476.5
Extraordinary items	-	-	-	-	-	-
Profit Before Tax	**1764.3**	**5473.6**	**5365.4**	**11136.5**	**9962.9**	**12476.5**
Tax Expense	-	-	-	**0.0**	**0.0**	**0.0**
Current Tax	345.0	62.4	142.6	3887.3	3761.4	4630.8
Earlier years adjustments	-	-38.9	-16.9	-106.6	-259.2	146.2
Fringe Benefit Tax	-	0.0	0.0	0.0	0.0	-0.5
Deferred Tax	235.8	1909.7	1749.5	-141.6	-210.1	-266.7
Profit /(loss) for the period from Continuing Operations	1183.5	3540.4	3490.2	7497.4	6670.8	7966.8
Profit /(loss) for the period from Discontinuing Operations	-	-	-	-	-	-
Tax Expense of discontinuing Operations	-	-	-	-	-	-
Profit /(loss) for the period from Discontinuing Operations (after Tax)	-	-	-	-	-	-
Net profit / (Loss) after tax as per audited accounts	**1183.5**	**3540.4**	**3490.2**	**7497.4**	**6670.8**	**7966.8**
Adjustments on account of -						
(a) Changes in accounting policies						
(b) Other adjustments & Prior period items	-6.0	650.4	2228.7	-3170.1	-27.9	-157.7
(c)Arrear Salary & Wages	-42.2	514.8	1102.7	-369.7	-19.4	-1214.1
(d) Current Tax impact of Adjstments	-318.4	72.7	-82.0	729.61	156.4	30.3
(e) Deffered tax impact adjustments	326.3	-567.2	-1009.1	7.5	4.6	42.7
Total of Adjustments after Tax impact	**-40.2**	**670.7**	**2240.3**	**-2802.6**	**113.69**	**-1298.8**
Profit after tax (as restated)	**1223.7**	**2869.7**	**1249.9**	**10300.0**	**6557.1**	**9265.6**

Note: Consequent upon acquisition of majority stake in M/s Eastern Investment Ltd (EIL) by RINL during the year 2010-11,EIL has become a subsidiary of RINL and accordingly the figures as reported during 2009-10 are on standalone basis and for the periods subsequent to that are on consolidated basis.

ANNEXURE C

RASHTRIYA ISPAT NIGAM LIMITED (CONSOLIDATED)

SUMMARY CASH FLOW STATEMENT – RESTATED

(₹ in million)

	PARTICULARS	For the three months ended	For the year ended March 31st				
		30-06-2014	2014	2013	2012	2011	2010
(A)	Cash flow from Operating activities						
	Net Profit / (Loss) before taxation	1812.4	4308.4	2034.0	14675.3	10010.2	13848.3
	Add / (Less) Adjustments for:						
	Depreciation	639.6	2791.0	1984.3	2023.8	2866.9	2806.0
	Interest and Finance Charges	754.4	3393.0	3592.5	1906.0	1644.9	775.5
	Provisions	368.1	355.4	-162.4	108.7	153.1	-1071.4
	Unrealised Foreign Exchange (Gain) /Loss	52.8	-0.7	10.1	11.0	-53.0	-112.1
	(Profit)/Loss on sale of fixed assets	-0.5	-5.6	-4.5	-17.5	-32.6	-10.2
	Finished goods consumed for capital jobs	-	-	-	-54.8	-66.5	-949.0
	Interest Income	-180.3	-1935.1	-2251.8	-2559.3	-3571.1	-5347.1
	Dividend Income	-	-1.1	-1.3	-4.8	-	-
	Operating Profit Before working capital changes	**3446.5**	**8905.3**	**5200.9**	**16088.4**	**10951.9**	**9940.0**
	Adjustments for						
	(Increase) / Decrease in Inventories	-5265.7	-327.4	-4227.8	-1481.6	-7907.1	7700.5
	(Increase) / Decrease in Trade Receivables	4198.1	2103.5	-5843.2	-944.3	-1487.0	77.8
	(Increase)/Decrease in Loans & Advances	1017.0	-435.5	-794.6	-3138.6	1260.5	2091.8
	(Increase) / Decrease in Other Non-Current assets	-4.7	-236.5	-262.4	-23.6	-18.2	-
	(Increase) / Decrease in Other Current assets	-314.7	-16.8	1304.2	-417.7	-943.8	-50.5
	Increase /(Decrease) in Liabilities	4106.8	2726.1	7690.0	2434.1	-1346.6	1402.5
	Cash generated from Operations	**7183.4**	**12718.6**	**3067.2**	**12516.8**	**509.7**	**21162.2**
	Less: Income Tax paid	-119.2	-937.1	-1440.9	-4923.1	-4236.8	-4910.0
	Net cash from / (used in) Operating activities	**6990.8**	**11586.5**	**1636.1**	**7522.9**	**-3678.5**	**16252.2**
(B)	Cash flow from Investing activities						
	Purchase of Fixed Assets	-6687.9	-16683.4	-13702.6	-17698.4	-25583.2	-32789.0
	Investments	-	0.5	1525.9	19.7	-3625.9	-2.0
	Dividend Received	-	1.1	1.3	4.8	-	-
	Proceeds from sale of Fixed Assets	0.5	7.7	5.9	29.5	35.6	352.8
	Interest received	129.2	2015.6	2773.0	2509.8	4097.9	6562.2
	Net cash from / (used in) Investing activities	**-6558.2**	**-14658.4**	**-9396.4**	**-15134.6**	**-25075.6**	**-25876.0**
(C)	Cash flow from Financing activities						
	Proceeds from/(Repayment of) Secured Loans	-734.4	-380.3	12415.6	-	-	-5004.4
	Proceeds from/(Repayment of) unsecured Loans	-	-	-	-	-	7252.3
	Proceeds from/(Repayment of) short term loans	1033.7	814.9	10833.0	14392.6	-965.3	-
	Proceeds from Prime Minister's Trophy Fund	1.3	5.6	14.3	3.9	12.4	-
	Proceeds from/(Repayment of) share capital	-500.0	-6069.7	-13805.0	-1000.0	-	-
	Interest and Finance charges	-1589.6	-3961.6	-3330.3	-1967.7	-1513.3	-742.2
	Dividend Paid	-	-1043.8	-2725.6	-2738.6	-2998.4	-3391.8
	Dividend Tax Paid	-	-172.6	-439.1	-440.4	-473.8	-576.4
	Net cash from / (used in) Financing activities	**-1789.0**	**-10807.5**	**2962.9**	**8249.8**	**-5938.4**	**-2462.5**
	Net Increase / (decrease) in Cash & Cash equivalents (A+B+C)	**-1356.4**	**-13879.4**	**-4797.5**	**638.1**	**-34692.5**	**-12086.3**
	Opening Balance of Cash & Cash equivalents	**9225.8**	**23105.3**	**27902.7**	**27264.7**	**61957.1**	**66241.7**
	Closing Balance of Cash & Cash equivalents (Represented by Cash & Bank Balances - Annexure-D-VII)	**7869.3**	**9225.8**	**23105.3**	**27902.7**	**27264.7**	**54155.4**

Note: Consequent upon acquisition of majority stake in M/s Eastern Investment Ltd(EIL) by RINL during the year 2010-11, EIL has become a subsidiary of RINL and accordingly the figures as reported during 2009-10 are on standalone basis and for the periods subsequent to that are on consolidated

ANNEXURE D - I

RASHTRIYA ISPAT NIGAM LIMITED (CONSOLIDATED)

STATEMENT OF FIXED ASSETS AND CAPITAL WORK IN PROGRESS

(₹ in million)

		DESCRIPTION	As at 30-06-2014	As at March 31st 2014	2013	2012	2011	2010
		TANGIBLE ASSETS :						
A		**LAND**						
	(a)	Freehold (Including cost of development)						
		Gross Block	558.9	558.9	559.2	556.4	512.83	514.8
		Less : Accumulated Depreciation	-	-	-	-	0.00	-
		Net Block	**558.9**	**558.9**	**559.2**	**556.4**	**512.83**	**514.8**
	(b)	Leasehold						
		Gross Block	81.7	81.7	81.4	81.4	81.44	16.2
		Less : Accumulated Depreciation	49.0	47.2	44.5	41.8	39.15	6.1
		Net Block	**32.8**	**34.6**	**36.9**	**39.6**	**42.29**	**10.1**
B		Railway Lines & sidings						
		Gross Block	883.5	883.5	726.9	589.8	536.62	487.1
		Less : Accumulated Depreciation	533.6	524.7	510.6	500.1	493.91	472.2
		Net Block	**349.9**	**358.9**	**216.3**	**89.7**	**42.71**	**14.9**
C		Roads, Bridges & Culverts						
		Gross Block	1,931.5	1,931.5	1,612.4	1,523.6	1,494.42	1,332.3
		Less : Accumulated Depreciation	851.8	360.3	329.2	301.9	275.81	251.7
		Net Block	**1,079.7**	**1,571.2**	**1,283.2**	**1,221.7**	**1,218.61**	**1,080.6**
D		Buildings						
		Gross Block	12,591.8	12,589.6	12,429.1	10,739.7	10,465.69	9,462.2
		Less : Accumulated Depreciation	6,495.1	6,431.0	6,074.2	5,753.3	5,453.44	5,144.9
		Net Block	**6,096.7**	**6,158.6**	**6,354.9**	**4,986.4**	**5,012.25**	**4,317.3**
E		Plant & Machinery						
		Gross Block	1,05,282.9	1,05,183.2	97,473.4	79,843.6	77,830.56	75,649.5
		Less : Accumulated Depreciation	76,136.6	75,688.2	73,728.1	72,515.7	71,219.54	68,760.2
		Net Block	**29,146.3**	**29,495.0**	**23,745.3**	**7,327.9**	**6,611.02**	**6,889.3**
F		Furniture & Fittings						
		Gross Block	278.4	277.9	261.6	222.4	215.40	192.3
		Less : Accumulated Depreciation	177.2	170.3	159.5	149.7	142.16	130.0
		Net Block	**101.2**	**107.6**	**102.1**	**72.7**	**73.24**	**62.3**
G		Locomotives						
		Gross Block	1,404.3	1,404.2	1,388.4	1,325.9	1,308.60	984.4
		Less : Accumulated Depreciation	781.9	767.5	725.5	687.9	640.30	599.4
		Net Block	**622.4**	**636.7**	**662.9**	**638.0**	**668.30**	**385.0**
H		Vehicles						
		Gross Block	174.8	173.2	136.0	137.0	136.83	129.8
		Less : Accumulated Depreciation	126.5	123.9	113.6	107.2	99.70	88.0
		Net Block	**48.3**	**49.3**	**22.4**	**29.8**	**37.13**	**41.8**
I		Electrical Installations						
		Gross Block	7,073.5	7,072.4	6,421.1	5,569.2	3,475.75	3,263.5
		Less : Accumulated Depreciation	3,401.4	3,272.3	3,055.6	2,871.6	2,747.93	2,650.7
		Net Block	**3,672.1**	**3,800.1**	**3,365.5**	**2,697.6**	**727.82**	**612.8**
J		Water Supply & Sewerage systems						
		Gross Block	5,109.4	5,109.3	4,245.7	2,728.9	2,835.49	2,874.1
		Less : Accumulated Depreciation	2,711.7	2,666.2	2,549.7	2,486.8	2,515.44	2,522.7
		Net Block	**2,397.7**	**2,443.1**	**1,696.0**	**242.1**	**320.05**	**351.4**
K		Miscellaneous Assets						
		Gross Block	1,621.8	1,619.8	1,573.6	1,412.7	1,251.04	1,270.3
		Less : Accumulated Depreciation	1,209.4	1,161.0	1,065.8	984.0	910.84	901.2

	Net Block	**412.4**	**458.8**	**507.8**	**428.7**	**340.20**	**369.1**
	Total Tangible Assets (i)	**44,518.37**	**45,672.74**	**38,552.59**	**18,330.67**	**15,606.45**	**14,649.4**
	INTANGIBLE ASSETS:						
A	Software (Intangible Assets)						
	Gross Block	83.8	83.8	77.3	75.5	68.4	-
	Less : Accumulated Depreciation	74.9	74.0	70.5	67.1	64.8	-
	Net Block	**8.9**	**9.8**	**6.8**	**8.4**	**3.6**	**-**
B	Mining lease rights (Intangible Asset)						
	Gross Block	976.7	976.4	959.8	902.0	875.8	58.3
	Less : Accumulated Depreciation	449.8	433.3	369.1	306.3	223.7	29.0
	Net Block	**526.9**	**543.1**	**590.7**	**595.7**	**652.1**	**29.3**
	Total Intangible Assets (ii)	**535.79**	**552.92**	**597.5**	**604.13**	**655.7**	**29.3**
	CAPITAL WORK-IN-PROGESS						
	C.W.I.P	1,11,888.4	1,06,870.0	99,518.9	1,05,987.6	93,385.5	69,073.9
	Less: Provisions	182.7	182.7	182.7	227.6	225.6	239.2
	Total C.W.I.P (iii)	**1,11,705.72**	**1,06,687.30**	**99,336.19**	**1,05,759.95**	**93,159.93**	**68,834.65**
	Intangible under Development (iv)	**322.5**	**301.1**	**222**	**150.1**	**-**	**-**
	Total Fixed Assets {(i) + (ii) + (iii) + (iv)}	**1,57,082.4**	**1,53,214.1**	**1,38,708.3**	**1,24,844.9**	**1,09,422.1**	**83,513.4**

ANNEXURE D - II

RASHTRIYA ISPAT NIGAM LIMITED (CONSOLIDATED)

STATEMENT OF NON-CURRENT INVESTMENTS

(₹ in million)

PARTICULARS	As at 30-06-2014	As at March 31st 2014	2013	2012	2011	2010
Traded						
Investment In Equity Instruments						
Quoted (A)						
Others						
Bisra Stone Lime Company Ltd *	0.0	-	-	-	-	-
Total (A) @	0.0	-	-	-	-	-
Unquoted (B)						
Joint Ventures						
Rinmoil Ferro Alloys Private Limited	1.0	1.0	1.0	1.0	1.0	1.0
International Coal Ventures Pvt. Ltd	14.0	14.0	14.0	14.0	4.3	1.0
Others						
Free Press House Limited #	-	-	-	-	-	-
Steelscape Consultancy Pvt. Ltd	0.0	0.0	0.5	0.5	0.5	0.5
Others	68.47	71.47	71.57	71.59	101.5	-
Total (B)	83.5	86.5	87.1	87.1	107.3	2.5
Total (A+B)	**83.6**	**86.5**	**87.1**	**87.1**	**107.3**	**2.5**

Note:

@Aggregate market value is not ascertainable due to non availability of Quotes in Stock Exchange
* Investment amounted to ₹1000/- hence rounded off to zero
# Investment amounted to ₹ 2380/- hence rounded off to zero and include one fully paid up equity share of in Anakapalli Rural Electric Co-operative society Ltd

ANNEXURE D - III

RASHTRIYA ISPAT NIGAM LIMITED (CONSOLIDATED)

STATEMENT OF LONG-TERM LOANS AND ADVANCES

(₹ in million)

PARTICULARS	**As at**	**As at March 31st**				
	30-06-2014	**2014**	**2013**	**2012**	**2011**	**2010**
Capital advances						
Advances & other recoverables (Recoverable in cash or in kind or for value to be received)						
Government departments	28.9	45.2	98.9	124.4	51.1	65.9
Contractors	881.7	379.9	293.1	436.5	719.8	4,689.6
Suppliers	495.1	-	-	-	46.1	198.9
Others	147.8	484.2	22.3	16.1	732.8	4.6
Security Deposits	49.5	526.4	747.0	285.1	261.3	209.0
Loans and Advances to Related parties						
Directors	-	-	-	-	-	-
Joint venture Companies	43.6	43.6	43.6	22.9	22.4	-
Other Loans and Advances						
Loans						
Employees	492.0	526.0	482.7	454.3	434.5	382.9
Others	2,182.8	2,494.7	2,806.4	1,120.2	1,463.2	2,336.1
Advances						
MAT Credit Entitlement	2,253.5	2,207.1	968.8	-	-	-
Total	**6,574.9**	**6,707.1**	**5,462.8**	**2,459.6**	**3,731.2**	**7,886.9**

ANNEXURE D - IV

RASHTRIYA ISPAT NIGAM LIMITED (CONSOLIDATED)

STATEMENT OF OTHER NON-CURRENT ASSETS

(₹ in million)

PARTICULARS	As at	As at March 31st				
	30-06-2014	2014	2013	2012	2011	2010
Interest Accrued on loans to employees	151.0	146.3	125.8	103.3	79.7	59.4
Others	456.0	456.0	240.3	-	-	-
Trade Receivables	-	-	-	-	-	2.1
Total	**607.0**	**602.3**	**366.1**	**103.3**	**79.7**	**61.5**

ANNEXURE D - V

RASHTRIYA ISPAT NIGAM LIMITED (CONSOLIDATED)

STATEMENT OF INVENTORIES

(₹ in million)

PARTICULARS	As at	As at March 31st				
	30-06-2014	2014	2013	2012	2011	2010
Semi Finished/ Finished goods	27,181.9	20,930.0	21,133.2	18,121.7	18,577.6	12,930.1
Raw materials	11,533.0	13,117.9	12,838.3	12,262.4	11,381.5	8,651.0
Stores & Spares	5,481.7	4,883.0	4,632.1	3,991.8	2,936.5	3,063.1
Total	**44,196.6**	**38,930.9**	**38,603.6**	**34,375.8**	**32,895.6**	**24,644.2**

ANNEXURE D - VI

RASHTRIYA ISPAT NIGAM LIMITED (CONSOLIDATED)

STATEMENT OF TRADE RECEIVABLES

(₹ in million)

PARTICULARS	As at	As at March 31st				
	30-06-2014	2014	2013	2012	2011	2010
Debts over six months	118.1	215.1	368.1	231.9	232.3	207.9
Other debts	3,960.0	8,062.5	10,007.4	4,296.0	3,366.3	1,798.9
Less:Provision for doubtful debts	226.6	226.8	227.0	238.7	236.0	205.2
Total--Unsecured & Considered good	**3,851.4**	**8,050.8**	**10,148.5**	**4,289.2**	**3,362.6**	**1,801.6**

ANNEXURE D - VII

RASHTRIYA ISPAT NIGAM LIMITED (CONSOLIDATED)

STATEMENT OF CASH AND BANK BALANCES

(₹ in million)

PARTICULARS	As at	As at March 31st				
	30-06-2014	2014	2013	2012	2011	2010
Cash and cash equivalents						
Balances with Banks	103.6	598.1	66.3	119.0	145.2	212.8
Cheques, Drafts on hand	279.9	1,111.9	717.3	391.5	351.7	510.3
Cash on Hand	1.2	0.4	0.6	0.5	0.5	0.9
Remittances in-transit	-	-	2.0	-	-	0.0
Term deposits with Banks	7,381.2	7,394.7	22,213.7	24,557.2	17,673.5	49,545.0
Earmarked Balances with Banks	-	-	-	-	-	-
Dividend	-	24.3	27.6	6.8	6.1	-
Prime Ministers Trophy Fund	61.4	60.1	54.5	40.1	-	-
Court Deposits	-	-	-	-	-	-
Other bank balances						
Term deposits pledged with Banks	41.9	36.4	23.3	2,737.7	9,037.7	3,336.4
Margin Money with Banks	-	-	-	50.0	50.0	550.0
Total	**7,869.2**	**9,225.8**	**23,105.3**	**27,902.7**	**27,264.7**	**54,155.4**

ANNEXURE D - VIII

RASHTRIYA ISPAT NIGAM LIMITED (CONSOLIDATED)

STATEMENT OF SHORT-TERM LOANS AND ADVANCES

(₹ in million)

PARTICULARS	As at	As at March 31st				
	30-06-2014	2014	2013	2012	2011	2010
Loans and Advances to Related Parties						
Directors	-	-	-	-	-	-
Joint venture Companies	17.3	16.4	13.9	1,560.5	2.1	6.5
Others						
Material issued on loan	3.8	3.8	1.2	78.9	-	-
Advances & other recoverables (Recoverable in cash or in kind or for value to be received)						
Government departments	4,705.8	82.9	96.9	95.1	81.0	174.3
Less:Provision for doubtful advances	-	6.2	6.2	6.2	6.2	6.2
Contractors	322.4	720.2	852.3	697.7	522.5	183.4
Less:Provision for doubtful advances	0.2	51.6	43.8	37.5	37.5	37.5
Suppliers	572.8	516.1	331.0	815.5	478.8	473.6
Less:Provision for doubtful advances	37.4	89.8	78.8	70.0	63.1	62.6
Employees	264.6	74.1	100.9	81.9	101.9	16.2
Less:Provision for doubtful advances	1.6	1.6	1.6	1.6	1.6	1.6
Foreign Exchange Forward contract receivables	24,520.5	24,373.0	25,331.1	-	-	-
Others	1,063.6	6,812.0	5,465.5	16,108.3	10,361.8	4,083.1
Less:Provision for doubtful advances	108.4	373.0	368.9	367.5	327.3	297.3
Advance Income Tax & Fringe Benefit Tax	1,781.0	1,050.0	1,851.7	4,776.1	3,800.0	4,327.3
Prepaid expenses	89.0	82.1	40.3	24.2	58.0	30.7
Claims recoverable	1,030.7	526.8	534.6	484.5	503.2	498.0
Less: Provision for doubtful claims	539.7	178.3	172.3	165.1	85.5	62.6
Deposits	1,512.2	1,075.7	1,144.6	922.8	942.3	1,204.2
Total	**35,196.3**	**34,632.5**	**35,092.5**	**24,997.7**	**16,330.5**	**10,529.7**

ANNEXURE D - IX

RASHTRIYA ISPAT NIGAM LIMITED (CONSOLIDATED)

STATEMENT OF OTHER CURRENT ASSETS

(₹ in million)

PARTICULARS	As at 30-06-2014	As at March 31st 2014	2013	2012	2011	2010
Current maturities of Long term Loans						
Employees	152.7	163.6	149.1	142.4	122.7	98.3
Others	311.8	240.0	240.0	1,215.9	873.0	4.8
Interest accrued on loans to employees	12.1	12.5	10.1	7.2	5.1	4.7
Interest accrued -- others	409.8	356.9	448.7	1,311.4	1,239.9	1,541.4
Less: Provision for Non recoverable interest	0.4	0.4	3.4	-	-	-
Other income accrued	21.6	15.8	12.0	2.0	5.1	3.4
Other Receivables	249.4	-	-	-	-	-
Assets Retired from active use and held for disposal	1.2	1.2	1.3	1.2	0.3	0.5
Deferred Premium on Forward contracts	480.3	430.9	392.1	176.4	160.0	6.3
Grant-In-Aid-Receivable	0.0	0.0	0.0	1,371.0	0.0	0.0
Total	**1,638.6**	**1,220.5**	**1,249.9**	**4,227.5**	**2,406.2**	**1,659.5**

ANNEXURE D - X

RASHTRIYA ISPAT NIGAM LIMITED (CONSOLIDATED)

STATEMENT OF LONG-TERM LIABILITIES & PROVISIONS

(₹ in million)

PARTICULARS	As at	As at March 31st				
	30-06-2014	**2014**	**2013**	**2012**	**2011**	**2010**
Trade payables	-	-	121.4	-	-	-
Security deposits	883.3	956.6	652.7	584.5	543.0	456.5
Other Liabilities	289.5	837.7	360.3	322.9	(57.1)	(22.7)
Total	**1,172.8**	**1,794.3**	**1,134.4**	**907.5**	**486.0**	**433.8**
Provision for Employee Benefits						
Compensated Absences	1,547.6	1,180.6	1,077.9	2,025.9	3,374.3	3,464.6
Post-retirement Benefits	2,108.3	2,251.2	1,684.0	1,844.3	1,696.8	1,433.9
Employee Family Benefit Scheme	1,628.4	1,633.6	1,028.0	850.2	643.4	641.4
Long Service Awards	343.4	357.6	367.4	112.6	97.5	70.5
Leave Travel Concession	102.1	95.2	9.3	8.0	5.0	40.0
Others						
Mines Closure	30.9	30.9	29.6	28.3	26.1	24.3
Total	**5,760.7**	**5,549.1**	**4,196.2**	**4,869.3**	**5,843.1**	**5,674.7**

ANNEXURE D - XI

RASHTRIYA ISPAT NIGAM LIMITED (CONSOLIDATED)

STATEMENT OF SHORT TERM BORROWINGS

(₹ in million)

PARTICULARS	As at	As at March 31st				
	30-06-2014	2014	2013	2012	2011	2010
Loans repayable on demand						
From Banks						
Secured Loans						
Working Capital Borrowings	1,513.4	5,894.4	5,862.2	7,552.2	1,966.1	3,493.6
(Secure by hypothecation of current assets)	-	-	-			
Short Term Loans	-	-	-	2,471.8	782.8	579.2
(secured by term deposits)						
Unsecured Loans	-	-	-			
Working Capital Borrowings	3.4	2,296.3	2,038.0	852.5	-	-
Short Term Loans	7,556.7	4,873.1	-	2,231.2	1,851.2	5,999.6
Short Term Foreign currency facilities	24,393.3	24,335.5	25,208.4	11,161.6	6,758.7	2,251.8
Other Loans and Advances						
Secured	-	-	-	-	-	-
Unsecured	-	-	-	-	-	-
Commercial Papers	4,966.2	-	3,475.8	1,482.1	-	-
Total	**38,433.0**	**37,399.3**	**36,584.4**	**25,751.4**	**11,358.8**	**12,324.1**

ANNEXURE D-XII

RASHTRIYA ISPAT NIGAM LIMITED (CONSOLIDATED)

STATEMENT OF TRADE PAYABLES

(₹ in million)

PARTICULARS	As at	As at March 31st				
	30-06-2014	2014	2013	2012	2011	2010
MSME	349.6	603.2	547.3	65.1	15.4	3.6
Others	1,504.2	7,796.0	6,916.6	3,653.1	5,905.1	5,543.4
Total	**1,853.8**	**8,399.2**	**7,463.9**	**3,718.2**	**5,920.5**	**5,547.0**

ANNEXURE D - XIII

RASHTRIYA ISPAT NIGAM LIMITED (CONSOLIDATED)

STATEMENT OF OTHER CURRENT LIABILITIES & SHORT TERM PROVISIONS

(₹ in million)

PARTICULARS	As at 30-06-2014	As at March 31st 2014	2013	2012	2011	2010
Current Liabilities:						
Interest accrued but not due						
Short term borrowings	78.8	44.9	61.2	34.1	9.2	25.1
Income Tax	7.9	7.9	0.0	1,390.2	11.1	0.0
Other payables	3.4	15,716.3	15,480.6	5,478.7	6,036.6	7,303.0
Advances from customers	1,719.3	1,585.6	2,111.1	1,975.0	1,513.8	1,395.2
Other advances	15.0	1.8	1.4	0.4	2.6	5.4
Earnest money, security & other deposits	1,106.4	3,774.4	3,073.9	2,850.5	2,575.3	1,622.3
Current Liabilities of Long Term Employee Benefits						
Compensated Absences	381.7	980.0	1,836.4	1,482.9	458.0	-
Post-retirement Benefits	182.9	181.4	123.6	124.6	27.8	-
Employee family Benefit Scheme	453.8	444.6	405.7	193.8	219.0	-
Long Service Awards	63.9	28.5	14.4	3.4	4.0	-
Leave Travel Concession	20.7	19.2	83.4	72.7	45.2	-
Other liabilities	61,569.9	32,867.3	33,073.5	21,938.9	15,075.2	10,508.4
Total	**65,603.7**	**55,651.9**	**56,265.2**	**35,545.1**	**25,977.9**	**20,859.4**
Short Term Provisions:						
Provision for Employee Benefits						
Gratuity to employees	-	-	59.8	-	56.6	722.1
Others						
Current Income Tax	2,943.9	2,841.8	2,582.7	5,407.4	4,828.4	5,128.1
Fringe Benefit Tax	-	-	-	-	-	-
Wealth Tax	4.3	3.5	3.2	4.6	4.9	4.5
Interim Dividend	-	-	-	-	-	1,000.1
Proposed Dividend (Final)	352.9	349.8	548.8	1,913.3	2,735.8	1,852.8
Tax on Interim Dividend	-	-	-	-	-	166.1
Tax on proposed Dividend (Final)	60.0	59.5	93.2	310.4	439.1	307.7
Other Provisions	113.4	0.0	65.8	39.0	21.3	0.0
Total	**3,474.4**	**3,254.6**	**3,353.5**	**7,674.8**	**8,086.1**	**9,181.5**

ANNEXURE D - XIV

RASHTRIYA ISPAT NIGAM LIMITED (CONSOLIDATED)

STATEMENT OF SHARE CAPITAL

(₹ in million)

	As at	As at March 31st				
	30-06-2014	2014	2013	2012	2011	2010
AUTHORISED						
489,00,00,000 Equity Shares of ₹ 10 each	48,900.0	48,900.0	48,900.0	48,900.0	48,900.0	48,900.0
311,00,00,000 Preference Shares of ₹ 10 each	31,100.0	31,100.0	31,100.0	31,100.0	31,100.0	31,100.0
Total	**80,000.0**	**80,000.0**	**80,000.0**	**80,000.0**	**80,000.0**	**80,000.0**
ISSUED, SUBSCRIBED & PAID-UP						
488,98,46,200 Equity Shares of ₹ 10 each.	48,898.5	48,898.5	48,898.5	48,898.5	48,898.5	48,898.5
80,00,00,000 7 % Non-Cumulative redeemable Preference Shares of ₹ 10 each redeemable at par	8,000.0	8,500.0	14,569.7	28,374.7	29,374.7	29,374.7
Total	**56,898.5**	**57,398.5**	**63,468.2**	**77,273.2**	**78,273.2**	**78,273.2**

ANNEXURE D – XV

RASHTRIYA ISPAT NIGAM LIMITED (CONSOLIDATED)

STATEMENT OF RESERVES AND SURPLUS

(₹ in million)

PARTICULARS	As at	As at March 31st				
	30-06-2014	2014	2013	2012	2011	2010
Capital Redemption Reserve	21374.7	20874.7	14805.0	1000.0	-	-
Reserve for Redeeming Preference Share Capital	8000.0	8500.0	14569.7	28374.7	29374.7	29374.7
Prime Minister's Trophy Award Fund	61.4	60.1	54.5	40.1	36.2	23.8
Capital Reserve	6.4	6.4	6.4	6.4	6.4	-
General Reserve	15.8	15.8	12.6	4.5	2.7	-
Special Reserve	5.1	5.1	4.7	3.2	1.5	-
Surplus as per Profit and Loss Account	35491.7	34549.6	32569.4	32888.2	24830.5	21530.0
Total	**64,955.1**	**64,011.7**	**62,022.3**	**62,317.1**	**4,252.0**	**50,928.5**

ANNEXURE D - XVI

RASHTRIYA ISPAT NIGAM LIMITED (CONSOLIDATED)

STATEMENT OF REVENUE

(₹ in million)

PARTICULARS	For the three months ended	For the year ended March 31st				
	30-06-2014	2014	2013	2012	2011	2010
Revenue from operations						
Net Sales(Gross sales net of Excise Duty)	23,003.9	1,19,895.5	1,20,363.2	1,31,754.2	1,05,736.2	98,091.5
Internal Consumption	57.4	560.9	803.9	1,003.0	877.0	1,210.7
Export Benefits	21.8	112.2	217.9	80.2	116.1	96.9
Sub-total	**23,083.1**	**1,20,568.6**	**1,21,385.0**	**1,32,837.4**	**1,06,729.3**	**99,399.2**
Other Income						
Interest Income	285.4	2,552.7	3,091.5	3,088.5	3,987.1	5,347.1
Other Income	170.7	1,294.5	2,279.2	821.5	894.4	893.1
Sub-total	**456.2**	**3,847.1**	**5,370.7**	**3,910.0**	**4,881.5**	**6,240.2**
Total	**23,539.2**	**1,24,415.7**	**1,26,755.7**	**1,36,747.4**	**1,11,610.8**	**1,05,639.4**
Profit before tax, before Extraordinary Items	**3105.5**	**11568.7**	**10575.4**	**16392.3**	**13771.3**	**15951.4**
Total Other Income as % of Profit before tax & Extraordinary Items	**15%**	**33%**	**51%**	**24%**	**35%**	**39%**

Note:

1.0 All items of income included under 'other income' above are related to the business activities of the company and are recurring in nature, as per current operations and business activities of the company.

2.0 Interest shown above include interest on Bank FDs, advance to employees etc.

(₹in million)

Bank FDs	As on					
	30-06-2014	31-3-2014	31-3-2013	31-3-2012	31-3-2011	31-3-2010
Term Deposits & Margin money with banks	7423.1	7431.1	22237.0	27344.9	26761.2	53431.4

ANNEXURE D - XVII

RASHTRIYA ISPAT NIGAM LIMITED (CONSOLIDATED)

STATEMENT OF OTHER EXPENSES

(₹ in million)

PARTICULARS	For the three months ended	For the year ended March 31st				
	30-06-2014	2014	2013	2012	2011	2010
Consumption of Stores and Spares	1,154.6	5,580.2	5,309.6	5,192.5	4,729.4	4,664.8
Power and Fuel	1,990.5	6,773.0	6,365.9	4,679.0	4,311.0	4,082.7
Repairs and Mainatanance	625.6	2,384.9	2,064.9	1,699.6	1,479.1	1,421.3
Freight Outwards	1,050.9	5,012.8	4,150.9	3,563.5	3,007.2	3,126.5
Other expenses & Provisions	1,768.2	5,144.6	5,483.1	5,440.9	4,638.2	3,323.3
Total	**6,589.8**	**24,895.5**	**23,374.4**	**20,575.5**	**18,164.8**	**16,618.6**

Annexure - E

RASHTIRYA ISPAT NIGAM LIMITED (CONSOLIDATED)

SIGNIFICANT ACCOUNTING POLICIES (CONSOLIDATED)

GROUP COMPANIES (RINL AND ITS SUBSIDIARIES EIL, OMDC AND BSLC)

1.0 GENERAL

1.1 Financial Statements are prepared under the historical cost convention in accordance with fundamental accounting assumptions and Generally Accepted Accounting Principles (GAAP) in India and the relevant provisions of the Companies Act, 2013 including Accounting Standards notified there under.

1.2 The preparation of financial statements in conformity with Generally Accepted Accounting Principles require estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates and differences between actual results and estimates are recognised in the periods in which the results are known or materialised.

2.0 FIXED ASSETS

2.1 Fixed assets are stated at historical cost (or revalued amounts, as the case may be) less accumulated depreciation/amortization.

2.2 Expenditure attributable /relating to construction is accounted as below:

(a) To the extent directly identifiable to any specific plant unit. Trial run expenditure net of revenue is included in the cost of Fixed asset.

(b) To the extent not directly identifiable to any specific Plant Unit, is kept under 'Expenditure During Construction' for allocation to Fixed Assets and is grouped under 'Capital Work-in-Progress'.

2.3 Prospecting and development expenses incurred to prepare the mine ready for commercial exploration (i.e. in the nature of preliminary and preoperative expenses) are capitalized.

2.4 Expenditure incurred for obtaining required clearance to operate the mines subsequent to the allotment of their lease is capitalized as intangible assets.

2.5 Expenditure incurred for renewable of mining lease are capitalized under Mining Lease.

3.0 INVESTMENTS

3.1 Current investments are carried at lower of cost and fair value.

3.2 Long-term investments are carried at cost. Diminution in value, other than temporary, is provided for.

4.0 INVENTORIES

4.1 Inventories are valued at lower of cost and net realizable value.

4.2 The basis of determining cost is:

4.2.1 Finished / Semi-finished goods, Raw Materials – Periodic Weighted Average cost.

4.2.2 Minor Raw material, Stores & Spares, Loose Tools – Dynamic Moving weighted average cost.

4.2.3 All materials in transit at cost.

4.3 Obsolete / Surplus / Non-moving inventory are adequately provided for.

5.0 REVENUE RECOGNITION

5.1 Sales are recognized when all significant risks and rewards of ownership have been transferred to the buyer.

5.2 Export incentives under various schemes are recognized as Income on certainty of realisation.

6.0 CLAIMS

6.1 Claims against outside agencies are accounted on certainty of realisation.

7.0 FOREIGN CURRENCY TRANSACTIONS

7.1 Foreign currency monetary items are recorded at the closing rate.

7.2 Exchange differences arising on account of settlement / conversion of foreign currency monetary items are recognised as expense or income in the period in which they arise.

8.0 EMPLOYEE BENEFITS

8.1 Provision /Liabilities towards gratuity, post-retirement medical benefits, retirement settlement benefits, and Employees Family Benefit Scheme are made based on the actuarial valuation as at the end of the year. Consequential charge to statement of Profit and Loss includes actuarial gains/losses.

9.0 DEPRECIATION AND AMORTISATION**

9.1 Depreciation is provided on straight line method (SLM) up to 95% of the cost of the asset over their useful lives as in Schedule II of the Companies Act , 2013 except in respect of the following categories of assets where their useful life is based on the technical assessment of the Management (useful life given in brackets):

Telecom Equipment (5years); Cranes, Slag Pot Carriers, Audio & Visual Equipment (10years); Earth moving equipment, Fork lift Trucks, Air Conditioners, Refrigerators, Water Coolers, Air Coolers, Freezers (7 years); Cars (6years);Safety Equipment, Other light vehicles (8 years); Central Processors (including system software (4years) Coke ovens & Coal Chemical Plant (15 years)

9.1.1 Net book value as on 31.03.2014 is reckoned as the residual value for those assets whose net book value is less than 5% of the cost of the assets as on 31.03.2014.

9.2 Leasehold land is amortized over the period of lease.

9.3 Prospecting and development expenditure is amortized at the rate of 10% using written down value method in case of OMDC. In case of BSLC, the same is amortized over a period of ten years.

9.4 Amortisation of “Intangible Assets” is accounted as follows:

9.4.1 Mining lease rights are amortised over the period of lease.

9.4.2 Software which is not an integral part of related hardware is treated as intangible asset and amortised over a period of four years or its license period, whichever is less.

10.0 BORROWING COSTS

10.1 Borrowing costs incurred for obtaining assets which take more than 12 months to get ready for its intended use are capitalised to the respective assets wherever the costs are directly attributable to such assets and in other cases by applying weighted average cost of borrowings to the expenditure on such assets.

10.2 Other borrowing costs are treated as expense for the year.

11.0 PRIOR PERIOD ADJUSTMENTS

11.1 Items of Income / Expenditure which arise in the current period as a result of errors or omissions in the preparation of Financial Statements of one or more prior periods, exceeding ₹ 5,00,000/- in value, in each case are treated as prior period adjustments.

11.2 In case of Subsidiaries, no threshold limit is prescribed for an item to be treated as prior period adjustment.

12.0 GRANTS AND SUBSIDIES

12.1 When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

12.2 Where the grant or subsidy relates to an asset, its value is deducted from the gross value of the asset concerned in arriving at the carrying amount of the related asset.

ANNEXURE F

RASHTRIYA ISPAT NIGAM LIMITED (CONSOLIDATED)

NOTES ON ADJUSTMENTS MADE FOR RESTATED FINANCIAL STATEMENTS

1. Adjustments on changes in Accounting Policies, prior period items and other adjustments

(₹ in million)

	PARTICULARS	For the three months ended	For the year ended March 31st				
		30-06-2014	2014	2013	2012	2011	2010
(A)	**Net profit after tax as per audited accounts**	**1,183.5**	**3,540.4**	**3,490.2**	**7,497.4**	**6,670.8**	**7,966.8**
	Adjustments on account of -						
	(a) Changesinaccountingpolicies	-	-	-	-	-	-
	(b) Otheradjustments&Priorperioditems	(6.0)	650.4	2,228.7	(3,170.1)	(27.9)	(157.7)
	(c) ArrearSalary&Wages	(42.2)	514.8	1,102.7	(369.7)	(19.4)	(1,214.1)
	(d) CurrentTaximpactofAdjustments	(318.4)	72.7	(82.0)	729.6	156.4	30.3
	(e) Deferredtaximpactadjustments	326.3	(567.2)	(1,009.1)	7.5	4.6	42.7
(B)	**Total of Adjustments after Tax impact**	**(40.2)**	**670.7**	**2,240.3**	**(2,802.6)**	**113.7**	**(1,298.8)**
(C)	**Net Adjusted Profit after tax(A-B)**	**1,223.7**	**2,869.7**	**1,249.9**	**10,300.0**	**6,557.1**	**9,265.6**

2.0 Notes on adjustments made for Restated Financial Information:

2.1 The prior period items in the Profit and Loss Account have been restated to the respective years to which they relate.

2.2 In the Financial Year 2013-14 there has been change in Accounting practice related to "Assets not owned by an Enterprise" based on the Expert Advisory Committee of Institute of Chartered Accountants of India. As per such opinion, the expenditure incurred on Assets not owned by an Enterprise is to be recognized as revenue expenditure upon completion of work. In line with the changed accounting practice adjustments were carried out in the restated financial statements.

2.3 In the Financial Year 2012-13, the company has reversed vacant land tax liability which was adjusted accordingly in the restated financial statements.

2.4 Arrears of expenses in respect of Salary and Wages paid to the executives as per DPE Guidelines, and for nonexecutives arising out of wage agreement under National Joint Committee for Steel Industries Agreement and expenditure on pay revision for the executives/non-executives have been charged through provision in the earlier years, the same have now been restated taking into respective years to which they relate.

2.5 The company has accounted for the deferred tax assets & liabilities in terms of 'Accounting for Taxes on Income' (AS22) issued by the Institute of Chartered Accountants of India (ICAI). Current tax and deferred tax impact on the adjustments made have been computed on the restated profit at the rates applicable to respective years.

2.6 The Accounts for the years have been restated considering the Guidance Note on "Reports in Company Prospectuses" issued by Institute of Chartered Accountants of India. Effect of these changes has been shown as separate line items under para 1(Annexure-VI) referred above. Effect of changes for Financial Years prior to 2009-10 have been adjusted in the surplus profit & loss account *unde*r

Reserves & Surplus as on 31.03.2009 net of taxes including deferred tax relatable to Financial Years prior to 2009-10.

2.7 Depreciation for Eastern Investments Limited (EIL) has provided originally in Written down Value (WDV) method as per the company policy but this has been changed from WDV to Straight Line Method (SLM) for the purpose of restated accounts as per accounting policy of M/s RINL. In line with the RINL Deprecation policy, depreciation has been recomputed and adjusted accordingly in the restated financial information.

Annexure G

RASHTRIYA ISPAT NIGAM LIMITED (CONSOLIDATED)

Notes on adjustments not made for Restated Financial Information

1. As per the Notification dated 26.11.2008 of Ministry of Heavy Industries and Public Enterprises, Govt. of India, while reviewing the pay scales of the employees of PSUs, inter alia revised the ceiling of gratuity to ₹1.0 million from ₹0.35 million w.e.f. 01.07.2007. Accordingly, gratuity liability as per AS-15 has been accounted under Employees cost in the year 2008-09 and such amount has not been recast to the relevant earlier years as the same has not been ascertained, further presenting of breakup of figures for long-term and short-term provision as required by revised schedule VI has not been done as it is not ascertained for the Financial Year 2009-10.However, the total post superannuation defined benefits are shown under long term provisions.

2. The Company has commenced valuing ‘in process materials’, namely hot metal and liquid steel during the first quarter of 2014-15. Since the amount is not quantifiable and in the absence of the required data, the same has not been recast to the earlier years.

Annexure H

RASHTRIYA ISPAT NIGAM LIMITED (CONSOLIDATED)

OTHER NOTES ON RESTATED FINANCIAL INFORMATION

1. BASIS OF PREPARATION OF FINANCIAL INFORMATION

1.1 The financial information of the subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Parent Company, i.e. year ending 31st March, 2014 and three months period 30.06.2014.

1.2 The financial information have been prepared under the historical cost convention and on the accrual basis of accounting. The accounts of the subsidiaries have been prepared in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India and on the basis of accounting principles generally accepted in India.

2.0 PRINCIPLES OF CONSOLIDATION

2.1 The consolidated financial information relate to RASHTIRYA ISPAT NIGAM LIMITED (RINL) and its subsidiary company Eastern Investments Limited (EIL). Further, the position of investment and other current account as at 30/06/2014 and 31/03/2014 are as under:

(₹ in million)

Name of Subsidiary	Country of Incorporation	Stake in Subsidiary	Date of Incorporation	Address	Minority Interest as per consolidated accounts as on 31/03/2014	Minority Interest as per consolidated accounts as on 30/06/2014
Eastern Investments Limited	India	51%	3rd January, 1927	SouravAbasan 2nd Floor AG-104 Sector-II, Salt Lake City Kolkata-700091	5975.20	5966.78

2.2 The financial information of the Company and its subsidiary companies are combined on a line-by-line basis adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard - 21 “Consolidated Financial information” issued by the Institute of Chartered accountants of India.

Significant Accounting Policies and Notes to these Consolidated Financial information are intended to serve as a means of informative disclosure and a guide to better understanding the consolidated position of the companies. Recognizing this purpose, the Company has disclosed only such Policies and Notes from individual financial information, which fairly present the needed disclosure.

2.3 The Borrea Coal Company ltd, another subsidiary and the two associate companies namely; The Burrakur Coal Co. Ltd and The Karanpura Development Co. Ltd have gone into liquidation and official liquidators have taken possession of all the books and as a result, no account of the said companies have been prepared and considered in group consolidated financial statements.

3.0 (a) The Company has adopted the remaining useful life of its tangible assets as per the requirement of part C of Schedule II of Companies Act 2013 read with para 9.1 of Significant Accounting Policies. Further, based on the transitional provision in note no. 7(b) of the said schedule, an amount of ₹ 290 million (net of deferred tax) has been adjusted against retained earnings in respect of tangible assets whose useful life has exhausted.

(b) For the useful lives adopted by the Company as mentioned in (a) above is subject to technical assessment of componentization of main assets which is under progress.

4.0 Land at a cost of ₹ 399.9 million is being held in the name of President of India. The Company is holding Power of Attorney issued by Govt. of India for utilization of the land acquired for the Project and related purposes incidental thereto.

5.0 Land includes 367.07 acres allotted to various agencies on lease basis.

6.0 Sale deeds in respect of the following assets are yet to be executed:

a)	Stockyard at Chennai	₹ 23.7 million
b)	i) Office building at New Delhi	₹ 10.9 million
	ii) Office building at New Delhi	₹ 244.4 million
c)	Office buildings at Ahmadabad	₹ 1.8 million
d)	Residential buildings at Kolkata	₹ 9.5 million
e)	Site for Liaison Office	₹ 13.0 million

7.0 The Company has commenced valuing 'in process materials', namely hot metal and liquid steel and as on 30.06.2014 the same is valued at ₹ 144.2 million. Consequently, the profit for the current quarter was higher by ₹ 144.2 million.

8.0 These interim financial statements are prepared in connection with disinvestment through offer for sale/IPO and in accordance with Accounting standard (AS) 25 "Interim Financial Reporting".

9.0 The figures relating to the corresponding period of the immediately preceding Financial Year are not furnished, as the audited interim financial statements for the corresponding period of the immediately preceding Financial Year are not available.

10.0 The disclosures as required by the Accounting standard (AS) 15 "Employee Benefits", are partial and limited to the data available.

11.0 The non-furnishing of the figures relating to the corresponding period of the immediately preceding Financial Year and the limited disclosures under Accounting standard (AS) 15 "Employee Benefits", have no impact on the restatement of financial statements prepared in connection with disinvestment through offer for sale/IPO.

12.0 **Joint Venture by OMDC**

In terms of the Memorandum of Understanding (MOU) dated 24.04.1992 between the Orissa Minerals and Development Company Ltd (OMDC) and Usha Rectifier Corporation (I) Limited (now Usha India Limited) a Joint Venture Company (JVC) was formed namely East India Minerals Limited (EIML), and subsequently vide an agreement dated 04.10.1993 between OMDC and East India Minerals Limited (EIML), certain facilities in the form of land for construction of plant, railways siding etc. were provided to EIML on right to use basis, initially for a period of 20 years as consideration towards of 26% of the paid up equity shares of the JVC. As per the terms of the MOU as well as the agreement, permission for mining in the leasehold areas was also extended to the JVC against establishment charges to be paid by them for such permission, Necessary charges payable by EIML in this regard has been taken into income as establishment charges in the books of OMDC. Minerals raised by EIML in terms of the said arrangement NIL M.T. (Previous Year NIL M.T.) however has not been included to arrive at OMDC's production.

Notes of Subsidiary Companies

13.0 List of Related Parties of Subsidiary Company:

(a)	**Subsidiary Company: Holding**	
	The Orissa Minerals Development Company Ltd.	50.01%
	The Bisra Stone Lime Company Ltd.	50.01%
	The Borrea Coal Co. Ltd. (In Liquidation) Ordinary Shares	56.43%
(b)	**Holding of Subsidiary in the Paid up Capital of EIL**	
	The Orissa Minerals Development Company Ltd.	1.76%
(c)	**Stake of Holding Company in the Paid up Capital of EIL**	
	Rashtriya Ispat Nigam Ltd.	51.00%
(d)	**OtherAssociates in which Shares are held**	
	The Karanpura Development Co. Ltd. (under liquidation)	39.93%
	The Burrakur Coal Co. Ltd. (under liquidation)	39.33%

(e) **Key Management Personnel**
Dr. Satish Chandra, MD from 29.10.2009TO 15.07.2013
Shri Umesh Chandra, MD from 15.07.2013

(f) **Employees Benefit Funds where there is significant influence**

i) The Orissa Minerals Development Co. Ltd. Provident Institution.
ii) The Orissa Minerals Development Co. Ltd. Superannuation Fund.
iii) Orissa Minerals Co. Ltd. Employees Gratuity Fund.
iv) Bisra Stone Lime Company Ltd Employee Gratuity Fund.

14.0 (a) The Company has changed the accounting policy for charging of depreciation from WDV to SLM as provided in Schedule XIV of the Companies Act, 1956.The cumulative impact of such change is that an amount of ₹142.5 million being excess depreciation charged till 31.03.2011,have been written back in the statement of profit & loss account. If there had no such change in accounting for depreciation, company would have incurred further loss of ₹ 142.5 million.

(b) In case of Eastern Investments, Limited., company has changed the accounting policy for charging of depreciation from WDV to SLM as provided in Schedule XIV of the Companies Act, 1956.The cumulative impact of such change is that an amount of ₹ 6273/- has shown as Extra-Ordinary Item in Profit & loss accounts related Up to Previous year.

(c) Certain Fixed Assets of Holding Company comprising of Land, Building, Railway Siding etc are under subject matter of litigation/dispute and ultimate impact of the same on the consolidated financial statements is unascertained.

(d) Provision for rent &cess on Lawrence Property has not been provided in the books of the holding company and the exact amount is unascertainable.

15.0 In case of Bisra Stone Lime Co Ltd (BSLC), a subsidiary of the Company the Income Tax Department has demanded an amount of ₹ 1371.0 million towards Income Tax (MAT) including interest upto 15.03.2012 on the unpaid tax. The tax was assessed on book profit resulted due to waiver of accumulated interest on Government Loan in F.Y. 2009-10 (A.Y. 2010-11). As per the communication received from the Ministry of Steel, Government of India, instead of waiver of the demand, grant-in-aid will be received from the Central Government for payment of the said income tax demand and hence both the tax liability and grant receivable have been recognized in the accounts. The probable tax liability of around ₹ 409.9 million on the current year’s income including such grant-in-aid is adjustable against MAT credit of ₹ 1046.3 million available from the year A.Y. 2010-11 and hence no further provision for tax is made in the accounts. No deferred tax asset of the balance amount of MAT credit is considered, as there is no virtual certainty of the Company to be able to avail the credit within the specified period.

DEFERRED TAX – BSLC

16.0 Provision for income tax comprises of current tax and deferred tax charged or realized. Deferred tax is recognized, subject to the consideration of prudence on timing differences, being the differences between taxable and accounting income / expenditure that originate in one period and are capable of reversal in one or more subsequent period(s). Deferred tax assets are not recognized unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets will be realized. The Company has substantial carried forward losses and unabsorbed depreciation under the Income Tax Act, 1961 and accordingly deferred tax asset of ₹ 84.42million(PY ₹43.13 million) has arisen as on 31st March 2014 as per AS-22. However, in consideration of prudence, the deferred tax asset has not been recognized in the financial statements and the same would be considered on the availability of sufficient taxable income against which such deferred tax assets can be realized.

17.0 A liability (OMDC) for loss of ₹ 78.51 million has been created in the books of accounts and charged off in Profit and Loss account on the basis of judicial judgments of different Courts.

18.0 CONTINGENT LIABILITIES - SUBSIDIARIES

(₹ in million)

	Current Year	**Previous Year**
I.Claims against the Company Not acknowledged as debt	54455.15**	2401.8
II.Central Sales Tax	8.84	6.77
III. Income Tax.	3.4	9.27
IV. Excise/Customs etc.	-	2.51
V. Service Tax	-	10.18
VI. Others	131.0*	131.0
VII. Stamp duty claim for renewal of Mining Lease	887.41	-
VIII. Provident Fund Claim	10.31	-

*Contingent Liability contain ₹131.0million due to non-fulfillment of the provisions of minimum granted quantity of export since 2007-08, the Port Authorities of Haldia Dock Complex have auctioned the stock of Iron Ore fines to the tune of 15569.68 M.T. to liquidate their dues towards demurrage imposed on OMDC by Port Authorities as on 15.12.2009.The value of the stock as on the date of disposal was ₹ 12.2 million. Though Port Authorities have not raised any demand for any demurrage but they have retained the sale proceeds of said stock of Iron ore towards settlement of their claim for demurrage, rent etc. however no claim papers against the company have been submitted so far by the Port Authorities of Haldia Dock Complex.

**Claims against the Company not acknowledged as debts 54442.54 Million includes demand received from DDM, Joda circle towards recovery under Sub Section (5) of Section 21 of Mines & Minerals (Development & Regulation) Act, 1957 for 53953.92 Million (PY Nil) towards price of minerals alleged to be raised without lawful Authority in respect of six Mines. Against the above demand the Company has filed application for stay order with Revisional Authority, Ministry of Mines, Govt. of India.

Pursuant to the amendments of the Orissa Land Reforms Act, the Sub-Collector, Champua had served a Notice against the Company for alleged unauthorized possession of 10.79 acres of leasehold land on the ground that the said land belongs to Adivasis and based on that, the Revenue Inspector asked OMDC to vacate the land. The Company filed an appeal before the Addl. District Magistrate but the appeal was not allowed. During April, 1999 the Company filed a writ application and obtained Stay Order from the Hon'ble High Court of Orissa to maintain the status quo about the possession of the land until further order

Stamp duty on Share Transfer (EIL)

There is demand from Additional Commissioner of Stamp revenue Govt. of West Bengal for ₹ 5.85 million as regards transfer of shares from president of India the OMDC Ltd. And the BSLC Ltd. EIL to make BSLC and OMDC subsidiaries of EIL. The transaction is exempted from Stamp duty and the same is communicated to Addl Inspector General and Addl commissioner of Stamp Revenue West Bengal vide Letter No. EIL/EIS/Stamp duty/10-201201 dated 17th October 2012 by the authorized signatory of EIL. As there is no response to the letter of Company till date, the amount of ₹ 5.85 Million is considered as Contingent Liability.

Tax liability

₹ 0.5 million has been paid against demand of ₹ 3.4 million raised by IT Dept. for the AY 2010-11 as per section 14A Rule 8(D) of IT Act by disallowing expenditure in the Order which is much more than the actual expenditure incurred.

Rent and Cess on Land Revenue (EIL)

The company had continued to pay Rent and Cess on Land Revenue on Lawrence Property at Bauria @ ₹ 2012/- per year till 31.03.2001 with the office of the Revenue Inspector. The company though not accepted the substantial increase in such charges from 2001-02, continued to provide liability on the basis of claims received. In absence of any formal claim by the concerned department, amount of such claim, if any, has neither been ascertained nor considered in the accounts from the Financial Year 2008 – 09 onwards. In the event of claim raised by the appropriate authority there is a contingent liability to the tune of ₹ 5.64 million calculated on the basis of claim last raised.

Bank Guarantee (BSLC)

Bank Guarantee of ₹ 8.3 Million issued in favour of the Indian Bureau of Mines, Bhubaneswar towards meeting Statutory obligation under progressive Mines closure plan.

19.0 **Lease Matters (OMDC)**

Present status of Mining Leases as on 30.06.2014 is detailed below:

(1)	**Name of the Lease/area**	**Kolha-Roida Iron & Manganese Mines (254.952 Hect) - M/s B.P.M.E.L.** **Lease area expired on 14.08.1996.**
	Renewal of Mining Lease	4th RML application rejected by Govt. of Odisha, matter is sub-judice. Officials from DDM office, Joda circle inspected the documents of Kolha-Roida mines on 08th January'2014 in connection with the excess mining. On 15.02.14 DDM, Joda has issued demand note for payment of Rs 8,87,77,84,863 for excess mining without valid EC, MD, OMDC raised the issue in the meeting of Secretary Steel, Govt of India with Chief Secretary, Govt of Odisha on 22-02-2014. Against the above demand, the Company has filed application for stay order with Revisional Authority, Ministry of Mines, Govt. of India on 13.03.2014.
	Status of Forest Clearance	Forest Clearance is valid up to 14-08-2016, however, fresh Diversion Proposal has been submitted as per new circular with CCF (Nodal), BBSR on 24th Oct'2013. CCF (Nodal) vide state serial 650/13 dated 27-12-2013 has forwarded the proposal to DFO, Keonjhar. On 25.02.14 ORSAC has send demand note of Rs.2,72,000 for vetting of DGPS map, payment has been made. On 21-02-2014, DFO has issued letter to ADM, Keonjhar for conducting Gram-Sabha as required under FRA' 2006. OMDC is following up. DGPS map showing forest patches of Kolha Roida, Iron & Manganese

		Lease have been vetted by ORSAC.
	Status of Environment Clearance	EC obtained on 23rd July 2012. Compliance of Shah Commission report has been submitted to Regional MoEF on 11/04/2014 vide letter No. OMDC/G&E/2014/79. Annual compliance of EC has been submitted on 22nd April 2014 vide letter No. OMDC/G&E/2014/81. Inspection and collection of water samples from upstream and downstream of Suna River flowing along the southern boundary of Kolha mines, by Regional MoEF & OSPCB has been done on 28/04/ 2014 regarding report of Shah commission on Water pollution.
(2)	**Name of the Lease/area**	**Dalki Manganese Mines (266.77 Hect) - M/s B.P.M.E.L.** **Lease expired on 30.09.1994**
	Renewal of Mining Lease	3rd RML application rejected by Govt. of Odisha, matter is under sub-judice. 4th RML has been applied on 5th Sept.2013. Officials from DDM office, Joda circle inspected the documents of Bagiaburu mines on 08th January'2014 in connection with the excess mining. On 15.02.14 DDM, Joda has issued demand note for payment of Rs 29, 56, 72,055 /- for excess mining without valid EC. MD, OMDC raised the issue in the meeting of Secretary Steel, Govt of India with Chief Secretary, Govt of Odisha on 22-02-2014. Against the above demand, the Company has filed application for stay order with Revisional Authority, Ministry of Mines, Govt. of India on 13.03.2014.
	Status of Forest Clearance	Forest Clearance valid up to 30th Sept 2014. Fresh diversion proposal is under scrutiny at Forest Range Office, Barbil.
	Status of Environment Clearance	EC obtained on 11th Sept. 2013. CTO fees of Rs 5,95000 /- along with application has been submitted on 14.11.2013 with SPCB, Odisha. Consent to Operate by SPCB has been obtained till 30/09/2014. Annual compliance of EC has been submitted on 1st March 2014.
(3)	**Name of the Lease/area**	**Thakurani Iron & Manganese Mines (1546.55 Hect.) - M/s B.P.M.E.L.** **(Revised RML application filed over 778.762 Hect.)** **Lease expired on 30.09.2004.**
	Renewal of Mining Lease	3rd RML application is under scrutiny at Dept of Steel & Mines, Govt. of Odisha, and file is held up as this Lease is not in the name of OMDC but is in the name of BPMEL. Draft Mining Plan has been submitted on 29.11.2013 at IBM.IBM has asked certain clarifications after vetting the draft Mining plan **on 10/03/14 .Extension of time for 45 days more has been applied on**

		10/04/14 vide letter No.OMDC/G&E/2014/77. CTE & CTO has been applied to SPCB. Officials from DDM office, Joda circle inspected the documents of Thakurani mines on 08th January'2014 in connection with the excess mining. On 15.02.14 DDM, Joda has issued demand note for payment of Rs 2162.60 Crores for excess mining without valid EC. MD, OMDC raised the issue in the meeting of Secretary Steel, Govt of India with Chief Secretary, Govt of Odisha on 22-02-2014. Against the above demand, the Company has filed application for stay order with Revisional Authority, Ministry of Mines, Govt. of India on 13.03.2014.
	Action taken by the company to expedite Forest Clearance	Recommendation of Division Forest Officer, Keonjhar has been made on 26th Oct' 2013 in respect of Wild Life Management plan; recommendation of RCCF, Rourkela is awaited. The DRP has been returned by DFO vide letter No.1844/Mining Dt.18-03-2014 due to increase in R.F. area by 7.921% which is beyond acceptable limit of ORSAC.
	Status of Environment Clearance	EAC, MoEF has recommended for issue of EC subject to submission of Stage-1 Forest Clearance & Wild Life Management Plan.
(4)	**Name of the Lease/area**	**Belkundi Iron & Manganese Mines (1276.79 Hect) - M/s O.M.D.C. Ltd.** **Lease expired on 15.08.2006.**
	Status of Renewal of Mining Lease Application	3rd RML application under scrutiny at Deptt. of Steel & Mines, Govt. of Odisha. Hearing for Lapsing of lease under Rule 28 of MCR'1960 was held on 4th April 2013 & 24th April 2013. Final outcome is awaited from Deptt. of Steel & Mines, Govt. of Odisha. For additional NOC of safety zone, site inspection has been done by DDM officials on 27th Nov' 2013. Officials from DDM office, Joda circle inspected the documents of Belkundi Mine on 17th January'2014 in connection with the excess mining. On 15.02.14 DDM, Joda has issued demand note for payment of Rs 5,23,62,59,316/- for excess mining without valid EC, MD, OMDC raised the issue in the meeting of Secretary Steel, Govt of India with Chief Secretary, Govt of Odisha on 22-02-2014. Against the above demand, the Company has filed application for stay order with Revisional Authority, Ministry of Mines, Govt. of India on 13.03.2014.

	Action Taken by the company to expedite Forest Clearance.	Recommendation of Divisional Forest Officer, Keonjhar, has been made in respect of Forest Diversion proposal on 1st Nov' 2013. RCCF, Rourkela has inspected the Lease on 21st Nov'2013 & DRP is pending in his office. Recommendation of Division Forest Officer, Keonjhar has been made on 26th Oct' 2013 in respect of Wild Life Management plan, recommendation of RCCF, Rourkela awaited. District Level Committee,(DLC) Keonjhar has recommended issue of NOC on 17 th Sept 2013.In this context a site inspection has been done by DDM officials on 27 th Nov'2013 . On 10th Dec'2013 DLC put up the said proposal to be signed by collector, where as collector instructed to DFO & DDM to give a joint report after which the case will be considered which has been submitted by DFO on 28th December'2013. Nodal officer of FR has issued letter to Chairman, SDLC on 06-03-2014 vide letter No.632/ITDA(FRA) to comply seven points after which NOC under FRA'2006 will be processed.
	Status of Environment Clearance	EAC, MoEF has recommended for issue of EC subject to submission of Stage-1 Forest Clearance & Wild Life Management Plan.
(5)	**Name of the Lease/area**	**Bhadrasai Iron & Manganese Mines (998.70 hect.) - M/s O.M.D.C. Ltd.** **Lease period expired on 30-09-2010.**
	Renewal of Mining Lease	4th RML application is under scrutiny at Deptt. of Steel & Mines, Govt. of Odisha. Hearing for Lapsing of lease under Rule 28 of MCR'1960 was held on 14 th Aug' 2013, 16th September'2013 & 25 th Oct' 2013. Final outcome is awaited from Deptt. of Steel & Mines, Govt. of Odisha. On 21.02.14 DDM, Joda has issued demand note for payment of Rs17, 290,504,119 for excess mining without valid EC, MD,OMDC raised the issue in the meeting of Secretary Steel, Govt of India with Chief Secretary, Govt of Odisha on 22-02-2014. Against the above demand, the Company has filed application for stay order with Revisional Authority, Ministry of Mines, Govt. of India on 13.03.2014. Officials from DDM Office, Joda circle inspected the documents of Bhadrasai Mines on 17th January,2014 in connection with the excess mining.
	Action Taken by the company to expedite Forest Clearance.	Recommendation of Chief Conservator of Forest, Govt. of Odisha is awaited in respect of Forest Diversion proposal due to want of NOC under Forest Rights Act'2006 . District Level Committee,(DLC) Keonjhar has recommended issue of NOC on 17 th Sept 2013.In this context a site inspection has been done by DDM officials on 27 th Nov'2013 . On 10 th Dec'2013 DLC put up the said proposal to be signed by collector, where as collector instructed to DFO & DDM to give a joint report after which the case will be considered which has been submitted by DFO on 28th December'2013. Recommendation of Division Forest Officer, Keonjhar has been made on 26th Oct' 2013 in respect of Wild Life Management plan, recommendation of RCCF, Rourkela is awaited. Nodal officer of FR has issued letter to Chairman,SDLC on 06-03-2014

		vide letter No.632/ITDA(FRA) to comply seven points after which NOC under FRA'2006 will be processed.
	Status of Environment Clearance	EAC, MoEF has recommended for issue of EC subject to submission of Stage-1 Forest Clearance & Wild Life Management Plan. Compliance of Shah Commission report has been submitted to Regional MoEF on 11/04/2014 vide letter No.OMDC/G&E/2014/79. Inspection and collection of water samples from upstream and downstream of Suna River flowing in the eastern boundary of Bhadrasahi mines, by Regional MoEF & OSPCB has been done on 28/04/ 2014 regarding report of Shah commission on Water pollution.
(6)	**Name of the Lease/area**	**Bagiaburu Iron Mines (21.52 Ha) - M/s. OMDC Ltd.** **Lease expired on 30.09.2010.**
	Status of Renewal of Mining Lease Application	3rd RML application under scrutiny at Dept. of Steel & Mines, Govt. of Odisha. Hearing for Lapsing of lease under Rule 28 of MCR'1960 was held on 14th Aug'2013 & 25th Oct' 2013. Final outcome is awaited from Deptt. of Steel & Mines, Govt. of Odisha. Officials from DDM office, Joda circle inspected the documents of Bagiaburu mines on 17th January'2014 in connection with the excess mining. On 15.02.14 DDM, Joda has issued demand note for payment of Rs 62,76,38,675 for excess mining without valid EC. MD, OMDC raised the issue in the meeting of Secretary Steel, Govt of India with Chief Secretary, Govt of Odisha on 22-02-2014. Against the above demand, the Company has filed application for stay order with Revisional Authority, Ministry of Mines, Govt. of India on 13.03.2014.
	Action Taken by the company to expedite Forest Clearance.	On 21st Nov'2013 Regional MoEF has issued Stage-I FC subject to compliance of 29 points by OMDC. On 4th Dec'2013 Govt. Of Odisha, F&E Dept. has issued the letter in continuation to Stage-I F.C. of Regional MoEF. The demand note of Rs.1,60,40937/-for balance NPV & Rs.4,94960/-for Regional wild life plan has been made by DFO & the same has been paid by OMDC on 20/12/2013. On 13.02.14 DFO, Keonjhar has sent a letter to Tahasildar, Banspal for transfer & mutation of 2.45 ha non-forest land in favour of State Forest Dept for raising CA. On 28-02-2014, OMDC submitted the compliance of Stage-I Forest Clearance to DFO, Keonjhar through Forest Range Officer, Barbil.
	Status of Environment Clearance	State Level EAC recommended the issue of EC subject to submission of Stage-1 Forest Clearance. EC reviewed by S.EAC on 22.04.2014 subject to Stage-I Forest Clearance. Stage - I Forest Clearance was granted on 21.11.2013. SEAC was approached for grant of Environmental Clearance which was already reviewed. Due to time bar, fresh Environment Clearance applied on 06.01.2014.

		Application for temporary working permission applied for on 03.12.2013 to MoEF. Credible action taken by State Government regarding certain violation was sought by MoEF. Matter pursued and DFO, Keonjhar has finally sent the credible action letter to Additional PCCF, Bhuabaneswar on 30.04.2014.

Notes on Joint Venture Companies

20.0 RINL has entered into a Joint venture agreement (vide approval from its Board in 238th meeting held on 02/02/2009) regarding formation of Special Purpose Vehicle (SPV) through joint venture involving Rashtriya Ispat Nigam Limited, Coal India Limited, Steel Authority of India Limited, National Thermal Power Corporation & National Mineral Development Corporation for acquisition of coal properties abroad. The formation of the SPV had been approved by the Cabinet, Govt. of India; vide its approval dated 8th November 2007.

20.1 The aforesaid SPV viz. International Coal Ventures Pvt Ltd. (ICVL) has been formed by incorporation under Companies Act, 1956 on 20th May, 2009 with an authorized capital of ₹98.00 Million and Paid up Capital of ₹ 98.00 million. Out of above Paid up Capital, Rashtriya Ispat Nigam Ltd. is owning 1/7th share i.e. worth ₹ 14.0 million equity shares.

20.2 Operational activities of (ICVL) is yet to be started, as such, all expenses are debited to Pre-operative Expenses account. Due to non-availability of audited financial accounts of 2011-12, the consolidated accounts do not include assets and liabilities of ICVL in accordance with AS-27. Since the amount being not very significant, 'Net Interest in Joint Venture' - ICVL is shown separately. Proportionate share of Rashtriya Ispat Nigam Limited in assets and liabilities of ICVL as on 30.06.2014& 31.03.2014 is as under:

(₹ in million)

Items	**ICVL**		**RINL's Share**		**Others' Share**	
	As on		**As on**		**As on**	
	30.06.2014	**31.03.2014**	**30.06.2014**	**31.03.2014**	**30.06.2014**	**31.03.2014**
Share Capital	214.00	98.00	30.57	14.00	183.43	84.00
Share Application Money Pending Allotment	21.00	123.00	3.00	17.57	18.00	105.43
Total	235.00	221.00	33.57	31.57	201.43	189.43
Fixed Assets	215.76	203.68	30.82	29.10	184.94	174.58
Investments	0.98	0.98	0.14	0.14	0.84	0.84
Current Assets	40.03	34.93	5.72	4.99	34.31	29.94
Current Liabilities	-21.77	-18.59	-3.11	-2.66	-18.66	-15.93
Pre-Operative and Other expenses pending allocation			0.00	0.00	0.00	0.00
Total	235.00	221.00	33.57	31.57	201.43	189.43

20.3 RINL has entered into a Joint venture agreement with Manganese Ore (India) Limited (MOIL) (vide approval from its Board in 241st meeting held on 04/07/2009) regarding formation of joint venture company viz RINMOIL Ferro Alloys (P) Ltd. The formation of the Joint Venture had been approved by the Cabinet, Govt. of India; vide its approval dated 8th November 2007.

20.4 The aforesaid Joint Venture Company viz. RINMOIL Ferro Alloys (P) Ltd has been formed by incorporation under Companies Act, 1956 on 29th July, 2009 with an authorized capital of ₹ 2.00 Million and Paid up Capital of ₹ 2.0 million. Out of above Paid up Capital, Rashtriya Ispat Nigam Ltd. is owning 50% share i.e. worth ₹1.0 million equity shares.

20.5 Operational activities of (RINMOIL) is yet to be started, as such, all expenses are debited to Pre-operative Expenses account the consolidated accounts do not include assets and liabilities of RINMOIL in accordance with AS-27. Since the amount being not very significant, 'Net Interest in Joint Venture' - RINMOIL is shown separately. Proportionate share of Rashtriya Ispat Nigam Limited in assets and liabilities of RINMOIL as on 31.03.2012& 31.03.2011 is as under:

(₹ in million)

Items	**RINMOIL**		**RINL's Share**		**Others' Share**	
	As on		**As on**		**As on**	
	30.06.2014	**31.03.2014**	**30.06.2014**	**31.03.2014**	**30.06.2014**	**31.03.2014**
Share Capital	2.00	2.00	1.00	1.00	1.00	1.00
Total	2.00	2.00	1.00	1.00	1.00	1.00
Fixed Assets	15.37	15.44	7.69	7.72	7.69	7.72
Investments	0.00	0.00	0.00	0.00	0.00	0.00
Current Assets	4.61	4.54	2.31	2.27	2.31	2.27
Current Liabilities	-18.04	-18.04	-9.02	-9.02	-9.02	-9.02
Pre-Operative and Other expenses pending allocation	0.06	0.06	0.03	0.03	0.03	0.03
Total	2.00	2.00	1.00	1.00	1.00	1.00

Annexure I

RASHTRIYA ISPAT NIGAM LIMITED (CONSOLIDATED)

STATEMENT OF EMPLOYEE BENEFITS

Disclosures pursuant to AS 15 -Employee benefits-

Defined Contribution plans:

An amount of ₹ 15.4millionrecognized in the Profit and Loss account,₹ 1.5millionin Capital work in progress and ₹ 0.1 million in intangible assets under development are towards Superannuation Benefit Scheme (Post Employee benefit – Defined Contribution Plan).

Defined Benefit Plans:

General Description of the Post Employment Benefits-Defined Benefit Plans

Provident Fund	-	Company pays fixed contribution to Provident Fund, at predetermined rates, to a separate trust, which invests the Funds in permitted securities. On Contributions, the trust is required to pay a minimum rate of interest, to the members, as specified by Govt. of India. The obligation of the Company is limited to the shortfall in the rate of interest on the Contribution based on its return on investments as compared to the declared rate.
Gratuity	-	Payable to employees, who render continuous service of 5 years or more, on separation, at 15 days of last drawn pay for each completed year of service.
Post Retirement Medical Benefits	-	Available to retired employees at Company's hospital and / or under the Health Insurance Policy.
Retirement Settlement Benefits	-	The retired employees, their dependents, as also the dependents of the employees expired while in service are entitled for travel and transport expenses to their place of permanent residence. At the time of retirement, employees will be given 10 gms. of gold.
Employee Family Benefit Scheme	-	Monthly payments, till the notional date of superannuation, to employees separated upon disablement / legal heirs of deceased employees at their option who fulfill the criteria of prescribed amount of deposit.

Expenses recognized in the statement of Profit and Loss Account.

(₹ in million)

Particulars	**Gratuity**	**Retirement Medical Benefits**	**Retirement Settlement Benefits**	**Employee Family Benefit Scheme**
Total to be charged - Employees Benefits	**30.2**	**63.4**	**28.2**	**28.6**
Amount charged to :				
Statement of Profit & Loss Account	27.6	58.1	25.9	26.2
Expenditure During Construction	0.5	0.9	0.4	0.4
Capital Work in Progress	2.0	4.3	1.8	1.9
Intangible Assets under Development	0.1	0.1	0.1	0.1

Actuarial Assumptions

Description	As at 30th June 2014
Discount Rate (per annum)	8.7%
Mortality rate	Indian assured lives (2006-08) Ultimate table
Withdrawal rates (per annum)	Upto 30 years of age 3%; Upto 44 years of age 2%; Above 44 years of age 1%.
Estimated Rate of Return on Planned Assets	9%
Medical Cost Trend Rates (Per Annum)	4.5% of Hospital Cost and Medi-claim Premium
Salary Escalation (per annum)	7%
	The estimate of future salary increase considered in actuarial valuation takes into account inflation rate, seniority, industrial practices, promotion and other relevant factors on long term basis.

Provident Fund: Company's contribution paid/payable during the year to Provident Funds are recognized in the Statement of Profit & Loss. The company's Provident Fund Trusts are exempted under section 17 of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952. The conditions for grant of exemption stipulated that the employer shall make good, deficiency if any, in the interest rate declared by the Trusts vis-a-vis statutory rate. The Company does not anticipate any further obligations in the near foreseeable future having regard to the assets of the funds and return on investment.

Employee Benefits of Subsidiary companies (EIL - Consolidated)

The closing liability of employee benefits is provided based on valuation made by the Actuary as at 31/03/2014.

ANNEXURE J

RASHTRIYA ISPAT NIGAM LIMITED (CONSOLIDATED)

STATEMENT OF RELATED PARTY TRANSACTION

(₹ in million)

PARTICULARS	For the three months ended	As on 31st March				
	30-06-2014	2014	2013	2012	2011	2010
Investments						
Rinmoil Ferro Alloys Private Limited	1.0	1.0	1.0	1.0	1.0	1.0
International Coal Ventures Pvt. Ltd	14.0	14.0	14.0	14.0	4.3	1.0
Loans and Advances						
Current						
Rinmoil Ferro Alloys Private Limited	-	-	-	-	-	-
International Coal Ventures Pvt. Ltd	17.3	16.4	13.9	1,660.9	2.1	-
Non-Current						
Rinmoil Ferro Alloys Private Limited	14.6	14.6	14.6	12.9	12.6	2.5
International Coal Ventures Pvt. Ltd	29.0	29.0	29.0	10.0	9.7	4.0
Renumeration to Key Management Personnel						
Shri P Madhusudan, CMD	0.7	2.7	2.4	2.3	2.1	0.53
Shri T K Chand, Director (Comm)	0.6	1.8	2.1	2.0	1.0	-
Shri PC Mahapatra, Director(Proj)	0.8	1.1	-	-	-	-
Shri GBS Prasad, Director(P)	0.8	-	-	-	-	-
Shri Umesh Chandra, Director(O)	0.7	2.7	2.3	2.9	2.5	1.26
Shri A P Choudhary, CMD	-	2.2	2.7	2.6	2.4	1.06
Shri P K Bishnoi, CMD	-	-	-	0.9	2.8	2.05
Shri Y R Reddy, Director (P)	2.6	2.4	2.1	2.5	0.5	-
Shri NS Rao, Director(Proj)	-	1.3	1.9	-	-	-
Shri Y Manohar, Director (P)	-	-	-	-	4.2	1.97
Shri C G Patil, Director (Comm)	-	-	-	-	-	4.38
Shri K S Shankar, Director(Fin)	-	-	-	-	-	1.06
Shri Satish Chandra, MD	-	0.7	2.1	2.2	-	-

ANNEXURE K

RASHTRIYA ISPAT NIGAM LIMITED (CONSOLIDATED)

STATEMENT OF DIVIDEND PAID/PROPOSED

(₹ in million, unless otherwise stated)

PARTICULARS	For the three months ended	For the year ended March 31 st				
	30-06-2014	2014	2013	2012	2011	2010
Face Value of Equity Shares (in ₹ Per Equity Share)	10	10	10	1000	1000	1000
Number of Shares (units)	4,88,98,46,200	4,88,98,46,200	4,88,98,46,200	4,88,98,462	4,88,98,462	4,88,98,462
Dividend (A)	-	366.5	352.8	751.5	658.5	796.7
Dividend per Equity Share (₹)	-	0.07	0.07	15.37	13.47	16.29
Dividend Rate (%)	-	0.75	0.72	1.54	1.35	1.63
Dividend Tax (B)		62.3	59.0	121.9	106.8	132.3
Face Value of Preference Shares (in ₹ Per Preference Share)	10	10	10	1000	1000	1000
Number of Shares(units)	80,00,00,000	85,00,00,000	1,45,69,70,000	2,83,74,700	2,93,74,700	2,93,74,700
Dividend* (C)		560.0	912.5	1127.6	2056.2	2056.2
Dividend per Preference Share (₹)	0.70	0.70	0.70	70.00	70.00	70.00
Dividend Rate (%)	7.00	7.00	7.00	7.00	7.00	7.00
Dividend Tax (D)		95.2	149.4	182.9	333.6	341.5
Total Dividend (A) + (C)	**-**	**926.5**	**1265.3**	**1879.1**	**2714.7**	**2852.9**
Total Dividend Tax (B) + (D)	**-**	**157.5**	**208.4**	**304.8**	**440.4**	**473.8**

 # The face values of Equity shares and preference shares are split from ₹1000/- per share to ₹ 10/- per share on 21st April 2012

*** Dividend paid on Preference Share Capital is on outstanding as on record date.**

ANNEXURE L

RASHTRIYA ISPAT NIGAM LIMITED (CONSOLIDATED)

STATEMENT OF CAPITALISATION AS AT 30.06.2014

PARTICULARS	PRE ISSUE AS AT 30-06-2014	POST ISSUE
Debt		
Secured Loans	12,814.3	12,814.3
Unsecured Loans	36,919.6	36,919.6
Total	49,733.9	49,733.9
SHAREHOLDER'S FUNDS		
Share Capital	56,898.5	56,898.5
Reserves and Surplus	64,955.1	64,955.1
Total	**1,21,853.6**	**1,21,853.6**

Debt/Equity Ratio	**0.4**	**0.4**

Notes :

1. As the IPO is only offer for sale by Government of India, there would be no change in Debt and Shareholders fund Post Issue

2. The above has been computed on the basis of the restated financial statements of company

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ANNEXURE M

RASHTRIYA ISPAT NIGAM LIMITED (CONSOLIDATED)

STATEMENT OF ACCOUNTING RATIOS OF THE COMPANY

(₹ in million, unless otherwise stated)

	For the three months ended	For the year ended March 31 st				
	30-06-2014	2014	2013	2012	2011	2010
Net Profit After Tax (Restated)	1,223.7	2,869.7	1,249.9	10,300.0	6,557.1	9,265.6
Net worth	1,21,853.6	1,21,410.1	1,25,490.5	1,39,590.3	1,32,525.2	1,29,201.7
No of Equity Shares(units of ₹ 10/- face value)#	4,889,846,200	4,889,846,200	4,889,846,200	48,898,462	48,898,462	48,898,462
Preference Dividend Incl Tax	0.0	655.2	1061.9	1310.5	2389.8	2397.7
Earnings per Share (₹)*	0.3	0.5	0.0	183.8	85.2	140.5
Diluted Earnings per Share (₹)*	0.3	0.5	0.0	183.8	85.2	140.5
Return on Net worth (%)	**1.0**	**2.4**	**1.0**	**7.4**	**4.9**	**7.2**
Net Asset Value Per Share (₹)(₹ 1000/- face value)@	**2328.4**	**2309.1**	**2268.4**	**2274.4**	**2109.5**	**2041.5**
Net Asset Value Per Share (₹)(₹ 10/- face value)#@	**23.28**	**23.1**	**22.7**	**22.7**	**21.1**	**20.4**

 # The face value of Equity shares are split from ₹1000/- per share to ₹ 10/- per share on 21st April 2012

*** EPS is not Annualized for the three months ended 30-06-2014**

₹@ Calculated after deducting preference share capital

Formula

Earning per share before extraordinary item(Rs)	Restated Profit after tax and before extraordinary items less dividend to preference share holders / No of Equity Shares
Earning per share after extraordinary item(Rs)	Restated Profit after tax and after extraordinary items less dividend to preference share holders / No of Equity Shares
Return on Networth	Restated Profit After Tax / Net worth X100
Net Asset Value Per Share (Rs)	Equity share capital plus Reserves / No. of Equity Shares

ANNEXURE - N

RASHTRIYA ISPAT NIGAM LIMITED (CONSOLIDATED)

STATEMENT OF TAX SHELTER OF THE COMPANY

(₹ in million)

PARTICULARS	For the three months ended	Year ended March 31st				
	30-06-2014	2014	2013	2012	2011	2010
Profit before Tax as per Audited accounts	1586.0	5473.6	5365.4	11136.5	9962.9	12476.5
Adjustments	37.5	-1175.9	-3373.4	3502.4	-1.9	1371.8
Restated Profit Before Tax (A)	1623.5	4297.7	1992.0	14638.9	9961.1	**13848.3**
Tax liability on Restated Profit	545.0	1468.0	646.4	4751.0	3268.0	4707.0
<u>Adjustments</u>						
Permanent Differences (B)				`		
Dividend Income	0.0	-7.5	-22.8	-12.6	-21.1	0.0
Income from sale of Assets	0.0	0.0	-5.2	-17.5	-32.6	-10.2
Donation	1.6	88.7	54.8	13.7	1.6	17.0
Other Adjustments	2.1	9.4	17.6	9.0	17.3	15.5
Total Permanent Differences (B)	**3.7**	**90.6**	**44.3**	**-7.3**	**-34.8**	**22.3**
Timing Differences (C)						
Difference between tax depreciation and book depreciation	-655.9	-5749.0	-5258.6	-1123.1	651.2	276.4
Difference of gratuity provision and payment of gratuity	0.0	0.0	0.0	19.3	0.0	0.0
Difference of leave encashment provision and payment provision	0.0	0.0	0.0	1.1	7.1	0.0
Deferred Installments of Voluntary retirement scheme u/s 35DDA	0.0	0.0	-0.3	-1.2	-2.6	-3.6
Provision of doubtful debts, Claims, Advances, land reclamation	1.7	72.3	-4.0	78.5	45.6	-19.2
e.t.c (Net off return back)						
Disallowances/ Allowances u/s 43B	34.1	112.7	-245.3	248.9	223.5	0.0
Amount inadmissible / Admissible u/s 40(a)(ia)	0.0	0.0	0.0	0.0	0.0	0.0
Other adjustments	-988.5	-30.6	-8.1	25.5	17.1	17.5
Total Timing Differences (C)	**-1608.6**	**-5594.5**	**-5516.3**	**-750.9**	**941.9**	**271.1**
Net Adjustments : (D) = (B+C)	-1605.0	-5503.9	-5472.0	-758.2	907.1	293.4
Taxable Income from Business	**25.9**	**-1005.4**	**-3236.6**	**14035.5**	**10892.1**	**14141.7**
Tax (Saving) / Outgo thereon : (E) = (D* Tax Rate)	-545.1	-1870.9	-1775.4	-246.0	301.3	99.7
Tax on Business Income	**8.8**	**62.4**	**71.5**	**4553.8**	**3616.6**	**4806.8**

Note: (1) The above statement is based on consolidated figures of Subsidiaries and RINLstandalone accounts which falls under different jurisdiction of Tax Authorities.

Note : (2) Applicable tax rate under normal provisions of Income Tax Act was 33.99% for FY 2009-10, 33.2175% for FY 2010-11, 32.445% for FY 2011-12 & FY 2012-13 33.99% for FY 2013-14. Further the above includes one subsidiary which is having no taxable income due to loss incurred and having unabsorbed losses.

Note: (3) Return of Income for the Quarter ending 30.06.2014 is not required to be filed.

ANNEXURE-O

FINANCIAL INDEBTEDNESS (CONSOLIDATED)

Borrowings of our Company

Set forth below, is a brief summary of our Company's borrowings (both, fund based and non-fund based) as of June 30, 2014, together with a brief description of certain significant terms of such financing arrangements. Our Company's borrowings consist of mostly working capital facilities availed from the banks mentioned below. The total amount outstanding as on June 30, 2014 is 49733.9 million.

S. No.	Name of Lender	Documentation	Amount Sanctioned	Amount Outstanding as on June 30, 2014	Rate of Interest (%) p.a.	Tenure	Security
1.	SBI	Our Company has entered into a multiple banking arrangement with SBI on April 18, 2005 for availing working capital loans.[1&2]	Fund based: i. Cash credit/Working capital Demand Loan (WCDL)/CP-(Hypothication) - ₹ 10,000.00 million ii. Letter of Comfort (LoC-1) ₹ 10,000 million (as a sub-limit ofof CP for issuance of LoC favouring Issuing & Paying agent of CP)) iii. EPC - ₹ 1000 million (as a Sub limits of Cash Credit) iv. DDP (Cheque) – ₹ 100 million (as a sub limit of Cash Credit)	i. ₹ 14.09million ii. Nil iii. Nil Iv. Nil	i. 10.40	June 24, 2013	Hypothecation of current assets and assets created out of project letter of credit on *pari-passu* basis with other banks under multiple banking arrangements by composite hypothecation agreement dated April 18, 2005 which was last amended on November 30, 2013.
			Non- Fund based: i. Letter of credit (LC) - ₹ 5500 million(as a sublimit of Cash Credit) ii. Bank	i. ₹ 99.701 million ii. ₹ 2.50 million			

S. No.	Name of Lender	Documentation	Amount Sanctioned	Amount Outstanding as on June 30, 2014	Rate of Interest (%) p.a.	Tenure	Security
			guarantee (BG) - ₹ 500 million(as a sublimit of Cash Credit) iii. Credit Exposure limit (CEL) - ₹ 200.00 (as a sublimit of Cash Credit) million (Both ways full interchangeability from fund based (cash credit) limits to Non-fund based (letter of credit) limits. One way full interchangeability from bank guarantee limits to letter of credit limits to the extent of 100% of BG limits exists. ₹ 5500 million as a sub limit of LC for Buyer's credit.)	iii. Nil			
	SBI	Our Company has entered into a banking arrangement with SBI on Februaty 26, 2013 for availing Capital Expenditure purposes, Further, additional facility for Capital expenditure accepted with SBI on November, 30, 2014.	i. Coporate Loan – I ₹ 12000 million ii. Corporate Loan –II – ₹ 24350 million	i. ₹ 11295.70 million ii. ₹ 5.18 million	i. 10.05 ii. 10.20	i. 3 years ii. 4.50 years	i. Pari Passu 1st charge on fixed assets acquired out of Bank loan along with other lenders. i. Pari Passu 1st charge on fixed assets of the company with FACR of 1.25
2.	State Bank of Hyderab	Our Company has entered into a multiple	Fund based: i. Cash credit - ₹ 2,000.00	i. ₹ 50.65 million	i. 10.20	March 07, 2015	Hypothecation of current assets on *pari-passu*

S. No.	Name of Lender	Documentation	Amount Sanctioned	Amount Outstanding as on June 30, 2014	Rate of Interest (%) p.a.	Tenure	Security
	ad	banking arrangement with State Bank of Hyderabad, dated October 16, 2009 for working capital requirements.[3]	million ii. Short Term loan (as a sub limit of cash credit of limit of ₹ 2000 Million).	ii. Nil			basis with other banks under multiple banking arrangement by hypothecation agreement dated October 16, 2009.
			Non fund based: i. Letter of credit - ₹ 1,700.00 million(as a sub limit of cash credit limits of ₹ 2000 Million). ii. Bank guarantee - ₹ 300.00 million (as a sub limit of cash credit limits of ₹ 2000 Million). (Full interchangeability from fund based limits to non fund based limits).	i. ₹ 10.90 million ii. Nil			
3.	Canara Bank	Our Company has entered into a multiple banking arrangement with Canara Bank dated March 11, 2005 for working capital requirements.[4]	Fund based: i. Cash credit - ₹ 2,000.00 million.	i. ₹ 100.42 million	i. 10.20	12 months	Hypothecation of current assets by common hypothecation agreement, dated April 18, 2005 and supplemental agreements dated August 3, 2006, May 19, 2007, August 1, 2009, September 16, 2010 July 30, 2012., January 31,2014 and Febraury 07, 2014.
			Non- Fund based: i. Inland letter of credit/foreign letter of credit - ₹ 1,000.00 million (as a sub limit of Cash Credit limits) ii. Bank guarantee - ₹ 150.00 million iii. Foreign letter of credit for expansion project - ₹ 20,000.00 million. iv. Foreign letter	i. Ni Ii. Nil iii. ₹ 2820.30 million (FLC for Capex)			

S. No.	Name of Lender	Documentation	Amount Sanctioned	Amount Outstanding as on June 30, 2014	Rate of Interest (%) p.a.	Tenure	Security
			of credit for modernisation - ₹ 3,000.00 million.				
4.	Bank of Baroda	Our Company has entered into a multiple banking arrangement with Bank of Baroda, on December 19, 2005 for the purpose of working capital requirements.[5]	Fund based: - i. Cash credit - ₹ 338.50 million ii. Pre-shipment packing credit - ₹ 200.00 million. Non-fund based: i. Letter of credit - ₹ 251.50 million ii. Bank guarantee - ₹ 10.00 million. (Cash credit/ pre-shipment packing credit is interchangeable to letter of credit and vice versa).	i. ₹ 66.13 million ii. Nil i. ₹ 78.40 million ii. Nil	i. 10.25	March 29, 2014	Hypothecation of current assets on *pari-passu* basis with other banks under multiple banking arrangement by composite hypothecation agreement dated December 19, 2005 (as amended on January 6, 2006 and August 10, 2006)
5.	Andhra Bank	Our Company has entered into a composite loan agreement with Andhra Bank dated November 12, 2008 for renewal of working capital facilities.[6]	Fund based: i. Cash credit - ₹ 300.00 million ii. Export packing credit - ₹ 115.00 million.(As a sublimit of CC of ₹ 300.00 Million) Non- Fund based: i. Letter of credit - ₹ 300.00 million (As a sublimit of CC of ₹ 300.00 Million) ii. Bank Guarantee - ₹ 30.00 million (As a sublimit of CC of ₹ 300.00 Million (Non fund based interchangeable to fund based	i. ₹ 177.70 million ii. Nil iii. Nil i. Nil ii. Nil	10.25i.e.Base rate	One year	Hypothecation of current assets on *pari-passu* basis with other banks under multiple banking arrangement by composite hypothecation agreement dated September 8, 2006.

S. No.	Name of Lender	Documentation	Amount Sanctioned	Amount Outstanding as on June 30, 2014	Rate of Interest (%) p.a.	Tenure	Security
			and vice versa).				
6.	UCO	Our Company entered into an agreement with UCO on April 18, 2005 for availing working capital facility.[7]	Fund based: i. Cash credit - ₹ 50.00 million (As a sub limit of WCDL) ii. Working capital demand loan - ₹ 100.00million iii. Export packing credit - ₹ 100.00 million. (As a sublimit of WCDL) Non- fund based: (As a sub limit of Fund based limits of ₹ 100.00 million) i. Letter of credit - ₹ 100.00 million ii. Bank guarantee - ₹ 50.00 million.	i. ₹ 45.74 million ii. Nil iii. Nil i. Nil ii. Nil	10.20	One Year	Hypothecation of stock of raw materials, finished goods and stores, spaces and receivables, including all products, goods and movable property of any kind by composite hypothecation agreement dated April 18, 2000 which was last amended on August 10, 2013.
7.	IDBI	IDBI has through sanction letter dated September 27, 2010 sanctioned working capital loans and cash management services to our Company.[8] Further, the bank enhanced the limits vide their sanction letter July 29,	Fund based: i. Cash credit - ₹ 2,000.00 million ii. Working capital demand loan (sub-limit of cash credit) - ₹ 1,800.00 million iii. Forward cover - ₹ 1000.00 million (One way interchangeabilit	i. ₹ 3.44 million ii. Nil iii. Nil	i. 10.25 a)0.7367 b)0.7354 c)0.7256 d)0.7264	July 29,2014	Nil

S. No.	Name of Lender	Documentation	Amount Sanctioned	Amount Outstanding as on June 30, 2014	Rate of Interest (%) p.a.	Tenure	Security
		2013.	y of cash credit to letter of credit/buyer's credit.)		e)0.6839 f)0.6836 g)0.62510 h)0.62860 i)0.62860 j)0.62735 K)0.6821 i. 1.64		
			Non-Fund based: i. Letter of credit Inland & foreign /Buyers' credit – ₹ 8,000.00 million ii. Bank guarantee (sub-limit of letter of credit) – ₹ 750.00 million. iii. Capex Letter of Credit / Buyer's credit (sub-limit of letter of credit) – 2000.00 million	i. Buyers Credit a) ₹ 1203.40 million (USD 20 million) b) ₹ 495.66 million (USD 8.24 million) c) ₹ 535.46 million (USD 8.90 million) d) ₹ 505.78 million (USD 8.41 million) e) ₹ 639.80 million (USD10.63 million) f) ₹ 543.82 million (USD 9.04 million) g) ₹ 638.10 million (USD 10.61 million) h) ₹ 1196.90 million (USD 19.89 million) I) ₹ 461.93 million (USD 7.68 million) j) ₹ 537.12 million (USD 8.93 million) j) ₹ 683.94 million (USD 11.37 million) ₹ 702.30 million (Letter of credit) ii) ₹ 328.50 million (BG) iii) ₹ 539.50 Million (Capex LC)			
8.	Vijaya Bank	Vijaya Bank through sanction letter dated June 22, 2011 has sanctioned working capital loan to our company.[9]	₹ OD/WCDL/.STL /LC/BG limits of 300.00 million (.	i. ₹ 100..23 million	10.25	February 18,,2015	Nil
9.	HSBC	Our Company and HSBC have entered into a loan agreement pursuant to a sanction letter dated January 31, 2011 for	i. Import documentary credit/cc / buyers credit - ₹ 4850.00 million ()i. Foreign exchange lines - ₹ 600.00 million.	i. ₹ 3.08 million (CC) ii. a) ₹ 603.73 million (USD10.03 Million) b) ₹ 602.28	i.10.00 a)0.5804 b)0.5796 c)0.5803	November 30,2014	Nil

S. No.	Name of Lender	Documentation	Amount Sanctioned	Amount Outstanding as on June 30, 2014	Rate of Interest (%) p.a.	Tenure	Security
		availing working capital facilities. [10]	iii) Capex loan – ₹ 3000.00 million (As a sub limit of Working capital limits of ₹ 4850.00 million. i.e. combined limit is ₹ 4850.00 million)	million (USD10.01 Million) c) ₹ 650.17 million (USD10.81 Million) (Buyers Credit) iii) ₹ 1270 million (CApex STL) ii. Nil			
10.	IndusInd Bank	IndusInd has issued a sanction letter dated September 27, 2010 for working capital facilities. IndusInd renewed the limits by letter dated September 7, 2012 and our company accepted limits of ₹ 1,000.00 million for buyers credit facility.	Buyer's credit limits (Sublimit of Letter of Credit Facility) - ₹ 8000 million Line of Credit for short term loans (sub limit of LC facility) ₹ 2500 million)Post Shipment Credit (Sublimit of LC) ₹ 1500 million Investment in Bonds(Sublimit of LC) – ₹ 1500.00 million Sales Invoice Discounting(Sub limit of LC) – ₹ 1000.00 million	a) ₹ 560.77 million (USD 9.32 million) b) ₹ 1384.10 million (USD 23 million) c) ₹ 565.29 million (USD 9.39million) d) ₹ 689.83 million (USD 11.46million) e) ₹ 622.68 million (USD 10.36million) f) ₹ 524.12 million (USD 8.71 million)	a)0.80 b)0.7286 c)0.7300 d)0.66810 e)0.66285 f)0.7210	30th April Renewable annually 30th April Renewable Annually u	Nil
		IndusInd has issued a sanction letter dated August 22, 2012 for working capital facilities. Our Company by letter dated August 29, 2012 accepted limits of ₹ 2,000.00 million for foreign letter of credit for capital expenditure. Further the bank renewed the limits vide their letter dated April	i.Letter of Credit (LC) ₹ 8000.00 Million ii. Bank Guarantee ₹ 1000.00 Million (Sublimit of LC) iii.Letter of credit for capital expenditure - ₹ 2,000.00 million (Sublimit of LC)	i. Nil ii.₹ 100.00 Million(BG) iii. ₹ 539.50 Million(Capex LC)		30th April 2014, Renewable annually	Nil

S. No.	Name of Lender	Documentation	Amount Sanctioned	Amount Outstanding as on June 30, 2014	Rate of Interest (%) p.a.	Tenure	Security
		30th 2014.					
11.	Citi Bank	Our Company has entered into a loan agreement with Citi Bank, dated September 28, 2010 for availing working capital credit facilities.[11]	OD/STL/LC/BG/ Buyers Credit limits (Full Interchangeability) - ₹ 1250 Million			12 months and subject to yearly review.(to be renewed)	Nil
12.	HDFC	Our Company and HDFC have entered into a loan agreement dated November 19, 2010 for availing revolving working capital facility and further the fund based limits have been converted into revolving credit facilities by loan agreement dated January 6, 2012. However, we requested the bank to reduce the total sanctioned limits vide our letter dated 23.07.2014 to ₹ .500 million.	i.₹ 500.00 million (fund based) ii.₹ 500.00 million (non fund based- letter of credit as a sublimit of STL)	9 million (LC)	10.00	12 months and subject to yearly review.	Nil
13.	Deutsche Bank	Our Company and Deutsche Bank have entered into a loan agreement dated May 6,	I.₹ 7500.00 million/ equivalent foreign currency (fund and non-fund based) II. 6500.00	)[18] i) ₹ 418.99 million (CC) iI) ₹ 23.70 million (USD 0.39million (Buyers Credit) iii)4176.95 million	i)9.95 Ii)0.381 III)9.95	12 months and subject to yearly review[13].	Nil

S. No.	Name of Lender	Documentation	Amount Sanctioned	Amount Outstanding as on June 30, 2014	Rate of Interest (%) p.a.	Tenure	Security
		2010 for availing buyer's credit for imports.[12] Further, the Bank enhanced the limits to ₹ 7500 Million vide their sanction letter dated May 15, 2014. [13]	Million (Capex facility- As a sublimit of working capital limits of 7500.00 Million)	(Capex STL)			
14.	RBS	RBS has issued a sanction letter dated June 22, 2011 for availing buyer's credit for import. [14] However, we requested the bank to withdraw /cancel the total sanctioned limits vide our letter dated 23.07.2014.					
15.	Bank of Tokyo	Bank of Tokyo has issued a sanction letter dated March 1, 2011 for availing revolving foreign currency loan for import financing.[15]	I. Buyer's credit Limit -USD 110.00 million/ Equivalent Indian rupees. ii. Over Draft of ₹. 800.00 million iii. Working Capital Demand Loan – ₹ 800.00 million (As a sub limit of Over Draft) -	i. a) ₹ 23.70 million (USD 0.39 million)[18] .b) ₹ 23.69 million (USD 0.39 million)[18] c) ₹ 24.11 million (USD 0.40 million)[18] d) ₹ 589.71 million (USD 9.8 million)[18] e) ₹ 23.03 million (USD0.38 million)[18] f) ₹ 1213.41 million (USD20.17 million)[18] g) ₹ 23.18 million (USD0.39 million)[18] h)) ₹ 296.55 million (USD 4.93 million)[18]	i. a) 0.6466 b)0.6356 c)0.6344 d)0.6304 e)0.6279 f)0.6279 g)0.6279 h)0.6233 i)0.6234 j)0.6229 k)0.6249 l)0.62950 m)0.6274	February 28, 2015	Nil

S. No.	Name of Lender	Documentation	Amount Sanctioned	Amount Outstanding as on June 30, 2014	Rate of Interest (%) p.a.	Tenure	Security
				i)) ₹ 660.74 million (USD 10.98 million)[18] j) ₹ 22.51 million (USD 0.37 million)[18] k) ₹ 265.43 million (USD4.41 million)[18] l) ₹ 716.68 million (USD 11.91million)[18] m) ₹ 23.68 million (USD 0.39million)[18] n) ₹ 1203.40 million (USD 20 Million)[18] o) ₹ 944.21 million (USD 15.69 Million)[18] p) ₹ 534.95 million (USD 8.89 Million)[18] q) ₹ 29.74 million (USD 0.49 Million)[18] ii) STL ₹ .500 million	0 n)0.63060 o)0.6306 p)0.6306 q)0.6356 II)9.45%		
16.	Kotak Mahindra	Kotak Mahindra through sanction letter dated September 19, 2011 has sanctioned working capital facilities to our company. Further, the bank renewed the limits vide their letter dated November 12, 2013 with a sub limit of ₹ 2000.00 million for Capex. (Total sanctioned limits are ₹ 3000.00	i.₹ 3000.00 million. (For working capital purposes) ii.₹ 2000.00 million for Capital expenditure (as a sub limit of Working Capital Limits)	i. ₹ 0.77 million (cc) ii. ₹ 609.75 million (CAPEX STL)	i)10.00 ii)10.00	12 months[16]	Nil

S. No.	Name of Lender	Documentation	Amount Sanctioned	Amount Outstanding as on June 30, 2014	Rate of Interest (%) p.a.	Tenure	Security
		million) [16]					
17.	JP Morgan	Our Company and JP Morgan have entered into an agreement dated May 9, 2011 for availing working capital facilities.	0.00		NA	.	Nil
		JP Morgan has issued a sanction letter dated March 21, 2011 for availing buyer's credit facility. However, we requested the bank to withdraw /cancel the total sanctioned limits vide our letter dated 23.07.2014.	0.00.	NIL			Nil
18.	Standard Chartered Bank	Standard Chartered Bank has issued a sanction letter dated May 7, 2010 for availing buyer's credit facility. Further the bank enhanced the limits for working capital purposes vide their letter dated October 9th ,2013. [17]	Letter of Credit of USD 75.00 million (Financial Guarantee of USD 75.00 million as a sublimit of letter of credit.)	[18] i) ₹ 553.44 million (USD 9.20 million)	i)0.6196	One year[17]	Nil
19	ICICI Bank	ICICI Bank Limited through sanction letter No.34/CBGH YD/56340	Fund based: EPC/PCFC: ₹ 2000.00 Million Non-Fund Based: Buyer's Credit:	a) ₹ 1163.02 million (USD 19.33 Million) b) ₹ 562.12 million (USD 9.34 Million)	EPC:9.75 % p.a. PCFC:3M LIBOR+2.50% p.a. a)0.5833	12 months (May 9, 2014)	Nil

S. No.	Name of Lender	Documentation	Amount Sanctioned	Amount Outstanding as on June 30, 2014	Rate of Interest (%) p.a.	Tenure	Security
		dated May 17, 2013 has sanctioned working capital facilities to our company.	₹ 2000.00 Million (As a sublimit of EPC/PCFC)		b)0.5833		
20	ANZ Bank	Australia and New Zealand Banking Group Limited (ANZ) through sanction letter No.0699/2014/ AS/HS dated May 19, 2014 has sanctioned Buyer's Credit facilities to our company.	Buyers credit facility of $ 20 Million	NIL		One year	Nil
21	YES Bank	YES Bank through sanction letter No.YBL/BLR/ FL/0332/2013-2014 dated Jan 8, 2014 has sanctioned Buyer's Creditl facilities to our company.	Buyers' credit facilities ₹ 2500.00 Million	a) ₹ 1278.25 million (USD 21.24 Million)	a)0.6059	12 months subject to annual review	Nil
22	DBS Bank	Development Bank of Singapore through sanction letter No.CDT/AD MIN/250/2013 dated May 21,2013 has sanctioned Working Capital facilities to our company. Further, the Bank enhanced / modified the limits to ₹ 500 Crs vide their letters ref	1. Working Capital purposes i. Working capital loan/Sales or Purchase Invoice Discounting/Purchase Invoice Discounting/ Buyers credit for working capital requirements of ₹ 5000.00 Million ii. Packing Credit / Post shipment finance – ₹ 2000.00 million (As a sub limit of Buyers' credit limits	i.₹ 1000 million (WCDL)	9.75 %	One year	Nil

S. No.	Name of Lender	Documentation	Amount Sanctioned	Amount Outstanding as on June 30, 2014	Rate of Interest (%) p.a.	Tenure	Security
		no.CDT/ADMIN/641/2013 dtd 12th Nov 2013 and July 9th 2014.	)iii. Over draft ₹ 1000.00 (as a sub limit of Buyers credit limits) 2.Capital Expenditure i. Purchase invoice financing (one off facility (PID) towards Capex) ₹ 2000.00 Million (as sub limit of working capital limits) ii. Short Term Loan upto 180 days (one off facility towards Capex) ₹ 500.00 million (as a sub limit of PID of Capex)				
23	Bank of India	Bank of India through sanction letter ref No.VSP:ADV:2013-14:KVR:099 dated Nov 25,2013 has sanctioned Working Capital facilities to our company.	Fund Based: Cash Credit: ₹ 200 .00Million Non-Fund Based: Letter of Credit/Buyer's Credit:: ₹ 1000.00 Million	a) ₹ 549.27 million (USD 9.13 Million)	10.25 % a) 0.7351	15.09.2014	Nil
24..	Allahabad Bank	Our company entered into cash management services agreement with Allahabad Bank on August 6, 2012.	Over draft - ₹ 750.00 million (Fund based)	₹ 533.55 million	10.25	August 31, 2015	NIL

1 The loan agreement dated April 18, 2005 was last renewed on November 30, 2013 for a period of 12 months.

2. The Corporate Loan –I was accepted and signed the agreement dated February, 26 2013 and the agreement for Corporate Loan –II was accepted and signed the agreements on November, 30 2013. Further, we requested the bank to reduce the total Working Capital sanctioned limits vide our letter dated 23.07.2014 to ₹ 10000.00 Million.

[3] The loan agreement was a renewal and enhancement of an earlier facility provided by the State Bank of Hyderabad and was further renewed through letters date December 30, 2010, March 31, 2011, March 15, 2012

and March 08, 2014. Further, we requested the bank to reduce the total Working Capital sanctioned limits vide our letter dated 23.07.2014 to ₹ 2000.00 Million.

[4] Canara Bank has further sanctioned FLC limits of ₹ 3,000 million for modernization project by its letter dated June 5, 2012, and has renewed the working capital facility sanctioned to our Company through renewal letter dated January 1,2014 . Further, we requested the bank to reduce the total sanctioned limits vide our letter dated 23.07.2014 to ₹ 2150.00 Million.

[5]The loan agreement was renewed last through a letter dated August 01,2013. Further, we requested the bank to reduce the total sanctioned limits vide our letter dated 23.07.2014 to ₹ 800.00 Million.

[6] The loan agreement was renewed last through a letter dated March 19, 2014. Further, we requested the bank to reduce the total sanctioned limits vide our letter dated 23.07.2014 to ₹ 300.00 Million.

[7] The loan agreement dated April 18, 2005 was last renewed on July 04, 2013 . Further, we requested the bank to reduce the total sanctioned limits vide our letter dated 23.07.2014 to ₹ 100.00 Million.

[8] The sanction letter dated September 27, 2010 was renewed on December 20, 2010, June 8, 2011 and March 6, 2012. Further, the bank enhanced the limits vide their sanction letter July 29, 2013.

[9] Our Company has entered into an agreement dated July 30, 2011 with Vijaya Bank for release of an overdraft of ₹ 1,000 million. Vijaya Bank by its letter dated May 22, 2012 enhanced this overdraft facility to ₹ 2,000 million and entered into a supplementary agreement with our Company dated May 23, 2012 in this regard. Further, the Vijaya Bank renewed the limits for a period of one year and increased the overdraft facility to ₹ 3,000 million through its letter dated September 5, 2012However, the Bank vide Sanction letter dtd 26.02.2014 reduced the limits to ₹ 2000.00 Million. Further, we requested the bank to reduce the total sanctioned limits vide our letter dated 23.07.2014 to ₹ 300.00 Million.

[10] The sanction letter dated January 31, 2011 was renewed by letter dated January 16, 2014 .

[11] Citi Bank has renewed the existing working capital limits by letter dated May 7, 2012. Subsequently, the facilities limit was increased to ₹ 1,940 million through an amendatory agreement dated June 14, 2012 entered into between our Company and Citi Bank. However, we requested the bank to reduce the total sanctioned limits to ₹ 1250.00 Million vide our letter dated 30 .07.2014.

[12] Loan agreement dated May 6, 2010 was amended on September 13, 2010. Further, the bank enhanced credit limits to ₹ 3,250.00 million by its letter dated August 27, 2012.

[13] Deutsche Bank renewed the working capital limits with effect from May 15, 2014 and enhanced the limits to ₹ 7500 Million.

[14] RBS enhanced the buyer's credit limits to USD ₹ 80.00 million by its letter dated August 23, 2012. However, we requested the bank to withdraw /cancel the total sanctioned limits vide our letter dated 23.07.2014.

[15]Bank of Tokyo renewed the working capital limits with effect from February 29, 2012. Further, the bank renewed the sanctioned limits upto February 28th 2015, vide their sanction letter dated February 19th 2014.

[16] Kotak Mahindra by email dated September 10, 2012 has extended the validity of the sanction limit till September 30, 2012. Further, the bank renewed the limits vide their letter dated November 12, 2013 .

[17] The loan agreement dated May 7, 2010 was last renewed on Oct 9th 2013 with enhanced working capital facilities.

[18] The forward contracts are entered with the banks for import of raw material and the amounts shown for principal Loan amount in brackets in USD.

Commercial Paper

S. No.	Name of Lender	Amount (in ₹ Million)	Date of Expiry
1	State Bank of India	₹ 2494.43	July 10,2014
2	LIC	₹ 498.89	July 10,2014 September 28, 2012
3..	Birla Sunlife Trustee Co,Pvt Ltd	₹ 1972.84	August 28,2014

Corporate Actions:

Some of the corporate actions for which our Company requires the prior written consent of lenders include the following:

i. to change or alter the capital structure of our Company;

ii. to undertake any amendments in the Memorandum and Articles of Association;

iii. to undertake or permit any scheme of amalgamation, consolidation, demerger, merger or corporate reconstruction or acquisition of any company assets, business, or undertaking or body corporate;

iv. to change the ownership or control of our Company which may change the effective beneficial ownership or control of our Company and also affect change in the management of the business;

v. to declare any dividend on its share capital, if it fails to meet its obligations to pay the interest and/or commission and/or installment and/or the moneys payable to the lenders, so long as it is in such default;

vi. to prepay the outstanding principal amount of the facilities which are in the nature of loans in full or in part before the repayment dates;

vii. giving of any corporate or financial guarantee;

viii. to withdraw or allow to be withdrawn any monies brought in by the promoters and directors or relatives and friends of the promoters or directors of our Company, unless specifically waived by the lender; or

ix. to invest by way of share capital in, or lend or advance funds to or place deposits with any other concern, including its associates concern, except in the normal course of business or as advances to employees.

ANNEXURE P

RASHTRIYA ISPAT NIGAM LIMITED (CONSOLIDATED)

STATEMENT OF PRIOR PERIOD ADJUSTMENTS

(**₹ in million**)

PARTICULARS	**For the three months ended**	**For the year ended March 31 st**				
	30-06-2014	**2014**	**2013**	**2012**	**2011**	**2010**
(A) DEBIT						
CLAIMS FOR FINISHED PRODUCTS	-	-	-	-	0.7	-
DEPRECIATION	-	-	-	28.0	26.7	-
OTHER EXPENSES	5.3	8.9	12.0	5.0	9.9	0.8
SALE OF PRODUCTS	-	-	-	-	2.3	6.1
REPAIRS&MAINTENANCE	-	-	-	-	26.9	-
	5.3	**8.9**	**12.0**	**33.0**	**66.4**	**7.0**
(B) CREDIT						
DEPRECIATION	-	-	8.0	-	-	-
OTHER EXPENSES	-	15.758	49.59	42.7	101.1	9.5
OTHER REVENUES	-	3.07	43.81	6.6	52.1	-
SALE OF PRODUCTS	-	-	0.93	15.7	-	-
RAW MATERIALS	-	-	29.72	2.0	82.0	-
REPAIRS&MAINTENANCE	-	-	-	35.6	-	6.3
STORES&SPARES	-	-	0.91	-	126.4	-
INTERNAL CONSUMPTION	-	-	17.66	-	44.5	63.5
	-	**18.8**	**150.6**	**102.5**	**406.1**	**79.4**
TOTAL (A) - (B)	**5.3**	**(9.95)**	**(138.6)**	**(69.5)**	**(339.7)**	**(72.4)**

ANNEXURE Q

RASHTRIYA ISPAT NIGAM LIMITED (CONSOLIDATED)

CONTIGENT LIABILITY AND CAPITAL COMMMITMENTS
AS AT 30-06-2014

(₹ in million)

SINO	DESCRIPTION	AMOUNT
1	Capital Commitments) (The amount to be executed on capital account)	63,900.3
2	Contingent Liabilities (Claims against the company not acknowledged as debts)	90,256.4

AUDITOR'S REPORT

To
The Board of Directors
Rasthriya Ispat Nigam Limited,
Administrative Building,
Visakhapatnam- 530031

Dear Sirs,

1. We the joint auditors of Rashtriya Ispat Nigam Limited (RINL) have examined the attached Standalone Restated Financial Information**(the "Financial Information")** of **Rashtriya Ispat Nigam Limited** (**RINL**), as approved by the Board of Directors of RINL prepared in terms of the requirements of Sub-clauses (i) & (iii) of clause (b) of Sub-Section (1) of Section 26 of The Companies Act, 2013 (**the Act")** read with Rule 4 and Rule 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended to date **(the "SEBI Regulations")** and terms of our engagement agreed with you in accordance with our letter dated 20/08/2014 in connection with the proposed Equity offering by the selling Shareholder, the Government of India, in Rashtriya Ispat Nigam Limited.

2. This information has been extracted by the Management from the financial statements for the three months period ended 30th June 2014 and years ended 31st March 2014, 2013, 2012, 2011 and 2010. Audit for the years ended 31st March 2013, 2012, 2011 and 2010 was conducted by M/s B.V.Rao & Co., Chartered Accountants ("the previous auditors"). The financial information included for these Financial Years i.e. ended 31st March 2013, 2012, 2011 and 2010 are based on the Reports submitted by the previous auditors and have been relied upon by us while expressing our opinion and reporting on various Restated Financial Information and Annexures there of expressly stated in the following paragraphs.

3. In accordance with the requirements of Sub-clauses (i) & (iii) of clause (b) of Sub-Section (1) of Section 26 of the Act read with Rule 4 and Rule 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, the SEBI Regulations and terms of our engagement agreed with you; we further report that:

   e) The Standalone Restated Summary Statement of Assets and Liabilities of RINL as at 30th June 2014, 31st March 2014, 2013, 2012, 2011, 2010 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 V), Notes on Adjustments made for the Restated Financial Information (Annexure VI), Notes on Adjustments not made for the Restated Financial Information (Annexure VII) and Other Notes on the Restated Financial Information (Annexure VIII).

   f) The Standalone Restated Summary Statement of Profit and Loss of RINL for the three months period ended 30th June 2014 and years ended 31st March, 2014, 2013, 2012, 2011 and 2010 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 V), Notes on Adjustments made for the Restated Financial Information (Annexure VI), Notes on Adjustments not made for the Restated Financial Information (Annexure VII) and Other Notes on the Restated Financial Information (Annexure VIII).

   g) The Standalone Restated Summary Statement of Cash Flow of RINL for the three months period ended 30th June 2014 and years ended 31st March, 2014, 2013, 2012, 2011 and 2010 as set out in Annexure-III to this report are after making adjustments and regrouping as in our opinion were appropriate.

   h) Based on above and also as per the reliance placed on the reports submitted by the previous auditors, we confirm that the Standalone Restated Financial Information has been made after incorporating adjustments for the material amounts in respective Financial Years to which they relate.

   Further we report that there are no changes in accounting policies which warrant adjustments retrospectively in respective Financial Years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods except in case of item no.2 in Annexure VII - Notes on Adjustments not made for the Restated Financial Information as regards valuation of In-process Materials viz, Hot Metal and Liquid Steel. The impact of the same on the standalone restated financial statements is unascertainable.

i) There are no extra-ordinary items.
j) There are no qualifications in the Auditors' reports which require adjustments.

4. We have also examined the following other Restated Financial Statements relating to RINL prepared by the management and approved by the Board of Directors for the three months period ended 30th June 2014 and years ended 31st March, 2014, 2013, 2012, 2011 and 2010. In respect of the years ended 31st March 2013, 2012, 2011 and 2010, these information have been included based upon the Reports submitted by previous auditors and relied upon by us.

   i. Statement of Fixed Assets and Capital Work in Progress (Annexure IV-A).
   ii. Statement of Non-current Investments (Annexure IV-B).
   iii. Statement of Long-term Loans and Advances (Annexure IV-C).
   iv. Statement of Other Non-current Assets (Annexure IV-D).
   v. Statement of Inventories (Annexure IV-E).
   vi. Statement of Trade Receivables (Annexure IV-F).
   vii. Statement of Cash and Bank Balances (Annexure IV-G).
   viii. Statement of Short Term Loans and Advances (Annexure IV-H).
   ix. Statement of Other Current Assets (Annexure IV-I).
   x. Statement of Long Term Liabilities & Provisions (Annexure IV-J).
   xi. Statement of Short Term Borrowings (Annexure IV-K).
   xii. Statement of Trade Payables (Annexure IV-L).
   xiii. Statement of Other current Liabilities & Short Term Provisions (Annexure IV-M).
   xiv. Statement of Share Capital (Annexure IV-N).
   xv. Statement of Reserves & Surplus (Annexure IV-O).
   xvi. Statement of Other Expenses (Annexure IV-P).
   xvii. Statement of Revenue (Annexure IV-Q).
   xviii. Statement of Employee Benefits (Annexure IX).
   xix. Statement of Related party Transactions (Annexure X).
   xx. Statement of Dividend Paid/Proposed (Annexure XI).
   xxi. Statement of Capitalization (Annexure XII).
   xxii. Statement of Accounting Ratios of the Company (Annexure XIII).
   xxiii. Statement of Tax Shelter (Annexure XIV).
   xxiv. Statement of Financial Indebtedness (Annexure XV)
   xxv. Statement of Prior Period Adjustments (Annexure XVI).
   xxvi. Statement of Contingent Liability and Capital Commitments (Annexure XVII).

   In our opinion the financial information contained in Annexure IV-A to IV-Q of this report read along with the Significant Accounting Policies (Annexure V), Notes on Adjustments made for the Restated Financial Information (Annexure VI), Notes on Adjustments not made for the Restated Financial Information (Annexure VII) and Other Notes on the Restated Financial Information (Annexure VIII) have been prepared after making adjustments and regrouping as considered appropriate in accordance with Sub-clauses (i) & (iii) of clause (b) of Sub-Section (1) of Section 26 of the Act read with Rule 4 and Rule 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and the SEBI Regulations *subject to Items no.2 stated in Annexure - VII - Notes on Adjustments not made for the Restated Financial Information as regards valuation of In-process Materials viz, Hot Metal and Liquid Steel. The impact of the same on restated standalone financial information is unascertainable.*

5. This report should not, in any way, be construed as a re-issuance or re-dating of any of the previous Audit Reports nor should be construed as a new opinion on any of the financial statements referred to herein.

6. Our report is intended solely for use of the management and for inclusion in the offer document in connection to the proposed offering of equity shares of the Company. Our report should not be used for any other purpose except with our consent in writing.

For Tej Raj & Pal	For Rao & Kumar
Chartered Accountants	Chartered Accountants
Regn. No (F.R.N) 304124E	Regn. No (F.R.N) 003089S
(CA P.Venugopala Rao)	(CA Guru Prasad K.C.S.)
Partner	Partner
M.No. 10905	M.No.215652

Place: Visakhapatnam
Date: 09/09/2014

ANNEXURE I

RASHTRIYA ISPAT NIGAM LIMITED (STANDALONE)

STATEMENT OF ASSETS AND LIABILITIES - RESTATED

(₹ in million)

PARTICULARS	As at	As at March 31st				
	30-06-2014	2014	2013	2012	2011	2010
EQUITY & LIABILITIES						
SHAREHOLDERS' FUNDS						
Share capital	56,898.5	57,398.5	63,468.2	77,273.2	78,273.2	78,273.2
Reserves and surplus	64,978.2	64,036.0	62,007.3	62,297.3	54,234.5	50,928.5
NON CURRENT LIABILITES						
Long-term borrowings	11,300.9	12,035.3	12,415.6	0.0	0.0	0.0
Deferred Tax Liabilities (Net)	3,082.0	2,680.3	1,349.5	676.3	858.7	1,032.7
Other Long term Liabilites	1,047.4	1,655.6	1,005.6	787.9	441.5	433.8
Long term provisions	5,682.2	5,314.3	4,147.7	4,797.3	5,778.2	5,674.7
CURRENT LIABILITES						
Short term borrowings	38,433.0	37,399.3	36,584.4	25,751.4	11,358.8	12,324.1
Trade payables	1,753.6	8,299.3	7,381.1	3,452.4	5,499.2	5,547.0
Other current liabilities	64,904.2	54,882.7	55,518.4	33,594.5	25,452.5	20,859.4
Short term provisions	3,063.6	3,016.4	3,099.8	7,527.4	7,557.1	9,181.5
Total	**2,51,143.6**	**2,46,717.7**	**2,46,977.6**	**2,16,157.6**	**1,89,453.8**	**1,84,254.7**
NON-CURRENT ASSETS						
Fixed Assets						
Tangible assets	44,253.7	45,320.1	38,178.2	17,972.0	15,350.1	14,649.4
Intangible assets	25.8	27.5	27.4	31.9	30.0	29.3
Capital work-in-progress	1,11,689.1	1,06,674.4	99,322.2	1,05,726.6	93,148.4	68,834.7
Intangible assets under development	322.5	301.1	222.0	150.1	0.0	0.0
Non Current Investments	3,625.3	3,625.2	3,625.7	3,625.8	3,616.0	2.5
Long term Loans and Advances	6,470.2	6,160.5	4,983.6	2,418.9	2,973.0	7,886.9
Other Non Current assets	607.0	602.3	365.8	103.3	79.7	61.5
CURRENT ASSETS						
Inventories	43,894.7	38,630.4	38,286.0	34,031.1	32,547.1	24,644.2
Trade receivables	3,841.1	8,036.5	10,096.5	4,271.5	3,302.7	1,801.6
Cash and Bank balances	463.1	1,758.9	16,250.2	20,683.4	19,989.0	54,155.4
Short term Loans and Advances	34,736.2	34,613.5	34,652.7	24,535.6	16,293.9	10,529.7
Other Current assets	1,214.9	967.3	967.3	2,607.4	2,123.8	1,659.5
Total	**2,51,143.6**	**2,46,717.7**	**2,46,977.6**	**2,16,157.6**	**1,89,453.8**	**1,84,254.7**

ANNEXURE II

RASHTRIYA ISPAT NIGAM LIMITED (STANDALONE)

SUMMARY STATEMENT OF PROFIT AND LOSS - RESTATED

(₹ in million)

	For the three months ended	For the year ended March 31st				
	30-06-2014	2014	2013	2012	2011	2010
INCOME						
Revenue From Operations	25645.6	134314.8	135652.8	145701.9	116163.0	107653.9
Less: Excise duty	2606.8	14031.5	14545.9	13191.5	10458.1	8254.8
Other Income	258.1	3069.9	4554.2	3283.9	4259.5	6240.2
Total Revenue	**23296.9**	**123353.2**	**125661.1**	**135794.3**	**109964.4**	**105639.4**
EXPENSES						
Cost of materials consumed	15478.3	70258.2	80986.6	84722.2	71883.6	55351.1
Changes in Inventories of Semi-finished/ Finished goods	-6250.7	186.5	-3037.4	453.7	-5323.2	4153.4
Employees' benefits	4573.2	17511.0	14690.7	14666.7	12730.0	13997.4
Other expenses	6519.0	24414.5	22967.5	20059.7	17393.7	16618.6
Total Expenses	**20319.8**	**112370.2**	**115607.4**	**119902.3**	**96684.1**	**90120.6**
Less: Inter account adjustments-raw material mining cost	128.4	585.7	521.7	500.3	491.0	432.6
Net Expenses	20191.4	111784.5	115085.7	119402.0	96193.1	89688.0
Earnings before interest, tax, depreciation&amortisation(EBITDA)	**3105.5**	**11568.7**	**10575.4**	**16392.3**	**13771.3**	**15951.4**
Finance Costs	751.0	3381.2	3592.5	1906.0	1644.9	775.6
Depreciation and Amortisation	615.4	2714.8	1868.8	3448.6	2659.4	2771.7
Prior period items - Net credit	0.0	-18.8	-150.6	-62.4	-349.6	-72.4
Profit after PPI and Before Exceptional & Extraordinary Items and Tax	1739.1	5491.5	5264.7	11100.1	9816.6	12476.5
Exceptional Items	0.0	0.0	0.0	0.0	0.0	0.0
Profit Before Extraordinary Items and Tax	1739.1	5491.5	5264.7	11100.1	9816.6	12476.5
Extraordinary items	0.0	0.0	0.0	0.0	0.0	0.0
Profit Before Tax	**1739.1**	**5491.5**	**5264.7**	**11100.1**	**9816.6**	**12476.5**
Tax Expense						
Current Tax	318.4	0.0	71.0	3882.0	3691.0	4630.8
Earlier years adjustments	0.0	-71.0	-16.9	-106.6	-280.8	146.2
Fringe Benefit Tax	0.0	0.0	0.0	0.0	0.0	-0.5
Deferred Tax	224.7	1898.0	1682.3	-189.9	-178.5	-266.7
Profit /(loss) for the period from Continuing Operations	1196.0	3664.5	3528.3	7514.6	6584.9	7966.8
Profit /(loss) for the period from Discontinuing Operations	0.0	0.0	0.0	0.0	0.0	0.0
Tax Expense of discontinuing Operations	0.0	0.0	0.0	0.0	0.0	0.0
Profit /(loss) for the period from Discontinuing Operations (after Tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net profit / (Loss) after tax as per audited accounts	**1196.0**	**3664.5**	**3528.3**	**7514.6**	**6584.9**	**7966.8**
Adjustments on account of -						
(a) Changes in accounting policies	-	-	-	-	-	-
(b) Other adjustments & Prior period items	-0.7	656.6	2235.8	-3173.4	-1.2	-157.7
(c)Arrear Salary & Wages	-42.2	514.8	1102.7	-369.7	-19.4	-1214.1
(d) Current Tax impact of Adjstments	-318.4	71.0	-54.1	773.50	152.2	30.3
(e) Deffered tax impact adjustments	326.3	-567.2	-1009.1	7.5	4.6	42.7
Total of Adjustments after Tax impact	**-34.9**	**675.2**	**2275.3**	**-2762.0**	**136.17**	**-1298.8**
Profit after tax (as restated)	**1230.9**	**2989.3**	**1253.0**	**10276.6**	**6448.7**	**9265.6**

ANNEXURE III

RASHTRIYA ISPAT NIGAM LIMITED (STANDALONE)

SUMMARY CASH FLOW STATEMENT - RESTATED

(₹ in million)

	PARTICULARS	As at	For the year ended March 31 st				
		30-06-2014	2014	2013	2012	2011	2010
(A)	**Cash flow from Operating activities**						
	Net Profit / (Loss) before taxation	1,781.90	4,320.10	1,926.20	14,642.10	9,837.20	13,848.30
	Add / (Less) Adjustments for:						-
	Depreciation	614.8	2,692.70	1,887.70	2,057.50	2,646.50	2,806.00
	Interest and Finance Charges	751	3,381.20	3,592.50	1,906.00	1,644.90	775.5
	Provisions	368.1	338.4	-172	99.5	112.8	-1,071.40
	Unrealised Foreign Exchange (Gain) /Loss	52.8	-0.7	10.1	11	-53	-112.1
	(Profit)/Loss on sale of fixed assets	-0.5	-5.6	-4.5	-17.5	-32.6	-10.2
	Finished goods consumed for capital jobs	-	-	-	-54.8	-66.5	-949
	Interest Income	-0.7	-1,200.10	-1,512.60	-1,989.20	-3,077.20	-5,347.10
	Dividend Income	-	-1.1	-1.3	-4.8	-	-
	Operating Profit Before working capital changes	**3567.4**	**9524.9**	**5726.1**	**16649.8**	**11012.1**	**9940**
	Adjustments for						
	(Increase) / Decrease in Inventories	-5,264.30	-344.4	-4,254.90	-1,484.00	-7,902.90	7,700.50
	(Increase) / Decrease in Trade Receivables	4,195.40	2,060.00	-5,825.00	-968.8	-1,501.10	77.8
	(Increase)/Decrease in Loans & Advances	990.6	-829.3	-1,733.80	-1,942.60	1,185.30	2,091.80
	(Increase) / Decrease in Other Non-Current assets	-4.7	-236.5	-262.4	-23.6	-18.2	-
	(Increase) / Decrease in Other Current assets	-314.7	-16.8	1,304.20	-417.7	-943.8	-50.5
	Increase /(Decrease) in Liabilities	4,054.20	2,549.60	9,077.10	1,271.40	-1,374.80	1,402.50
	Cash generated from Operations	**7223.8**	**12707.5**	**4031.4**	**13084.4**	**456.7**	**21162.2**
	Less: Income Tax paid	-155.9	-1,034.60	-1,436.00	-4,958.50	-4,212.50	-4,910.00
	Net cash from / (used in) Operating activities	**7067.9**	**11672.9**	**2595.4**	**8125.9**	**-3755.8**	**16252.2**
(B)	**Cash flow from Investing activities**						
	Purchase of Fixed Assets	-6,692.20	-16,649.10	-13,606.50	-17,668.90	-24,727.70	-32,789.00
	Investments	-	0.5	1,525.90	-10.3	-3,635.90	-2
	Dividend Received	-	1.1	1.3	4.8	-	-
	Proceeds from sale of Fixed Assets	0.5	7.7	5.9	29.5	35.6	352.8
	Interest received	117.2	1,255.70	2,064.20	1,939.70	3,710.30	6,562.20
	Net cash from / (used in) Investing activities	**-6574.5**	**-15384.1**	**-10009.2**	**-15705.2**	**-24617.7**	**-25876**
(C)	**Cash flow from Financing activities**						
	Proceeds from/(Repayment of) Secured Loans	-734.4	-380.3	12,415.60	-	-	-5,004.40
	Proceeds from/(Repayment of) unsecured Loans	-	-	-	-	-	7,252.30
	Proceeds from/(Repayment of) short term loans	1,033.70	814.9	10,833.00	14,392.60	-965.3	-
	Proceeds from Prime Minister's Trophy Fund	1.3	5.6	14.3	3.9	12.4	-
	Proceeds from/(Repayment of) share capital	-500	-6,069.70	-13,805.00	-1,000.00	-	-
	Interest and Finance charges	-1,589.60	-3,961.60	-3,330.30	-1,967.70	-1,513.30	-742.2
	Dividend Paid	-	-1,016.40	-2,707.90	-2,714.70	-2,852.90	-3,391.80
	Dividend Tax Paid	-	-172.6	-439.1	-440.4	-473.8	-576.4
	Net cash from / (used in) Financing activities	**-1789**	**-10780.1**	**2980.6**	**8273.7**	**-5792.9**	**-2462.5**
	Net Increase / (decrease) in Cash & Cash equivalents (A+B+C)	**-1295.6**	**-14491.3**	**-4433.2**	**694.4**	**-34166.4**	**-12086.3**
	Opening Balance of Cash & Cash equivalents	**1758.9**	**16250.2**	**20683.4**	**19989**	**54155.4**	**66241.7**
	Closing Balance of Cash & Cash equivalents	**463.1**	**1758.9**	**16250.2**	**20683.4**	**19989**	**54155.4**
	(Represented by Cash & Bank Balances - Annexure IV G)						

ANNEXURE IV A

RASHTRIYA ISPAT NIGAM LIMITED (STANDALONE)

STATEMENT OF FIXED ASSETS AND CAPITAL WORK IN PROGRESS

(₹ in million)

		DESCRIPTION	As at 30-06-2014	As at March 31st 2014	2013	2012	2011	2010
		TANGIBLE ASSETS :						
A		**LAND**						
	(a)	Freehold (Including cost of development)						
		Gross Block	557.7	557.7	558.0	555.2	511.6	514.8
		Less : Accumulated Depreciation	-	-	-	-	-	-
		Net Block	**557.7**	**557.7**	**558.0**	**555.2**	**511.6**	**514.8**
	(b)	Leasehold						
		Gross Block	16.5	16.5	16.2	16.2	16.2	16.2
		Less : Accumulated Depreciation	7.3	7.3	7.0	6.7	6.4	6.1
		Net Block	**9.2**	**9.2**	**9.2**	**9.5**	**9.8**	**10.1**
B		Railway Lines & sidings						
		Gross Block	828.2	828.2	675.7	538.7	485.6	487.1
		Less : Accumulated Depreciation	506.3	498.2	486.8	478.7	475.0	472.2
		Net Block	**321.9**	**330.0**	**189.0**	**60.0**	**10.6**	**14.9**
C		Roads, Bridges & Culverts						
		Gross Block	1,931.5	1,931.5	1,612.4	1,523.6	1,494.4	1,332.3
		Less : Accumulated Depreciation	851.8	360.3	329.2	301.9	275.8	251.7
		Net Block	**1,079.7**	**1,571.2**	**1,283.2**	**1,221.7**	**1,218.6**	**1,080.6**
D		Buildings						
		Gross Block	12,418.1	12,418.3	12,259.3	10,608.6	10,321.8	9,462.2
		Less : Accumulated Depreciation	6,459.7	6,398.5	6,044.6	5,726.2	5,428.6	5,144.9
		Net Block	**5,958.4**	**6,019.8**	**6,214.7**	**4,882.4**	**4,893.3**	**4,317.3**
E		Plant & Machinery						
		Gross Block	1,04,760.7	1,04,658.6	96,958.2	79,335.9	77,301.7	75,649.5
		Less : Accumulated Depreciation	75,674.8	75,308.2	73,374.8	72,189.2	70,748.0	68,760.2
		Net Block	**29,085.9**	**29,350.4**	**23,583.5**	**7,146.7**	**6,553.7**	**6,889.3**
F		Furniture & Fittings						
		Gross Block	255.2	254.7	237.6	204.3	196.7	192.3
		Less : Accumulated Depreciation	167.2	160.9	151.5	144.1	137.6	130.0
		Net Block	**88.0**	**93.8**	**86.1**	**60.2**	**59.1**	**62.3**
G		Locomotives						
		Gross Block	1,404.3	1,404.2	1,388.4	1,325.9	1,308.6	984.4
		Less : Accumulated Depreciation	781.9	767.5	725.5	687.9	640.3	599.4
		Net Block	**622.4**	**636.7**	**662.9**	**638.0**	**668.3**	**385.0**
H		Vehicles						
		Gross Block	170.2	169.0	131.8	132.8	132.6	129.8
		Less : Accumulated Depreciation	121.9	119.7	109.4	103.0	95.5	88.0
		Net Block	**48.3**	**49.3**	**22.4**	**29.8**	**37.1**	**41.8**
I		Electrical Installations						
		Gross Block	7,073.5	7,072.4	6,421.1	5,569.2	3,475.8	3,263.5
		Less : Accumulated Depreciation	3,401.4	3,272.3	3,055.6	2,871.6	2,747.9	2,650.7
		Net Block	**3,672.1**	**3,800.1**	**3,365.5**	**2,697.6**	**727.8**	**612.8**
J		Water Supply & Sewerage systems						
		Gross Block	5,109.4	5,109.3	4,245.7	2,728.9	2,835.5	2,874.1
		Less : Accumulated Depreciation	2,711.7	2,666.2	2,549.7	2,486.8	2,515.4	2,522.7
		Net Block	**2,397.7**	**2,443.1**	**1,696.0**	**242.1**	**320.1**	**351.4**
K		Miscellaneous Assets						

	Gross Block	1,621.8	1,619.8	1,573.6	1,412.7	1,251.0	1,270.3
	Less : Accumulated Depreciation	1,209.4	1,161.0	1,065.8	984.0	910.8	901.2
	Net Block	**412.4**	**458.8**	**507.8**	**428.7**	**340.2**	**369.1**
	Total Tangible Assets (i)	**44,253.7**	**45,320.1**	**38,178.2**	**17,972.0**	**15,350.1**	**14,649.4**
	INTANGIBLE ASSETS:	**-**	**-**	**-**			
A	Software (Intangible Assets)						
	Gross Block	83.8	83.8	77.3	75.5	68.4	-
	Less : Accumulated Depreciation	74.9	74.0	70.5	67.1	64.8	-
	Net Block	**8.9**	**9.8**	**6.8**	**8.4**	**3.6**	**-**
B	Mining lease rights (Intangible Asset)						
	Gross Block	58.3	58.3	58.3	58.3	58.3	58.3
	Less : Accumulated Depreciation	41.4	40.6	37.7	34.8	31.9	29.0
	Net Block	**16.9**	**17.7**	**20.6**	**23.5**	**26.4**	**29.3**
	Total Intangible Assets (ii)	**25.8**	**27.5**	**27.4**	**31.9**	**30.0**	**29.3**
	CAPITAL WORK-IN-PROGESS	-	-	-			
	C.W.I.P	1,11,871.8	1,06,857.1	99,504.9	1,05,954.2	93,374.0	69,073.9
	Less: Provisions	182.7	182.7	182.7	227.6	225.6	239.2
	Total C.W.I.P (iii)	**1,11,689.1**	**1,06,674.4**	**99,322.2**	**1,05,726.6**	**93,148.4**	**68,834.7**
	Intangible under Development (iv)	**322.5**	**301.1**	**222**	**150.1**	**-**	**-**
	Total Fixed Assets {(i) + (ii) + (iii) + (iv)}	**1,56,291.1**	**1,52,323.0**	**1,37,749.8**	**1,23,880.6**	**1,08,528.5**	**83,513.4**

ANNEXURE IV B

RASHTRIYA ISPAT NIGAM LIMITED (STANDALONE)

STATEMENT OF NON-CURRENT INVESTMENTS

(₹ in million)

PARTICULARS	**As at**	**As at March 31st**				
	30-06-2014	**2014**	**2013**	**2012**	**2011**	**2010**
Traded						
Investment In Equity Instruments						
Quoted (A)						
Subsidiary						
Eastern Investments Ltd	3,610.2	3,610.2	3,610.2	3,610.2	3,610.2	-
Others						
Bisra Stone Lime Company Ltd *	0.0	-	-	-	-	-
Total (A) @	3,610.2	3,610.2	3,610.2	3,610.2	3,610.2	-
Unquoted (B)						
Joint Ventures						
Rinmoil Ferro Alloys Private Limited	1.0	1.0	1.0	1.0	1.0	1.0
International Coal Ventures Pvt. Ltd	14.0	14.0	14.0	14.0	4.3	1.0
Others						
Free Press House Limited #	-	-	-	-	-	-
Steelscape Consultancy Pvt. Ltd	0.0	0.0	0.5	0.5	0.5	0.5
Total (B)	15.0	15.0	15.5	15.5	5.8	2.5
Total (A+B)	**3,625.3**	**3,625.2**	**3,625.7**	**3,625.8**	**3,616.0**	**2.5**

Note
@ Aggregate market value is not ascertainable due to non availability of Quotes in Stock Exchange
* Investment amounted to ₹1000/- hence rounded off to zero
# Investment amounted to ₹ 2380/- hence rounded off to zero and include one fully paid up equity share of in Anakapalli Rural Electric Co-operative society Ltd

ANNEXURE IV- C

RASHTRIYA ISPAT NIGAM LIMITED (STANDALONE)

STATEMENT OF LONG-TERM LOANS AND ADVANCES

(₹ **in million**)

PARTICULARS	**As at**	**As at March 31st**				
	30-06-2014	**2014**	**2013**	**2012**	**2011**	**2010**
Capital advances						
Advances & other recoverables (Recoverable in cash or in kind or for value to be received)						
Government departments	28.9	45.2	98.9	124.4	51.1	65.9
Contractors	881.7	379.9	293.1	436.5	719.8	4,689.6
Suppliers	495.1	-	-	-	46.1	198.9
Others	92.6	6.1	5.7	5.8	4.5	4.6
Security Deposits	-	457.9	284.4	254.8	231.4	209.0
Loans and Advances to Related parties						
Directors	-	-	-	-	-	-
Joint venture Companies	43.6	43.6	43.6	22.9	22.4	-
Other Loans and Advances						
Loans						
Employees	492.0	526.0	482.7	454.3	434.5	382.9
Others	2,182.8	2,494.7	2,806.4	1,120.2	1,463.2	2,336.1
Advances						
MAT Credit Entitlement	2,253.5	2,207.1	968.8	-	-	-
Total	**6,470.2**	**6,160.5**	**4,983.6**	**2,418.9**	**2,973.0**	**7,886.9**

ANNEXURE IV- D

RASHTRIYA ISPAT NIGAM LIMITED (STANDALONE)

STATEMENT OF OTHER NON-CURRENT ASSETS

(₹ **in million**)

PARTICULARS	**As at**	**As at March 31st**				
	30-06-2014	**2014**	**2013**	**2012**	**2011**	**2010**
Interet Accured on loans to employees	151.0	146.3	125.8	103.3	79.7	59.4
Others	456.0	456.0	240.0	-	-	-
Trade Receivables	-	-	-	-	-	2.1
Total	**607.0**	**602.3**	**365.8**	**103.3**	**79.7**	**61.5**

ANNEXURE IV- E

RASHTRIYA ISPAT NIGAM LIMITED (STANDALONE)

STATEMENT OF INVENTORIES

(₹ in million)

PARTICULARS	As at	As at March 31st				
	30-06-2014	2014	2013	2012	2011	2010
Semi Finished/ Finished goods	26,901.2	20,650.5	20,837.0	17,799.6	18,253.3	12,930.1
Raw materials	11,528.2	13,113.1	12,833.5	12,257.6	11,376.6	8,651.0
Stores & Spares	5,465.3	4,866.8	4,615.5	3,973.9	2,917.2	3,063.1
Total	**43,894.7**	**38,630.4**	**38,286.0**	**34,031.1**	**32,547.1**	**24,644.2**

ANNEXURE IV- F

RASHTRIYA ISPAT NIGAM LIMITED (STANDALONE)

STATEMENT OF TRADE RECEIVABLES

(₹ in million)

PARTICULARS	As at	As at March 31st				
	30-06-2014	**2014**	**2013**	**2012**	**2011**	**2010**
Debts over six months	111.7	208.7	339.8	203.4	207.4	207.9
Other debts	3,932.4	8,031.0	9,959.8	4,271.8	3,299.7	1,798.9
Less : Provision for doubtful debts	203.0	203.2	203.1	203.7	204.4	205.2
Total--Unsecured & Considered good	**3,841.1**	**8,036.5**	**10,096.5**	**4,271.5**	**3,302.7**	**1,801.6**

ANNEXURE IV- G

RASHTRIYA ISPAT NIGAM LIMITED (STANDALONE)

STATEMENT OF CASH AND BANK BALANCES

(**₹ in million**)

PARTICULARS	As at	As at March 31st				
	30-06-2014	2014	2013	2012	2011	2010
Cash and cash equivalents						
Balances with Banks	89.0	554.8	46.5	44.7	82.2	212.8
Cheques, Drafts on hand	279.9	1,111.9	717.3	391.5	351.7	510.3
Cash on Hand	1.0	0.3	0.5	0.3	0.4	0.9
Remittances in-transit	-	-	2.0	-	-	0.0
Term deposits with Banks	31.8	31.8	15,429.4	17,426.8	10,474.7	49,545.0
Earmarked Balances with Banks	-	-	-	-	-	-
Dividend	-	-	-	-	-	-
Prime Ministers Trophy Fund	61.4	60.1	54.5	40.1	-	-
Court Deposits	-	-	-	-	-	-
Other bank balances						
Term deposits pledged with Banks	-	-	-	2,730.0	9,030.0	3,336.4
Margin Money with Banks	-	-	-	50.0	50.0	550.0
Total	**463.1**	**1,758.9**	**16,250.2**	**20,683.4**	**19,989.0**	**54,155.4**

ANNEXURE IV- H

RASHTRIYA ISPAT NIGAM LIMITED (STANDALONE)

STATEMENT OF SHORT-TERM LOANS AND ADVANCES

(₹ in million)

PARTICULARS	As at	As at March 31st				
	30-06-2014	2014	2013	2012	2011	2010
Loans and Advances to Related Parties						
Directors	-	-	-	-	-	-
Joint venture Companies	17.3	16.4	13.9	1,560.5	2.1	6.5
Others						
Material issued on loan	3.8	3.8	1.2	78.9	-	-
Advances & other recoverables						
(Recoverable in cash or in kind or for value to be received)						
Government departments	4,705.8	82.9	96.9	95.1	81.0	174.3
Less:Provision for doubtful advances	-	6.2	6.2	6.2	6.2	6.2
Contractors	322.4	720.2	852.3	697.7	522.5	183.4
Less:Provision for doubtful advances	0.2	51.6	43.8	37.5	37.5	37.5
Suppliers	572.8	516.1	331.0	815.5	478.8	473.6
Less:Provision for doubtful advances	37.4	89.8	78.8	70.0	63.1	62.6
Employees	264.6	74.1	100.9	81.9	101.9	16.2
Less:Provision for doubtful advances	1.6	1.6	1.6	1.6	1.6	1.6
Foreign Exchange Forward contract receivables	24,520.5	24,373.0	25,331.1	-	-	-
Others	1,038.7	6,791.5	5,428.9	16,049.4	10,299.5	4,083.1
Less:Provision for doubtful advances	108.4	358.0	339.9	338.5	298.3	297.3
Advance Income Tax & Fringe Benefit Tax	1,350.0	1,050.0	1,436.0	4,350.0	3,800.0	4,327.3
Prepaid expenses	84.7	68.5	23.9	18.1	54.8	30.7
Claims recoverable	1,030.7	526.8	534.6	484.5	503.2	498.0
Less: Provision for doubtful claims	539.7	178.3	172.3	165.1	85.5	62.6
Deposits	1,512.2	1,075.7	1,144.6	922.8	942.3	1,204.2
Total	**34,736.2**	**34,613.5**	**34,652.7**	**24,535.6**	**16,293.9**	**10,529.7**

ANNEXURE IV- I

RASHTRIYA ISPAT NIGAM LIMITED (STANDALONE)

STATEMENT OF OTHER CURRENT ASSETS

(₹ in million)

PARTICULARS	As at	As at March 31st				
	30-06-2014	2014	2013	2012	2011	2010
Current maturities of Long term Loans						
Employees	152.7	163.6	149.1	142.4	122.7	98.3
Others	311.8	240.0	240.0	1,215.9	873.0	4.8
Interest accrued on loans to employees	12.1	12.5	10.1	7.2	5.1	4.7
Interest accrued -- others	3.0	119.5	178.1	1,064.0	961.4	1,541.4
Less: Provision for Non recoverable interest	0.4	0.4	3.4	-	-	-
Other income accrued	4.8	-	-	0.3	1.3	3.4
Other Receivables	249.4	-	-	-	-	-
Assets Retired from active use and held for disposal	1.2	1.2	1.3	1.2	0.3	0.5
Deferred Premium on Forward contracts	480.3	430.9	392.1	176.4	160.0	6.3
Total	**1,214.9**	**967.3**	**967.3**	**2,607.4**	**2,123.8**	**1,659.5**

ANNEXURE IV - J

RASHTRIYA ISPAT NIGAM LIMITED (STANDALONE)

STATEMENT OF LONG-TERM LIABILITIES & PROVISIONS

(₹ in million)

PARTICULARS	As at	As at March 31st				
	30-06-2014	2014	2013	2012	2011	2010
Trade payables	-	-	121.4	-	-	-
Security deposits	752.6	811.7	642.5	542.6	485.9	456.5
Other Liabilities	294.8	843.9	241.7	245.3	(44.4)	(22.7)
Total	**1,047.4**	**1,655.6**	**1,005.6**	**787.9**	**441.5**	**433.8**
Provision for Employee Benefits						
Compensated Absences	1,547.6	1,180.6	1,077.9	2,025.9	3,374.3	3,464.6
Post-retirement Benefits	2,029.8	2,016.4	1,635.5	1,772.3	1,631.9	1,433.9
Employee Family Benefit Scheme	1,628.4	1,633.6	1,028.0	850.2	643.4	641.4
Long Service Awards	343.4	357.6	367.4	112.6	97.5	70.5
Leave Travel Concession	102.1	95.2	9.3	8.0	5.0	40.0
Others						
Mines Closure	30.9	30.9	29.6	28.3	26.1	24.3
Total	**5,682.2**	**5,314.3**	**4,147.7**	**4,797.3**	**5,778.2**	**5,674.7**

ANNEXURE IV - K

RASHTRIYA ISPAT NIGAM LIMITED (STANDALONE)

STATEMENT OF SHORT TERM BORROWINGS

(₹ in million)

PARTICULARS	As at	As at March 31st				
	30-06-2014	2014	2013	2012	2011	2010
Loans repayable on demand						
From Banks						
Secured Loans						
Working Capital Borrowings (Secure by hypothecation of current assets)	1,513.4	5,894.4	5,862.2	7,552.2	1,966.1	3,493.6
Short Term Loans (secured by term deposits)	-	-	-	2,471.8	782.8	579.2
Unsecured Loans						
Working Capital Borrowings	3.4	2,296.3	2,038.0	852.5	-	-
Short Term Loans	7,556.7	4,873.1	-	2,231.2	1,851.2	5,999.6
Short Term Foreign currency facilities	24,393.3	24,335.5	25,208.4	11,161.6	6,758.7	2,251.8
Other Loans and Advances						
Secured	-	-	-	-	-	-
Unsecured	-	-	-	-	-	-
Commercial Papers	4,966.2	-	3,475.8	1,482.1	-	-
Total	**38,433.0**	**37,399.3**	**36,584.4**	**25,751.4**	**11,358.8**	**12,324.1**

ANNEXURE IV - L

RASHTRIYA ISPAT NIGAM LIMITED (STANDALONE)

STATEMENT OF TRADE PAYABLES

(₹ in million)

PARTICULARS	As at	As at March 31st				
	30-06-2014	2014	2013	2012	2011	2010
MSME	349.6	603.2	547.3	65.1	15.4	3.6
Others	1,404.0	7,696.1	6,833.8	3,387.3	5,483.8	5,543.4
Total	**1,753.6**	**8,299.3**	**7,381.1**	**3,452.4**	**5,499.2**	**5,547.0**

ANNEXURE IV - M

RASHTRIYA ISPAT NIGAM LIMITED (STANDALONE)

STATEMENT OF OTHER CURRENT LIABILITIES & SHORT TERM PROVISIONS

(₹ in million)

PARTICULARS	As at	As at March 31st				
	30-06-2014	2014	2013	2012	2011	2010
Current Liabilities:						
Interest accrued but not due						
Short term borrowings	78.8	44.9	61.2	34.1	9.2	25.1
Income Tax	7.9	7.9	0.0	18.9	10.7	-
Other payables	3.2	15,716.1	15,480.4	5,478.0	6,036.0	7,303.0
Advances from customers	1,598.3	1,333.5	1,838.5	1,728.7	1,359.8	1,395.2
Other advances	15.0	1.8	1.4	0.4	2.6	5.4
Earnest money, security & other deposits	990.7	3,613.5	3,039.7	2,665.7	2,356.7	1,622.3
Current Liabilities of Long Term Employee Benefits						
Compensated Absences	381.7	980.0	1,836.4	1,482.9	458.0	-
Post-retirement Benefits	182.9	181.4	123.6	124.6	27.8	-
Employee family Benefit Scheme	251.3	252.1	171.8	128.2	139.8	-
Long Service Awards	63.9	28.5	14.4	3.4	4.0	-
Leave Travel Concession	20.7	19.2	83.4	72.7	45.2	-
Other liabilities	61,309.8	32,703.8	32,867.6	21,856.9	15,002.8	10,508.4
Total	**64,904.2**	**54,882.7**	**55,518.4**	**33,594.5**	**25,452.5**	**20,859.4**

Provisions:						
Provision for Employee Benefits						
Gratuity to employees	-	-	59.8	-	56.6	722.1
Others						
Current Income Tax	2,653.9	2,607.5	2,408.7	5,305.0	4,340.5	5,128.1
Fringe Benefit Tax	-	-	-	-	-	-
Wealth Tax	4.3	3.5	3.2	4.6	4.9	4.5
Interim Dividend	-	-	-	-	-	1,000.1
Proposed Dividend (Final)	346.5	346.5	536.9	1,908.2	2,714.7	1,852.8
Tax on Interim Dividend	-	-	-	-	-	166.1
Tax on proposed Dividend (Final)	58.9	58.9	91.2	309.6	440.4	307.7
Total	**3,063.6**	**3,016.4**	**3,099.8**	**7,527.4**	**7,557.1**	**9,181.5**

ANNEXURE IV - N

RASHTRIYA ISPAT NIGAM LIMITED (STANDALONE)

STATEMENT OF SHARE CAPITAL

(₹ in million)

	As at	As at March 31st				
	30-06-2014	**2014**	**2013**	**2012**	**2011**	**2010**
AUTHORISED						
489,00,00,000 Equity Shares of ₹ 10 each	48,900.0	48,900.0	48,900.0	48,900.0	48,900.0	48,900.0
311,00,00,000 Preference Shares of ₹10 each	31,100.0	31,100.0	31,100.0	31,100.0	31,100.0	31,100.0
Total	**80,000.0**	**80,000.0**	**80,000.0**	**80,000.0**	**80,000.0**	**80,000.0**
ISSUED, SUBSCRIBED & PAID-UP						
488,98,46,200 Equity Shares of ₹ 10 each.	48,898.5	48,898.5	48,898.5	48,898.5	48,898.5	48,898.5
80,00,00,000 7 % Non-Cumulative redeemable	8,000.0	8,500.0	14,569.7	28,374.7	29,374.7	29,374.7
Preference Shares of ₹ 10 each redeemable at par						
Total	**56,898.5**	**57,398.5**	**63,468.2**	**77,273.2**	**78,273.2**	**78,273.2**

ANNEXURE IV – O

RASHTRIYA ISPAT NIGAM LIMITED (STANDALONE)

STATEMENT OF RESERVES AND SURPLUS

(₹ **in million**)

PARTICULARS	As at	As at March 31st				
	30-06-2014	**2014**	**2013**	**2012**	**2011**	**2010**
Capital Redemption Reserve	21,374.7	20,874.7	14,805.0	1,000.0	-	-
Reserve for Redeeming Preference Share Capital	8,000.0	8,500.0	14,569.7	28,374.7	29,374.7	29,374.7
Prime Minister's Trophy Award Fund	61.4	60.1	54.5	40.1	36.2	23.8
Surplus as per Profit and Loss Account	35,542.1	34,601.2	32,578.1	32,882.5	24,823.6	21,530.0
Total	**64,978.2**	**64,036.0**	**62,007.3**	**62,297.3**	**54,234.5**	**50,928.5**

ANNEXURE IV - P

RASHTRIYA ISPAT NIGAM LIMITED (STANDALONE)

STATEMENT OF OTHER EXPENSES

(**₹ in million**)

PARTICULARS	**For the three months ended**	**For the year ended March 31 st**				
	30-06-2014	**2014**	**2013**	**2012**	**2011**	**2010**
Consumption of Stores and Spares	1,152.5	5,569.8	5,298.8	5,183.0	4,712.2	4,664.8
Power and Fuel	1,977.1	6,713.4	6,309.5	4,623.6	4,250.3	4,082.7
Repairs and Maintenance	624.1	2,364.9	2,044.3	1,684.8	1,451.8	1,421.3
Freight Outwards	1,050.9	5,012.8	4,150.9	3,563.5	3,007.2	3,126.5
Other expenses & Provisions	1,714.4	4,753.6	5,164.0	5,004.9	3,972.2	3,323.3
Total	**6,519.0**	**24,414.5**	**22,967.5**	**20,059.8**	**17,393.7**	**16,618.6**

ANNEXURE IV - Q

RASHTRIYA ISPAT NIGAM LIMITED (STANDALONE)

STATEMENT OF REVENUE

(₹ in million)

PARTICULARS	For the three months ended	For the year ended March 31 st				
	30-06-2014	2014	2013	2012	2011	2010
Revenue from operations						
Net Sales(Gross sales net of Excise Duty)	22,943.6	1,19,610.2	1,20,085.1	1,31,427.2	1,04,711.8	98,091.5
Internal Consumption	57.4	560.9	803.9	1,003.0	877.0	1,210.7
Export Benefits	21.8	112.2	217.9	80.2	116.1	96.9
Sub-total	**23,022.8**	**1,20,283.3**	**1,21,106.9**	**1,32,510.4**	**1,05,704.9**	**99,399.2**
Other Income						
Interest Income	103.7	1,800.5	2,333.3	2,495.6	3,475.4	5,347.1
Other Income	170.4	1,269.4	2,220.9	788.3	784.1	893.1
Sub-total	**274.1**	**3,069.9**	**4,554.2**	**3,283.9**	**4,259.5**	**6,240.2**
Total	**23,296.9**	**1,23,353.2**	**1,25,661.1**	**1,35,794.3**	**1,09,964.4**	**1,05,639.4**
Profit before tax & Extraordinary Items	**3105.5**	**11568.7**	**10575.4**	**16392.3**	**13771.3**	**15951.4**
Total Other Income as % of Profit before tax & Extraordinary Items	**9%**	**27%**	**43%**	**20%**	**31%**	**39%**

Note:

1.0 All items of income included under 'other income' above are related to the business activities of the company and are recurring in nature, as per current operations and business activities of the company.

2.0 Interest shown above include interest on Bank FDs, advance to employes etc.

(**₹ in million**)

Bank FDs	As on					
	30-06-2014	31-3-2014	31-3-2013	31-3-2012	31-3-2011	31-3-2010
Term Deposits & Margin money with banks	31.8	31.8	15429.4	20206.8	19554.7	53431.4

ANNEXURE - V

RASHTIRYA ISPAT NIGAM LIMITED (STANDALONE)

SIGNIFICANT ACCOUNTING POLICIES

1.0 GENERAL

1.1 Financial Statements are prepared under the historical cost convention in accordance with fundamental accounting assumptions and Generally Accepted Accounting Principles (GAAP) in India and the relevant provisions of the Companies Act, 2013 including Accounting Standards notified there-under.

1.2 The preparation of financial statements in conformity with Generally Accepted Accounting principles require estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting Period. Actual results could differ from these estimates and differences between actual results and estimates are recognised in the periods in which the results are known/materialised.

2.0 FIXED ASSETS

2.1 Fixed assets are stated at historical cost less accumulated depreciation/amortization.

2.2 Expenditure attributable / relating to construction is accounted as below:

(a) To the extent directly identifiable to any specific plant unit including trial run expenditure net of revenue is included in the cost of Fixed asset.
(b) To the extent not directly identifiable to any specific Plant Unit, is kept under 'Expenditure During Construction' for allocation to Fixed Assets and is grouped under 'Capital Work-in- Progress'.

3.0 INVESTMENTS

3.1 Current investments are carried at lower of cost and fair value.

3.2 Longterm investments are carried at cost. Diminution in value, other than temporary, is provided for.

4.0 INVENTORIES

4.1 Inventories are valued at lower of cost and net realizable value.

4.2 The basis of determining cost is:

4.2.1 Finished / Semi-finished goods, Raw materials - Periodic Weighted Average cost
4.2.2 Minor Raw materials, Stores & Spares, Loose Tools - Dynamic moving weighted average cost.
4.2.3 All Materials in- transit at cost.

4.3 Obsolete / Surplus / Non-moving inventory are adequately provided for.

5.0 REVENUE RECOGNITION

5.1 Sales are recognized when all significant risks and rewards of ownership have been transferred to the buyer.

5.2 Export incentives under various schemes are recognized as Income on certainty of realisation.

6.0 CLAIMS

6.1 Claims against outside agencies are accounted on certainty of realisation.

7.0 FOREIGN CURRENCY TRANSACTIONS

7.1 Foreign currency monetary items are recorded at the closing rate.

7.2 Exchange differences arising on account of settlement / conversion of foreign currency monetary items are recognised as expense or income in the period in which they arise.

8.0 EMPLOYEE BENEFITS

8.1 Provisions/Liabilities towards gratuity, postretirement medical benefits, retirement settlement benefits, and Employees' Family Benefit Scheme are made based on the actuarial valuation as at the end of the year. Consequential charge to statement of Profit and Loss includes actuarial gains/losses.

9.0 DEPRECIATION AND AMORTISATION

9.1 Depreciation is provided on straight line method (SLM) up to 95% of the cost of the asset over their useful lives as in Schedule II of the Companies Act, 2013, except in respect of the following categories of assets where their useful life is based on the technical assessment of the Management (useful life given in brackets):Telecom Equipment (5 years); Cranes, Slag Pot Carriers, Audio & Visual Equipment (10 years); Earth Moving Equipment, Forklift Trucks, Air Conditioners, Refrigerators, Water Coolers, Air Coolers, Freezers (7 years); Cars (6 years); Safety Equipment, Other light vehicles (8 years); Central Processors [including system Software] (4 years); Coke Ovens & Coal Chemical Plant (15 years).

9.1.1 Net book value as on 31.03.2014 is reckoned as the residual value for those assets whose net book value is less than 5%of the cost of the asset as on 31.03.2014.

9.2 Amortisation of "Intangible Assets" is accounted as follows:

9.2.1 Mining lease rights are amortised over the period of lease.

9.2.2 Software which is not an integral part of related hardware, is treated as intangible asset and amortised over a Year of 4 years or its licence period, whichever is less.

10.0 BORROWING COSTS

10.1 Borrowing costs incurred for obtaining assets which take more than 12 months to get ready for its intended use are capitalised to the respective assets wherever the costs are directly attributable to such assets and in other cases by applying weighted average cost of borrowings to the expenditure on such assets.

10.2 Other borrowing costs are treated as expense for the year.

11.0 PRIOR PERIOD ITEMS

11.1 Items of Income / Expenditure which arise in the current period as a result of errors or omissions in the preparation of Financial Statements of one or more prior years, exceeding ₹ 5, 00,000/- in value, in each case are treated as prior period adjustments.

ANNEXURE VI

RASHTRIYA ISPAT NIGAM LIMITED (STANDALONE)

NOTES ON ADJUSTMENTS MADE FOR RESTATED FINANCIAL STATEMENTS

1 Adjustments on changes in Accounting Policies, prior period items and other adjustments

(₹ in million)

PARTICULARS	For the three months ended	For the year ended March 31 st				
	30-06-2014	2014	2013	2012	2011	2010
(A) Net profit after tax as per audited accounts	**1,196.0**	**3,664.5**	**3,528.3**	**7,514.6**	**6,584.9**	**7,966.8**
Adjustments on account of -						
(a) Changesinaccountingpolicies	-	-	-	-	-	-
(b) Otheradjustments&Priorperioditems	(0.7)	656.6	2,235.8	(3,173.4)	(1.2)	(157.7)
(c) ArrearSalary&Wages	(42.2)	514.8	1,102.7	(369.7)	(19.4)	(1,214.1)
(d) CurrentTaximpactofAdjustments	(318.4)	71.0	(54.1)	773.5	152.2	30.3
(e) Deferredtaximpactadjustments	326.3	(567.2)	(1,009.1)	7.5	4.6	42.7
(B) Total of Adjustments after Tax impact	**(34.9)**	**675.2**	**2,275.3**	**(2,762.0)**	**136.2**	**(1,298.8)**
(C) Net Adjusted Profit after tax(A-B)	**1,230.9**	**2,989.3**	**1,253.0**	**10,276.6**	**6,448.7**	**9,265.6**

2.0 Notes on adjustments made for Restated Financial Statements:

2.1 The prior period items in the Profit and Loss Account have been restated to the respective years to which they relate.

2.2 In the Financial Year 2013-14 there has been change in Accounting practice related to “Assets not owned by an Enterprise” based on the Expert Advisory Committee of Institute of Chartered Accountants of India. As per such opinion, the expenditure incurred on Assets not owned by an Enterprise is to be recognized as revenue expenditure upon completion of work. In line with the changed accounting practice adjustments were carried out in the restated financial statements.

2.3 In the Financial Year 2012-13, the company has reversed vacant land tax liability which was adjusted accordingly in the restated financial statements.

2.4 Arrears of expenses in respect of Salary and Wages paid to the executives as per DPE Guidelines, and for nonexecutives arising out of wage agreement under National Joint Committee for Steel Industries Agreement and expenditure on pay revision for the executives/non-executives have been charged through provision in the earlier years, the same have now been restated taking into respective years to which they relate.

2.5 The company has accounted for the deferred tax assets & liabilities in terms of ‘Accounting for Taxes on Income’ (AS22) issued by the Institute of Chartered Accountants of India (ICAI). Current tax and deferred tax impact on the adjustments made have been computed on the restated profit at the rates applicable to respective years.

2.6 The Accounts for the years have been restated considering the Guidance Note on “Reports in Company Prospectuses” issued by Institute of Chartered Accountants of India. Effect of these changes has been shown as separate line items under para 1(Annexure-VI) referred above. Effect of changes for Financial Years prior to 2009-10 have been adjusted in the surplus profit & loss account *unde*r Reserves & Surplus as on 31.03.2009 net of taxes including deferred tax relatable to Financial Years prior to 2009-10.

ANNEXURE VII

RASHTRIYA ISPAT NIGAM LIMITED (STANDALONE)

Notes on adjustments not made for Restated Financial Statements

1. As per the Notification dated 26.11.2008 of Ministry of Heavy Industries and Public Enterprises, Govt. of India, while reviewing the pay scales of the employees of PSUs, inter alia revised the ceiling of gratuity to ₹1.0 million from ₹0.35 million w.e.f. 01.07.2007. Accordingly, gratuity liability as per AS-15 has been accounted under Employees cost in the year 2008-09 and such amount has not been recast to the relevant earlier years as the same has not been ascertained, further presenting of breakup of figures for long-term and short-term provision as required by revised schedule VI has not been done as it is not ascertained for the Financial Year 2009-10.However, the total post superannuation defined benefits are shown under long term provisions.

2. The Company has commenced valuing ‘in process materials’, namely hot metal and liquid steel during the first quarter of 2014-15. Since the amount is not quantifiable and in the absence of the required data, the same has not been recast to the earlier years.

ANNEXURE VIII

RASHTRIYA ISPAT NIGAM LIMITED (STANDALONE)

OTHER NOTES ON RESTATED FINANCIAL STATEMENTS

1.0 (a) The Company has adopted the remaining useful life of its tangible assets as per the requirement of part C of Schedule II of Companies Act 2013 read with para 9.1 of Significant Accounting Policies. Further, based on the transitional provision in note no.7(b) of the said schedule, an amount of ₹ 290 million (net of deferred tax) has been adjusted against retained earnings in respect of tangible assets whose useful life has exhausted.

(b) For the useful lives adopted by the Company as mentioned in (a) above is subject to technical assessment of componentization of main assets which is under progress.

2.0 Land at a cost of ₹399.9 million is being held in the name of President of India. The Company is holding Power of Attorney issued by Govt. of India for utilisation of the land acquired for the Project and related purposes incidental thereto.

3.0 Land includes 367.07 acres allotted to various agencies on lease basis.

4.0 Land includes 12.5 acres whose title is under dispute.

5.0 Sale deeds in respect of the following assets are yet to be executed:

a)	Stockyard at Chennai		₹ 23.7 million
b)	i)	Office building at New Delhi	₹ 10.9 million
	ii)	Office building at New Delhi	₹ 244.4 million
c)	Office buildings at Ahmedabad		₹ 1.8 million
d)	Residential buildings at Kolkata		₹ 9.5 million
e)	Site for Liaison Office		₹ 13.0 million

6.0 The Company has commenced valuing 'in process materials', namely hot metal and liquid steel and as on 30.06.2014 the same is valued at ₹ 144.2 million. Consequently, the profit for the current quarter was higher by ₹ 144.2 million.

7.0 These interim financial statements are prepared in connection with disinvestment through offer for sale/IPO and in accordance with Accounting standard (AS) 25 "Interim Financial Reporting".

8.0 The figures relating to the corresponding period of the immediately preceding Financial Year are not furnished, as the audited interim financial statements for the corresponding period of the immediately preceding Financial Year are not available.

9.0 The disclosures as required by the Accounting standard (AS) 15 "Employee Benefits", are partial and limited to the data available.

10.0 The non-furnishing of the figures relating to the corresponding period of the immediately preceding Financial Year and the limited disclosures under Accounting standard (AS) 15 "Employee Benefits", have no impact on the restatement of financial statements prepared in connection with disinvestment through offer for sale/IPO.

ANNEXURE IX

RASHTRIYA ISPAT NIGAM LIMITED (STANDALONE)

STATEMENT OF EMPLOYEE BENEFITS

Disclosures pursuant to AS 15 -Employee benefits

Defined Contribution plans:

An amount of ₹15.4millionrecognized in the Profit and Loss account,₹ 1.5millionin Capital work in progress and ₹ 0.1 million in intangible assets under development are towards Superannuation Benefit Scheme (Post Employee benefit – Defined Contribution Plan).

Defined Benefit Plans:

General Description of the Post Employment Benefits-Defined Benefit Plans

Provident Fund	-	Company pays fixed contribution to Provident Fund, at predetermined rates, to a separate trust, which invests the Funds in permitted securities. On Contributions, the trust is required to pay a minimum rate of interest, to the members, as specified by Govt. of India. The obligation of the Company is limited to the shortfall in the rate of interest on the Contribution based on its return on investments as compared to the declared rate.
Gratuity	-	Payable to employees, who render continuous service of 5 years or more, on separation, at 15 days of last drawn pay for each completed year of service.
Post Retirement Medical Benefits	-	Available to retired employees at Company's hospital and / or under the Health Insurance Policy.
Retirement Settlement Benefits	-	The retired employees, their dependents, as also the dependents of the employees expired while in service are entitled for travel and transport expenses to their place of permanent residence. At the time of retirement, employees will be given 10 Gms. of gold.
Employee Family Benefit Scheme	-	Monthly payments, till the notional date of superannuation, to employees separated upon disablement / legal heirs of deceased employees at their option who fulfill the criteria of prescribed amount of deposit.

Expenses recognized in the statement of Profit and Loss Account.

(**₹ in million**)

Particulars	**Gratuity**	**Retirement Medical Benefits**	**Retirement Settlement Benefits**	**Employee Family Benefit Scheme**
Total to be charged - Employees Benefits	**30.2**	**63.4**	**28.2**	**28.6**
Amount charged to :				
Statement of Profit & Loss Account	27.6	58.1	25.9	26.2

Expenditure During Construction	0.5	0.9	0.4	0.4
Capital Work in Progress	2.0	4.3	1.8	1.9
Intangible Assets under Development	0.1	0.1	0.1	0.1

Actuarial Assumptions

Description	As at 30th June 2014
Discount Rate (per annum)	8.7%
Mortality rate	Indian assured lives (2006-08) Ultimate table
Withdrawal rates (per annum)	Upto 30 years of age 3%; Upto 44 years of age 2%; Above 44 years of age 1%.
Estimated Rate of Return on Planned Assets	9%
Medical Cost Trend Rates (Per Annum)	4.5% of Hospital Cost and Medi-claim Premium
Salary Escalation (per annum)	7%
	The estimate of future salary increase considered in actuarial valuation takes into account inflation rate, seniority, industrial practices, promotion and other relevant factors on long term basis.

Provident Fund: Company's contribution paid/payable during the year to Provident Funds are recognized in the Statement of Profit & Loss. The company's Provident Fund Trusts are exempted under section 17 of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952. The conditions for grant of exemption stipulated that the employer shall make good, deficiency if any, in the interest rate declared by the Trusts vis-a-vis statutory rate. The Company does not anticipate any further obligations in the near foreseeable future having regard to the assets of the funds and return on investment.

ANNEXURE X

RASHTRIYA ISPAT NIGAM LIMITED (STANDALONE)

STATEMENT OF RELATED PARTY TRANSACTION

(₹ in million)

PARTICULARS	For the three months ended	As on 31st March				
	30-06-2014	2014	2013	2012	2011	2010
Investments						
Rinmoil Ferro Alloys Private Limited	1.00	1.00	1.00	1.00	1.00	1.00
International Coal Ventures Pvt. Ltd	14.00	14.00	14.00	14.00	4.30	1.00
Loans and Advances						
Current						
Rinmoil Ferro Alloys Private Limited	-	-	-	-	-	-
International Coal Ventures Pvt. Ltd	17.30	16.40	13.90	1,660.90	2.10	-
Non-Current						
Rinmoil Ferro Alloys Private Limited	14.60	14.60	14.60	12.90	12.60	2.50
International Coal Ventures Pvt. Ltd	29.00	29.00	29.00	10.00	9.70	4.00
Key Management Personnel						
Renumeration						
Shri P Madhusudan, CMD	0.68	2.70	2.38	2.30	2.15	0.53
Shri T K Chand, Director (Comm)	0.63	1.79	2.08	1.95	0.99	-
Shri PC Mahapatra, Director(Proj)	0.79	1.06	-	-	-	-
Shri GBS Prasad, Director(P)	0.78	-	-	-	-	-
Shri Umesh Chandra, Director(O)	0.70	2.75	2.30	2.94	2.50	1.26
Shri A P Choudhary, CMD	-	2.23	2.72	2.58	2.37	1.06
Shri P K Bishnoi, CMD	-	-	-	0.91	2.75	2.05
Shri Y R Reddy, Director (P)	2.61	2.40	2.08	2.49	0.48	-
Shri NS Rao, Director(Proj)	-	1.30	1.92	-	-	-
Shri Y Manohar, Director (P)	-	-	-	-	4.17	1.97
Shri C G Patil, Director (Comm)	-	-	-	-	-	4.38
Shri K S Shankar, Director(Fin)	-	-	-	-	-	1.06

ANNEXURE XI

RASHTRIYA ISPAT NIGAM LIMITED (STANDALONE)

STATEMENT OF DIVIDEND PAID/PROPOSED

(₹ in million, unless otherwise stated)

PARTICULARS	For the three months ended	For the year ended March 31 st				
	30-06-2014	2014	2013	2012	2011	2010
Face Value of Equity Shares (in ₹ Per Equity Share)	10	10	10	1000	1000	1000
Number of Shares (units)	4,88,98,46,200	4,88,98,46,200	4,88,98,46,200	4,88,98,462	4,88,98,462	4,88,98,462
Dividend (A)	-	366.5	352.8	751.5	658.5	796.7
Dividend per Equity Share (₹)	-	0.07	0.07	15.37	13.47	16.29
Dividend Rate (%)	-	0.75	0.72	1.54	1.35	1.63
Dividend Tax (B)		62.3	59.0	121.9	106.8	132.3
Face Value of Preference Shares (in ₹ Per Preference Share)	10	10	10	1000	1000	1000
Number of Shares(units)	80,00,00,000	85,00,00,000	1,45,69,70,000	2,83,74,700	2,93,74,700	2,93,74,700
Dividend* (C)		560.0	912.5	1127.6	2056.2	2056.2
Dividend per Preference Share (₹)	0.70	0.70	0.70	70.00	70.00	70.00
Dividend Rate (%)	7.00	7.00	7.00	7.00	7.00	7.00
Dividend Tax (D)		95.2	149.4	182.9	333.6	341.5
Total Dividend (A) + (C)	**-**	**926.5**	**1265.3**	**1879.1**	**2714.7**	**2852.9**
Total Dividend Tax (B) + (D)	**-**	**157.5**	**208.4**	**304.8**	**440.4**	**473.8**

 # The face values of Equity shares and preference shares are split from ₹1000/- per share to ₹ 10/- per share on 21st April 2012

*** Dividend paid on Preference Share Capital is on outstanding as on record date**

ANNEXURE XII

RASHTRIYA ISPAT NIGAM LIMITED (STANDALONE)

STATEMENT OF CAPITILISATION AS AT 30.06.2014

PARTICULARS	**PRE ISSUE AS AT 30-06-2014**	**POST ISSUE**
Debt		
Secured Loans	12,814.3	12,814.3
Unsecured Loans	36,919.6	36,919.6
Total	49,733.9	49,733.9
SHAREHOLDER'S FUNDS		
Share Capital	56,898.5	56,898.5
Reserves and Surplus	64,978.2	64,978.2
Total	**1,21,876.7**	**1,21,876.7**

Debt/Equity Ratio	**0.4**	**0.4**

Notes :

1. As the IPO is only offer for sale by Government of India, there would be no change in Debt and Shareholders fund Post Issue

2. The above has been computed on the basis of the restated financial statements of company.

ANNEXURE XIII

RASHTRIYA ISPAT NIGAM LIMITED (STANDALONE)

STATEMENT OF ACCOUNTING RATIOS OF THE COMPANY

(₹ in million, unless otherwise stated)

	For the three months ended	For the year ended March 31 st				
	30-06-2014	2014	2013	2012	2011	2010
Net Profit After Tax (Restated)	1,230.9	2,989.3	1,253.0	10,276.6	6,448.7	9,265.6
Net worth	1,21,876.7	1,21,434.5	1,25,475.5	1,39,570.5	1,32,507.7	1,29,201.7
No of Equity Shares (units of ₹ 10/- face value)#	4,889,846,200	4,889,846,200	4,889,846,200	48,898,462	48,898,462	48,898,462
Preference Dividend Incl Tax	0.0	655.2	1061.9	1310.5	2389.8	2397.7
Earnings per Share (₹)*	0.3	0.5	0.0	183.4	83.0	140.5
Diluted Earnings per Share (₹)*	0.3	0.5	0.0	183.4	83.0	140.5
Return on Net worth (%)	**1.0**	**2.5**	**1.0**	**7.4**	**4.9**	**7.2**
Net Asset Value Per Share (₹)(₹ 1000/- face value)@	**2328.8**	**2309.6**	**2268.1**	**2274.0**	**2109.1**	**2041.5**
Net Asset Value Per Share (₹)(₹ 10/- face value)#@	**23.29**	**23.1**	**22.7**	**22.7**	**21.1**	**20.4**

 # The face value of Equity shares are split from ₹1000/- per share to ₹ 10/- per share on 21st April 2012

*** EPS is not Annualized for the three months ended 30-06-2014**

₹@ Calculated after deducting preference share capital

Formula

Earning per share before extraordianry item(Rs)	$\dfrac{\text{Restated Profit after tax and before extarodinary items less dividend to preference share holders}}{\text{No of Equity Shares}}$
Earning per share after extraordianry item(Rs)	$\dfrac{\text{Restated Profit after tax and after extarodinary items less dividend to preference share holders}}{\text{No of Equity Shares}}$
Return on Networth	$\dfrac{\text{Restated Profit After Tax}}{\text{Net worth}}$ X100
Net Asset Value Per Share (Rs)	$\dfrac{\text{Equity share capital plus Reserves}}{\text{No. of Equity Shares}}$

ANNEXURE - XIV

RASHTRIYA ISPAT NIGAM LIMITED (STANDALONE)

STATEMENT OF TAX SHELTER OF THE COMPANY

(**₹ in million**)

PARTICULARS	**For the three months ended**	**As on 31st March**				
	30-06-2014	**2014**	**2013**	**2012**	**2011**	**2010**
Profit before Tax as per Audited accounts	1560.8	5491.5	5264.7	11100.1	9816.6	12476.5
Adjustments	42.8	-1171.4	-3338.5	3543.0	20.6	1371.8
Restated Profit Before Tax (A)	**1603.6**	**4320.1**	**1926.2**	**14643.1**	**9837.2**	**13848.3**
Applicable tax rate	0.340	0.340	0.324	0.324	0.332	0.340
Tax liability on Restated Profit	545.0	1468.0	625.0	4751.0	3268.0	4707.0
Adjustments	-	-	-			
Permanent Differences (B)						
Dividend Income	0.0	-1.1	-1.3	-4.8	0.0	0.0
Income from sale of Assets	0.0	0.0	-2.4	-17.5	-32.6	-10.2
Donation	1.6	88.7	54.8	13.7	1.6	17.0
Other Adjustments	2.1	9.4	17.6	9.0	17.3	15.5
Total Permanent Differences (B)	**3.7**	**97.0**	**68.7**	**0.4**	**-13.8**	**22.3**
Timing Differences (C)						
Difference between tax depreciation and book depreciation	-654.6	-5714.1	-5195.5	-956.2	651.4	276.4
Difference of gratuity provision and payment of gratuity	0.0	0.0	0.0	0.0	0.0	0.0
Difference of leave encashment provision and payment provision	0.0	0.0	0.0	0.0	0.0	0.0
Deferred Installments of Voluntary retirement scheme u/s 35DDA	0.0	0.0	-0.3	-1.2	-2.6	-3.6
Provision of doubtful debts, Claims, Advances, land reclamation	1.7	72.1	-5.5	74.8	29.4	-19.2
e.t.c (Net off return back)						
Disallowances/ Allowances u/s 43B	34.1	66.4	-245.3	248.9	223.5	0.0
Amount inadmissible / Admissible u/s 40(a)(ia)	0.0	0.0	0.0	0.0	0.0	0.0
Other adjustments	-988.5	-30.6	-8.2	10.2	6.5	17.5
Total Timing Differences (C)	**-1607.3**	**-5606.2**	**-5454.8**	**-623.4**	**908.2**	**271.1**
Net Adjustments : D (B+C)	-1603.7	-5509.2	-5386.0	-623.0	894.4	293.4
Taxable Income/Loss from Business (F) (A+D)	**0.0**	**-1189.1**	**-3459.8**	**14020.1**	**10731.6**	**14141.7**
Tax (Saving) / Outgo thereon (E) (D* Tax Rate)	-545.1	-1872.6	-1747.5	-202.1	297.1	99.7
Tax on Business Income	**0.0**	**0.0**	**0.0**	**4548.8**	**3564.8**	**4806.8**

ANNEXURE XV

FINANCIAL INDEBTEDNESS (STANDALONE)

Borrowings of our Company

Set forth below, is a brief summary of our Company's borrowings (both, fund based and non-fund based) as of June 30, 2014 , together with a brief description of certain significant terms of such financing arrangements. Our Company's borrowings consist of mostly working capital facilities availed from the banks mentioned below. The total amount outstanding as on June 30, 2014 is ₹ 49733.9 million.

S. No.	Name of Lender	Documentation	Amount Sanctioned	Amount Outstanding as on , June 30, 2014	Rate of Interest (%) p.a.	Tenure	Security
1.	SBI	Our Company has entered into a multiple banking arrangement with SBI on April 18, 2005 for availing working capital loans.[1&2]	Fund based: v. Cash credit/Working capital Demand Loan (WCDL)/ CP- (Hypothication) - ₹ 10,000.00 million vi. Letter of Comfort (LoC-1) ₹ 10,000 million (as a sub-limit ofof CP for issuance of LoC favouring Issuing & Paying agent of CP)) vii. EPC - ₹ 1000 million (as a Sub limits of Cash Credit) viii. DDP (Cheque) – ₹ 100 million (as a sub limit of	i. ₹ 14.09million ii. Nil iii. Nil Iv. Nil	i. 10.40	June 24, 2013	Hypothecation of current assets and assets created out of project letter of credit on *pari-passu* basis with other banks under multiple banking arrangements by composite hypothecation agreement dated April 18, 2005 which was last amended on November 30, 2013.

S. No.	Name of Lender	Documentation	Amount Sanctioned	Amount Outstanding as on , June 30, 2014	Rate of Interest (%) p.a.	Tenure	Security
			Cash Credit)				
			Non- Fund based: iv. Letter of credit (LC) - ₹ 5500 million(as a sublimit of Cash Credit) v. Bank guarantee (BG) - ₹ 500 million(as a sublimit of Cash Credit) vi. Credit Exposure limit (CEL) - ₹ 200.00 (as a sublimit of Cash Credit) million (Both ways full interchangeability from fund based (cash credit) limits to Non-fund based (letter of credit) limits. One way full interchangeability from bank guarantee limits to letter of credit limits to the extent of 100% of BG limits exists. ₹	i. ₹ 99.701 million ii. ₹ 2.50 million iii. Nil			

S. No.	Name of Lender	Documentation	Amount Sanctioned	Amount Outstanding as on , June 30, 2014	Rate of Interest (%) p.a.	Tenure	Security
			5500 million as a sub limit of LC for Buyer's credit.)				
	SBI	Our Company has entered into a banking arrangement with SBI on Februaty 26, 2013 for availing Capital Expenditure purposes, Further, additional facility for Capital expenditure accepted with SBI on November, 30, 2014.	i. Coporate Loan – I ₹ 12000 million ii. Corporate Loan –II – ₹ 24350 million	i. ₹ 11295.70 million ii. ₹ 5.18 million	i. 10.05 ii. 10.20	i. 3 years ii. 4.50 years	i. Pari Passu 1st charge on fixed assets acquired out of Bank loan along with other lenders. i. Pari Passu 1st charge on fixed assets of the company with FACR of 1.25
2.	State Bank of Hyderabad	Our Company has entered into a multiple banking arrangement with State Bank of Hyderabad, dated October 16, 2009 for working capital requirements.[3]	Fund based: iii. Cash credit - ₹ 2,000.00 million iv. Short Term loan (as a sub limit of cash credit of limit of ₹ 2000 Million).	i. ₹ 50.65 million ii. Nil	i. 10.20	March 07, 2015	Hypothecation of current assets on *pari-passu* basis with other banks under multiple banking arrangement by hypothecation agreement dated October 16, 2009.
			Non fund based: iii. Letter of credit - ₹ 1,700.00 million(as a sub limit of cash credit limits of ₹ 2000 Million). iv. Bank guarantee - ₹ 300.00 million (as a sub limit of cash credit limits of ₹ 2000	i. ₹ 10.90 million ii. Nil			

S. No.	Name of Lender	Documentation	Amount Sanctioned	Amount Outstanding as on , June 30, 2014	Rate of Interest (%) p.a.	Tenure	Security
			Million). (Full interchangeability from fund based limits to non fund based limits).				
3.	Canara Bank	Our Company has entered into a multiple banking arrangement with Canara Bank dated March 11, 2005 for working capital requirements.[4]	Fund based: ii. Cash credit - ₹ 2,000.00 million.	i. ₹ 100.42 million	i. 10.20	12 months	Hypothecation of current assets by common hypothecation agreement, dated April 18, 2005 and supplemental agreements dated August 3, 2006, May 19, 2007, August 1, 2009, September 16, 2010 July 30, 2012., January 31,2014 and Febraury 07, 2014.
			Non- Fund based: v. Inland letter of credit/foreign letter of credit - ₹ 1,000.00 million (as a sub limit of Cash Credit limits) vi. Bank guarantee - ₹ 150.00 million vii. Foreign letter of credit for expansion project - ₹ 20,000.00 million. viii. Foreign letter of credit for modernisation - ₹ 3,000.00 million.	i. Ni ii. Nil iii. ₹ 2820.30 million (FLC for Capex)			

S. No.	Name of Lender	Documentation	Amount Sanctioned	Amount Outstanding as on , June 30, 2014	Rate of Interest (%) p.a.	Tenure	Security
4.	Bank of Baroda	Our Company has entered into a multiple banking arrangement with Bank of Baroda, on December 19, 2005 for the purpose of working capital requirements.[5]	Fund based: - iii. Cash credit - ₹ 338.50 million iv. Pre-shipment packing credit - ₹ 200.00 million.	i. ₹ 66.13 million ii. Nil	i. 10.25	March 29, 2014	Hypothecation of current assets on *pari-passu* basis with other banks under multiple banking arrangement by composite hypothecation agreement dated December 19, 2005 (as amended on January 6, 2006 and August 10, 2006)
			Non-fund based: iii. Letter of credit - ₹ 251.50 million iv. Bank guarantee - ₹ 10.00 million. (Cash credit/ pre-shipment packing credit is interchangeable to letter of credit and vice versa).	i. ₹ 78.40 million ii. Nil			
5.	Andhra Bank	Our Company has entered into a composite loan agreement with Andhra Bank dated November 12, 2008 for renewal of working capital facilities.[6]	Fund based: iii. Cash credit - ₹ 300.00 million iv. Export packing credit - ₹ 115.00 million.(As a sublimit of CC of ₹ 300.00 Million)	i. ₹ 177.70 million ii. Nil iii. Nil	10.25i.e.Base rate	One year	Hypothecation of current assets on *pari-passu* basis with other banks under multiple banking arrangement by composite hypothecation agreement dated September 8, 2006.
			Non- Fund based: iii. Letter of credit - ₹ 300.00 million (As a sublimit of CC of ₹ 300.00	i. Nil ii. Nil			

S. No.	Name of Lender	Documentation	Amount Sanctioned	Amount Outstanding as on , June 30, 2014	Rate of Interest (%) p.a.	Tenure	Security
			Million) iv. Bank Guarantee - ₹ 30.00 million (As a sublimit of CC of ₹ 300.00 Million (Non fund based interchangeable to fund based and vice versa).				
6.	UCO	Our Company entered into an agreement with UCO on April 18, 2005 for availing working capital facility.[7]	Fund based: iv. Cash credit - ₹ 50.00 million (As a sub limit of WCDL) v. Working capital demand loan - ₹ 100.00million vi. Export packing credit - ₹ 100.00 million. (As a sublimit of WCDL) vii.	i. ₹ 45.74 million ii. Nil iii. Nil i. Nil ii. Nil	10.20	One Year	Hypothecation of stock of raw materials, finished goods and stores, spaces and receivables, including all products, goods and movable property of any kind by composite hypothecation agreement dated April 18, 2000 which was last amended on August 10,2013 .

S. No.	Name of Lender	Documentation	Amount Sanctioned	Amount Outstanding as on , June 30, 2014	Rate of Interest (%) p.a.	Tenure	Security
			Non- fund based: (As a sub limit of Fund based limits of ₹ 100.00 million) iii. Letter of credit - ₹ 100.00 million iv. Bank guarantee - ₹ 50.00 million.				
7.	IDBI	IDBI has through sanction letter dated September 27, 2010 sanctioned working capital loans and cash management services to our Company.[8] Further, the bank enhanced the limits vide their sanction letter July 29,2013.	Fund based: iv. Cash credit - ₹ 2,000.00 million v. Working capital demand loan (sub-limit of cash credit) - ₹ 1,800.00 million vi. Forward cover - ₹ 1000.00 million (One way interchangeability of cash credit to letter of credit/buyer's credit.)	i. ₹ 3.44 million ii. Nil iii. Nil	i. 10.25 a)0.7367 b)0.7354 c)0.7256 d)0.7264 e)0.6839 f)0.6836 g)0.62510 h)0.62860 i)0.62860 j)0.62735 K)0.6821 i. 1.64	July 29,2014	Nil
			Non- Fund based: i. Letter of credit Inland & foreign /Buyers' credit – ₹ 8,000.00 million ii. Bank	i.Buyers Credit a) ₹ 1203.40 million (USD 20 million) b) ₹ 495.66 million (USD 8.24 million) c) ₹ 535.46 million (USD 8.90 million) d) ₹ 505.78			

S. No.	Name of Lender	Documentation	Amount Sanctioned	Amount Outstanding as on , June 30, 2014	Rate of Interest (%) p.a.	Tenure	Security
			guarantee (sub-limit of letter of credit) – ₹ 750.00 million. iii. Capex Letter of Credit / Buyer's credit (sub-limit of letter of credit) – 2000.00 million	million (USD 8.41 million) e) ₹ 639.80 million (USD10.63 million) f) ₹ 543.82 million (USD 9.04 million) g) ₹ 638.10 million (USD 10.61 million) h) ₹ 1196.90 million (USD 19.89 million) I) ₹ 461.93 million (USD 7.68 million) j) ₹ 537.12 million (USD 8.93 million) j) ₹ 683.94 million (USD 11.37 million) ₹ 702.30 million (Letter of credit) ii) ₹ 328.50 million (BG) iii) ₹ 539.50 Million (Capex LC)			
8.	Vijaya Bank	Vijaya Bank through sanction letter dated June 22, 2011 has sanctioned working capital loan to our company.[9]	₹ OD/WCD L/.STL /LC/BG limits of 300.00 million (.	i. ₹ 100..23 million	10.25	February 18,,2015	Nil
9.	HSBC	Our Company and HSBC have entered into a loan agreement pursuant to a sanction letter dated January 31, 2011 for availing working capital facilities. [10]	i. Import documentary credit/cc / buyers credit - ₹ 4850.00 million ()i. Foreign exchange lines - ₹ 600.00 million. iii) Capex loan – ₹ 3000.00 million (As a sub limit of Working	i. ₹ 3.08 million (CC) ii. a) ₹ 603.73 million (USD10.03 Million) b) ₹ 602.28 million (USD10.01 Million) c) ₹ 650.17 million (USD10.81 Million) (Buyers Credit)	i.10.00 a)0.5804 b)0.5796 c)0.5803	November 30,2014	Nil

S. No.	Name of Lender	Documentation	Amount Sanctioned	Amount Outstanding as on , June 30, 2014	Rate of Interest (%) p.a.	Tenure	Security
			capital limits of ₹ 4850.00 million. i.e. combined limit is ₹ 4850.00 million)	iii) ₹ 1270 million (CApex STL) ii. Nil			
10.	IndusInd Bank	IndusInd has issued a sanction letter dated September 27, 2010 for working capital facilities. IndusInd renewed the limits by letter dated September 7, 2012 and our company accepted limits of ₹ 1,000.00 million for buyers credit facility.	Buyer's credit limits (Sublimit of Letter of Credit Facility) - ₹ 8000 million Line of Credit for short term loans (sub limit of LC facility) ₹ 2500 million)Post Shipment Credit (Sublimit of LC) ₹ 1500 million Investment in Bonds(Sublimit of LC) – ₹ 1500.00 million Sales Invoice Discounting(Sublimit of LC) – ₹ 1000.00 million	a) ₹ 560.77 million (USD 9.32 million) b) ₹ 1384.10 million (USD 23 million) c) ₹ 565.29 million (USD 9.39million) d) ₹ 689.83 million (USD 11.46million) e) ₹ 622.68 million (USD 10.36million) f) ₹ 524.12 million (USD 8.71 million)	a)0.80 b)0.7286 c)0.7300 d)0.66810 e)0.66285 f)0.7210	30th April Renewable annually 30th April Renewable Annuallyu .	Nil
		IndusInd has issued a sanction letter dated August 22, 2012 for working capital facilities. Our Company by letter dated August 29, 2012 accepted limits of ₹ 2,000.00 million for foreign letter of credit for capital expenditure.	i. Letter of Credit (LC) ₹ 8000.00 Million ii. Bank Guarantee ₹ 1000.00 Million (Sublimit of LC) iii.Letter of credit for capital expenditure - ₹	i. Nil ii.₹ 100.00 Million(BG) iii. ₹ 539.50 Million(Capex LC)		30th April 2014, Renewable annually	Nil

S. No.	Name of Lender	Documentation	Amount Sanctioned	Amount Outstanding as on , June 30, 2014	Rate of Interest (%) p.a.	Tenure	Security
		Further the bank renewed the limits vide their letter dated April 30th 2014.	2,000.00 million (Sublimit of LC)				
11.	Citi Bank	Our Company has entered into a loan agreement with Citi Bank, dated September 28, 2010 for availing working capital credit facilities.[11]	OD/STL/LC /BG/Buyers Credit limits (Full Interchangea bility) - ₹ 1250 Million			12 months and subject to yearly review.(to be renewed)	Nil
12.	HDFC	Our Company and HDFC have entered into a loan agreement dated November 19, 2010 for availing revolving working capital facility and further the fund based limits have been converted into revolving credit facilities by loan agreement dated January 6, 2012. However, we requested the bank to reduce the total sanctioned limits vide our letter dated 23.07.2014 to ₹ .500 million.	i.₹ 500.00 million (fund based) ii.₹ 500.00 million (non fund based- letter of credit as a sublimit of STL)	9 million (LC)	10.00	12 months and subject to yearly review.	Nil
13.	Deutsche Bank	Our Company and Deutsche Bank have entered into a loan agreement dated May 6, 2010 for availing buyer's credit for imports.[12] Further, the Bank enhanced the limits to ₹ 7500 Million vide their sanction letter dated May 15, 2014. [13]	I.₹ 7500.00 million/ equivalent foreign currency (fund and non-fund based) II. 6500.00 Million (Capex facility- As a sublimit of working capital limits of 7500.00 Million)	)[18] [i]) ₹ 418.99 million (CC) iI) ₹ 23.70 million (USD 0.39million (Buyers Credit) iii)4176.95 million (Capex STL)	i)9.95 Ii)0.381 III)9.95	12 months and subject to yearly review[13].	Nil

S. No.	Name of Lender	Documentation	Amount Sanctioned	Amount Outstanding as on , June 30, 2014	Rate of Interest (%) p.a.	Tenure	Security
14.	RBS	RBS has issued a sanction letter dated June 22, 2011 for availing buyer's credit for import.[14] However, we requested the bank to withdraw /cancel the total sanctioned limits vide our letter dated 23.07.2014.					
15.	Bank of Tokyo	Bank of Tokyo has issued a sanction letter dated March 1, 2011 for availing revolving foreign currency loan for import financing.[15]	I. Buyer's credit Limit -USD 110.00 million/ Equivalent Indian rupees. ii. Over Draft of ₹. 800.00 million iii. Working Capital Demand Loan – ₹ 800.00 million (As a sub limit of Over Draft) -	i. a) ₹ 23.70 million (USD 0.39 million)[18] .b) ₹ 23.69 million (USD 0.39 million)[18] c) ₹ 24.11 million (USD 0.40 million)[18] d) ₹ 589.71 million (USD 9.8 million)[18] e) ₹ 23.03 million (USD0.38 million)[18] f) ₹ 1213.41 million (USD20.17 million)[18] g) ₹ 23.18 million (USD0.39 million)[18] h)) ₹ 296.55 million (USD 4.93 million)[18] i)) ₹ 660.74 million (USD 10.98 million)[18] j) ₹ 22.51 million (USD 0.37 million)[18] k) ₹ 265.43 million (USD4.41 million)[18] l) ₹ 716.68 million (USD 11.91million)[18] m) ₹ 23.68 million (USD	i. a) 0.6466 b)0.6356 c)0.6344 d)0.6304 e)0.6279 f)0.6279 g)0.6279 h)0.6233 i)0.6234 j)0.6229 k)0.6249 l)0.62950 m)0.6274 0 n)0.63060 o)0.6306 p)0.6306 q)0.6356 II)9.45%	February 28, 2015	Nil

S. No.	Name of Lender	Documentation	Amount Sanctioned	Amount Outstanding as on , June 30, 2014	Rate of Interest (%) p.a.	Tenure	Security
				0.39million)[18] n) ₹ 1203.40 million (USD 20 Million)[18] o) ₹ 944.21 million (USD 15.69 Million)[18] p) ₹ 534.95 million (USD 8.89 Million)[18] q) ₹ 29.74 million (USD 0.49 Million)[18] ii) STL ₹ .500 million			
16.	Kotak Mahindra	Kotak Mahindra through sanction letter dated September 19, 2011 has sanctioned working capital facilities to our company. Further, the bank renewed the limits vide their letter dated November 12, 2013 with a sub limit of ₹ 2000.00 million for Capex. (Total sanctioned limits are ₹ 3000.00 million) [16]	i.₹ 3000.00 million. (For working capital purposes) ii.₹ 2000.00 million for Capital expenditure (as a sub limit of Working Capital Limits)	i. ₹ 0.77 million (cc) ii. ₹ 609.75 million (CAPEX STL)	i)10.00 ii)10.00	12 months[16]	Nil
17.	JP Morgan	Our Company and JP Morgan have entered into an agreement dated May 9, 2011 for availing working capital facilities.	0.00		NA	.	Nil
		JP Morgan has issued a sanction letter dated March 21, 2011 for availing buyer's credit facility. However, we requested the bank to withdraw /cancel the total sanctioned limits	0.00.	NIL			Nil

S. No.	Name of Lender	Documentation	Amount Sanctioned	Amount Outstanding as on , June 30, 2014	Rate of Interest (%) p.a.	Tenure	Security
		vide our letter dated 23.07.2014.					
18.	Standard Chartered Bank	Standard Chartered Bank has issued a sanction letter dated May 7, 2010 for availing buyer's credit facility. Further the bank enhanced the limits for working capital purposes vide their letter dated October 9th ,2013.[17]	Letter of Credit of USD 75.00 million (Financial Guarantee of USD 75.00 million as a sublimit of letter of credit.)	[18] i) ₹ 553.44 million (USD 9.20 million)	i)0.6196	One year[17]	Nil
19	ICICI Bank	ICICI Bank Limited through sanction letter No.34/CBGHYD/ 56340 dated May 17, 2013 has sanctioned working capital facilities to our company.	Fund based: EPC/PCFC: ₹ 2000.00 Million Non-Fund Based: Buyer's Credit: ₹ 2000.00 Million (As a sublimit of EPC/PCFC)	a) ₹ 1163.02 million (USD 19.33 Million) b) ₹ 562.12 million (USD 9.34 Million	EPC:9.75 % p.a. PCFC:3M LIBOR+2.50% p.a. a)0.5833 b)0.5833	12 months (May 9, 2014)	Nil
20	ANZ Bank	Australia and New Zealand Banking Group Limited (ANZ) through sanction letter No.0699/2014/AS /HS dated May 19, 2014 has sanctioned Buyer's Credit facilities to our company.	Buyers credit facility of $ 20 Million	NIL		One year	Nil
21	YES Bank	YES Bank through sanction letter No.YBL/BLR/FL /0332/2013-2014 dated Jan 8, 2014 has sanctioned Buyer's Creditl facilities to our company.	Buyers' credit facilities ₹ 2500.00 Million	a) ₹ 1278.25 million (USD 21.24 Million)	a)0.6059	12 months subject to annual review	Nil
22	DBS Bank	Development Bank of Singapore through sanction	1. Working Capital purposes i. Working	i.₹ 1000 million(WCDL)	9.75 %	One year	Nil

S. No.	Name of Lender	Documentation	Amount Sanctioned	Amount Outstanding as on , June 30, 2014	Rate of Interest (%) p.a.	Tenure	Security
		letter No. CDT/ADMIN/250/2013 dated May 21, 2013 has sanctioned Working Capital facilities to our company. Further, the Bank enhanced / modified the limits to ₹ 500 Crs vide their letters ref no. CDT/ADMIN/641/2013 dtd 12th Nov 2013 and July 9th 2014.	capital loan/Sales or Purchase Invoice Discounting/ Purchase Invoice Discounting/ Buyers credit for working capital requirements of ₹ 5000.00 Million ii. Packing Credit / Post shipment finance – ₹ 2000.00 million (As a sub limit of Buyers' credit limits)iii. Over draft ₹ 1000.00 (as a sub limit of Buyers credit limits) 2.Capital Expenditure i. Purchase invoice financing (one off facility (PID) towards Capex) ₹ 2000.00 Million (as sub limit of working capital limits) ii. Short Term Loan upto 180 days (one off facility towards Capex) ₹ 500.00 million (as a sub limit of				

S. No.	Name of Lender	Documentation	Amount Sanctioned	Amount Outstanding as on , June 30, 2014	Rate of Interest (%) p.a.	Tenure	Security
			PID of Capex)				
23	Bank of India	Bank of India through sanction letter ref No.VSP:ADV:2013-14:KVR:099 dated Nov 25,2013 has sanctioned Working Capital facilities to our company.	Fund Based: Cash Credit: ₹ 200 .00Million Non-Fund Based: Letter of Credit/Buyer's Credit:: ₹ 1000.00 Million	a) ₹ 549.27 million (USD 9.13 Million)	10.25 % a) 0.7351	15.09.2014	Nil
24. .	Allahabad Bank	Our company entered into cash management services agreement with Allahabad Bank on August 6, 2012.	Over draft - ₹ 750.00 million (Fund based)	₹ 533.55 million	10.25	August 31, 2015	NIL

1 The loan agreement dated April 18, 2005 was last renewed on November 30, 2013 for a period of 12 months.

2. The Corporate Loan –I was accepted and signed the agreement dated February, 26 2013 and the agreement for Corporate Loan –II was accepted and signed the agreements on November, 30 2013. Further, we requested the bank to reduce the total Working Capital sanctioned limits vide our letter dated 23.07.2014 to ₹ 10000.00 Million.

3 The loan agreement was a renewal and enhancement of an earlier facility provided by the State Bank of Hyderabad and was further renewed through letters date December 30, 2010, March 31, 2011, March 15, 2012 and March 08, 2014. Further, we requested the bank to reduce the total Working Capital sanctioned limits vide our letter dated 23.07.2014 to ₹ 2000.00 Million.

4 Canara Bank has further sanctioned FLC limits of ₹ 3,000 million for modernization project by its letter dated June 5, 2012, and has renewed the working capital facility sanctioned to our Company through renewal letter dated January 1,2014 . Further, we requested the bank to reduce the total sanctioned limits vide our letter dated 23.07.2014 to ₹ 2150.00 Million.

5 The loan agreement was renewed last through a letter dated August 01, 2013. Further, we requested the bank to reduce the total sanctioned limits vide our letter dated 23.07.2014 to ₹ 800.00 Million.

6 The loan agreement was renewed last through a letter dated March 19, 2014. Further, we requested the bank to reduce the total sanctioned limits vide our letter dated 23.07.2014 to ₹ 300.00 Million.

7 The loan agreement dated April 18, 2005 was last renewed on July 04, 2013. Further, we requested the bank to reduce the total sanctioned limits vide our letter dated 23.07.2014 to ₹ 100.00 Million.

8 The sanction letter dated September 27, 2010 was renewed on December 20, 2010, June 8, 2011 and March 6, 2012. Further, the bank enhanced the limits vide their sanction letter July 29, 2013.

9 Our Company has entered into an agreement dated July 30, 2011 with Vijaya Bank for release of an overdraft of ₹ 1,000 million. Vijaya Bank by its letter dated May 22, 2012 enhanced this overdraft facility to ₹ 2,000 million and entered into a supplementary agreement with our Company dated May 23, 2012 in this regard. Further, the Vijaya Bank renewed the limits for a period of one year and increased the overdraft facility to ₹ 3,000 million through its letter dated September 5, 2012However, the Bank vide Sanction letter dtd 26.02.2014 reduced the limits to ₹ 2000.00 Million. Further, we requested the bank to reduce the total sanctioned limits vide our letter dated 23.07.2014 to ₹ 300.00 Million.

10 The sanction letter dated January 31, 2011 was renewed by letter dated January 16, 2014.

11 Citi Bank has renewed the existing working capital limits by letter dated May 7, 2012. Subsequently, the facilities limit was increased to ₹ 1,940 million through an amendatory agreement dated June 14, 2012 entered into between our Company and Citi Bank. However, we requested the bank to reduce the total sanctioned limits to ₹ 1250.00 Million vide our letter dated 30 .07.2014.

12 Loan agreement dated May 6, 2010 was amended on September 13, 2010. Further, the bank enhanced credit limits to ₹ 3,250.00 million by its letter dated August 27, 2012.

[13] Deutsche Bank renewed the working capital limits with effect from May 15, 2014 and enhanced the limits to ₹ 7500 Million.
[14] RBS enhanced the buyer's credit limits to USD ₹ 80.00 million by its letter dated August 23, 2012. However, we requested the bank to withdraw /cancel the total sanctioned limits vide our letter dated 23.07.2014.
[15] Bank of Tokyo renewed the working capital limits with effect from February 29, 2012. Further, the bank renewed the sanctioned limits upto February 28th 2015, vide their sanction letter dated February 19th 2014.
[16] Kotak Mahindra by email dated September 10, 2012 has extended the validity of the sanction limit till September 30, 2012. Further, the bank renewed the limits vide their letter dated November 12, 2013.
[17] The loan agreement dated May 7, 2010 was last renewed on Oct 9th 2013 with enhanced working capital facilities.
[18] The forward contracts are entered with the banks for import of raw material and the amounts shown for principal Loan amount in brackets in USD.

Commercial Paper

S. No.	Name of Lender	Amount (in ₹ Million)	Date of Expiry
1	State Bank of India	₹ 2494.43	July 10,2014
2	LIC	₹ 498.89	July 10,2014 September 28, 2012
3..	Birla Sunlife Trustee Co,Pvt Ltd	₹ 1972.84	August 28,2014

Corporate Actions:

Some of the corporate actions for which our Company requires the prior written consent of lenders include the following:

i. to change or alter the capital structure of our Company;

ii. to undertake any amendments in the Memorandum and Articles of Association;

iii. to undertake or permit any scheme of amalgamation, consolidation, demerger, merger or corporate reconstruction or acquisition of any company assets, business, or undertaking or body corporate;

iv. to change the ownership or control of our Company which may change the effective beneficial ownership or control of our Company and also affect change in the management of the business;

v. to declare any dividend on its share capital, if it fails to meet its obligations to pay the interest and/or commission and/or installment and/or the moneys payable to the lenders, so long as it is in such default;

vi. to prepay the outstanding principal amount of the facilities which are in the nature of loans in full or in part before the repayment dates;

vii. giving of any corporate or financial guarantee;

viii. to withdraw or allow to be withdrawn any monies brought in by the promoters and directors or relatives and friends of the promoters or directors of our Company, unless specifically waived by the lender; or

ix. to invest by way of share capital in, or lend or advance funds to or place deposits with any other concern, including its associates concern, except in the normal course of business or as advances to employees.

ANNEXURE XVI

RASHTRIYA ISPAT NIGAM LIMITED (STANDALONE)

STATEMENT OF PRIOR PERIOD ADJUSTMENTS

(₹ in million)

PARTICULARS	For the three months ended	For the year ended March 31st				
	30-06-2014	2014	2013	2012	2011	2010
(A) DEBIT						
CLAIMS FOR FINISHED PRODUCTS	-	-	-	-	0.7	-
DEPRECIATION	-	-	-	28.0	26.7	-
OTHER EXPENSES	-	-	-	5.0	-	0.8
SALE OF PRODUCTS	-	-	-	-	2.3	6.1
REPAIRS&MAINTENANCE	-	-	-	-	26.9	-
	-	**-**	**-**	**33.0**	**56.6**	**7.0**
(B) CREDIT						
DEPRECIATION	-	-	8.0	-	-	-
OTHER EXPENSES	-	15.758	49.59	35.6	101.1	9.5
OTHER REVENUES	-	3.07	43.81	6.6	52.1	-
SALE OF PRODUCTS	-	-	0.93	15.7	-	-
RAW MATERIALS	-	-	29.72	2.0	82.0	-
REPAIRS&MAINTENANCE	-	-	-	35.6	-	6.3
STORES&SPARES	-	-	0.91	-	126.4	-
INTERNAL CONSUMPTION	-	-	17.66	-	44.5	63.5
	-	**18.8**	**150.6**	**95.5**	**406.1**	**79.4**
TOTAL (A) - (B)	**-**	**(18.83)**	**(150.6)**	**(62.4)**	**(349.6)**	**(72.4)**

ANNEXURE XVII

RASHTRIYA ISPAT NIGAM LIMITED (STANDALONE)

CONTIGENT LIABILITY AND CAPITAL COMMMITMENTS AS AT 30-06-2014

(**₹ in million**)

SI NO	DESCRIPTION	AMOUNT
1	Capital Commitments) (The amount to be executed on capital account)	63,900.3
2	Contigent Liabilities (Claims against the company not acknowledged as debts)	35,682.9

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our audited restated consolidated financial statements as of and for the years ended March 31, 2010, 2011, 2012, 2013 and 2014 and the three months ended June 30, 2014, prepared in accordance with the Companies Act and Indian GAAP and restated in accordance with the ICDR Regulations, including the schedules, annexes and notes thereto and the reports thereon, included in the section titled "Financial Statements" beginning on page 181 of this Draft Red Herring Prospectus. Unless otherwise stated, the financial information used in this section is derived from our audited restated consolidated financial statements.

Our Company's financial statements are prepared in conformity with Indian GAAP, the Companies Act and the ICDR Regulations. Indian GAAP differs in certain material respects from U.S. GAAP and IFRS. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those under U.S. GAAP or IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian GAAP, the Companies Act and the ICDR Regulations.

This section contains forward-looking statements that involve risks and uncertainties. The Company's actual results may differ materially from those discussed in such forward-looking statements as a result of various factors, including those described under the sections "Risk Factors" and "Forward-Looking Statements" beginning on pages 19 and 17 of this Draft Red Herring Prospectus, respectively.

In this section, references to "we", "our", "our Company" and similar expressions refer to Rashtriya Ispat Nigam Limited and, where the context so requires, Rashtriya Ispat Nigam Limited and its Subsidiaries on a consolidated basis.

Overview of Our Operations

We are the second largest government-owned steel company in India (Source: Joint Plant Committee monthly performance report on Iron & Steel, July 2014), with original liquid steel production capacity of 3.0 mtpa and expanded liquid steel production capacity of 6.3 mtpa, which is currently in the advanced stages of completion, and is expected to be operational by the end of Financial Year 2015. Our plant at Visakhapatnam, Visakhapatnam Steel Plant ("**VSP**"), was originally established in 1971 as part of SAIL, a PSU producing iron and steel products. In 1982, our Company was incorporated and the assets and liabilities of VSP were transferred from SAIL to us.

In November 2010, we were conferred *Navratna* status by the GoI, which provides us with a considerable degree of operational and financial autonomy from the GoI. As of July 2014, we are one of only 17 PSUs in India with *Navratna* status. The Promoter of our Company is the President of India, acting through the Ministry of Steel, GoI.

We have our Registered and Corporate Office in Visakhapatnam, in the state of Andhra Pradesh, India, with regional offices in Visakhapatnam, Delhi, Kolkata, Chennai and Mumbai. We conduct our production activities at a single production site in Visakhapatnam. Our steel production facilities consist of four coke oven batteries, three blast furnaces, along with the related processing units, five converters, four rolling facilities and a thermal power plant and its ancillary facilities, including waste heat recovery facilities.

The expansion of our production capacity to more than double our liquid steel capacity from 3.0 mtpa to 6.3 mtpa is well advanced, with major units, including finishing mills, to be commissioned in phases and be operational, by the end of Financial Year 2015. We purchase most of our key raw materials, including iron ore and coking coal. We also source raw materials from our mines which provide limestone, dolomite, manganese ore, quartzite and silica sand. As of August 31, 2014, we own a majority stake in EIL, a holding company for mining companies with iron ore, manganese ore, limestone and dolomite reserves.

We produce a broad range of steel products, including plain wire rods, rebars, rounds, squares, structurals, billets, blooms and pig iron. We sell most of our products domestically, with Indian customers accounting for approximately 94.0% of our sales for the three months ended June 30, 2014, of which 48.0% was in South India. Our customers consist mainly of companies in the construction, infrastructure, manufacturing, automobile, general engineering and fabrication sectors.

As of August 31, 2014, we employed 18,328 permanent employees. We sell our products through a wide marketing network of five regional offices, 23 branch offices, seven marketing contact offices, 18 consignment agents, four handling contractors and five consignment sales agents. We sell our steel products to project users, industrial users and retailers.

In the Financial Years 2012, 2013 and 2014 and the three months ended June 30, 2014, we recorded net sales of ₹ 131.75 billion, ₹ 120.36 billion, ₹ 119.89 billion and ₹ 23.00 billion, respectively, on a restated consolidated basis. During the same periods, we recorded a profit after tax of ₹ 10.3 billion, ₹ 1.25 billion, ₹ 2.87 billion and ₹ 1.22 billion, respectively. As of June 30, 2014, we had total assets and total net worth of ₹ 258.60 billion and ₹ 121.85 billion, respectively.

Basis of Presentation

Our financial statements are prepared under the historical cost convention in accordance with fundamental accounting assumptions and Indian GAAP and the relevant provisions of the Companies Act, including accounting standards notified thereunder.

Our business consists of a single business segment which comprises the production of steel products and we have no geographical segments which are subject to different risks and returns.

Our financial statements are presented in Indian rupees.

Factors Affecting Our Results of Operations and Financial Condition

Various factors have affected our results of operations in the past and may continue to do so in the future.

Dependence on India's Continued Economic Growth and Liberalization

Substantially all of our net sales during the Financial Years 2012, 2013 and 2014 and the three months ended June 30, 2014—or ₹ 131.76 billion, ₹ 120.36 billion, ₹ 119.90 billion and ₹ 23.00 billion, respectively—were derived from customers in India. Our results of operations have consequently been, and are expected to continue to be, affected by the expected continued growth of the Indian economy and, in particular, continued growth in infrastructure spending and demand from the manufacturing and automobile industries. Apparent steel consumption in India is projected to grow 3.3% in Calendar Year 2014 and 4.5% in Calendar Year 2015 after recording a growth of 2.6% in Calendar Year 2013, according to the worldsteel Association Short Range Outlook 2014, April 2014.

Our results of operations are also affected by the market-oriented economic reforms implemented by the GoI beginning in the early 1990s in respect of matters such as international trade and investment, deregulation, initiation of privatization, tax reforms, and inflation-controlling measures. Specifically with regard to the steel industry, the GoI's 2005 National Steel Policy seeks to facilitate the creation of additional capacity, removal of procedural and policy obstacles that affect the availability of raw materials and other production inputs, increased investment in research and development, and the creation of road, railway and port infrastructure. The conferral of *Navratna* status to certain PSUs in the steel industry, including to our Company in November 2010, granted those PSUs a considerable degree of operational and financial autonomy from the GoI.

Steel Prices and Sales Volume

Our results of operations are directly affected by the prices of our steel products and our sales volume, which in turn is largely determined by the market demand for our steel products and our ability to meet that demand. We sold approximately 3.1 mt, 3.0 mt, 3.10 mt and 0.55 mt of steel products during the Financial Years 2012, 2013 and 2014 and the three months ended June 30, 2014, respectively.

The following table sets out our sales for the periods indicated:

	2012		**2013**		**2014**		**Three months ended June 30, 2014**	
	Net Sales (₹ million)	**% of Net Sales**	**Net Sales (₹ million)**	**% of Net Sales**	**Net Sales (₹ million)**	**% of Net Sales**	**Net Sales (₹ million)**	**% of Net Sales**
Blooms	4,150.4	3.2%	3,749.8	3.1%	3,166.3	2.6%	249.3	1.1%
Billets	1,090.3	0.8%	1,029.0	0.9%	2,062.5	1.7%	177.1	0.8%
WRM[1]	40,215.7	30.5%	37,003.4	30.7%	36,654.2	30.6%	7,559.4	32.9%
LMMM[2]	34,349.7	26.1%	33,113.6	27.5%	31,623.1	26.4%	6,661.6	29.0%
MMSM[3]	36,701.5	27.9%	29,921.3	24.9%	32,903.8	27.4%	5,572.3	24.2%
Pig iron	9,567.9	7.3%	10,313.9	8.6%	6,555.7	5.5%	1,779.7	7.7%

	2012		2013		2014		Three months ended June 30, 2014	
	Net Sales (₹ million)	**% of Net Sales**	**Net Sales (₹ million)**	**% of Net Sales**	**Net Sales (₹ million)**	**% of Net Sales**	**Net Sales (₹ million)**	**% of Net Sales**
Others	5,678.6	4.3%	5,232.3	4.3%	6,930.0	5.8%	1,004.6	4.4%
Total	**131,754.2**	**100.00%**	**120,363.2**	**100.00%**	**119,895.5**	**100.00%**	**23,003.8**	**100.00%**

1 Wire Rod Mill rolls rebars and plain wire rods.

2 Light and Medium Merchant Mill rolls rebars, rounds, light structurals and billets.

3 Medium Merchant and Structural Mill rolls rounds, squares and structurals.

The steel industry, and the iron ore and coal mining industries, which provide its principal raw materials, have historically been highly cyclical and are affected significantly by general economic conditions, such as worldwide production capacity and fluctuations in steel imports/exports and tariffs. Prices of steel products, in general, are sensitive to changes in worldwide and local demand, which, in turn, are affected by worldwide and country-specific economic conditions and available production capacity. For further discussion, see the section titled "***Risk Factors–Internal Risk Factors–Risk Factors Relating to Our Company's Business and Operations–The steel industry is highly cyclical and a decrease in steel prices may have an adverse effect on our Company's results of operations and financial condition***" and "***Industry Overview – The Indian Steel Industry – Indian Steel Prices***" on pages 21 and 46, respectively, of this Draft Red Herring Prospectus.

Raw Material Prices

The relationship between raw material prices and steel selling prices is one of the principal factors affecting our Company's operating profitability. Raw materials comprise the single most significant percentage of our Company's manufacturing costs and in the Financial Years 2012, 2013 and 2014 and the three months ended June 30, 2014, consumption of raw materials accounted for 70.4%, 69.8%, 62.3% and 76.0%, respectively, of our expenses in the production of steel (excluding inter-account adjustments for raw material mining costs, depreciation and amortization interest and finance charges).

The following table sets out our itemized raw material expenditure and related quantities of consumption for the periods indicated.

	Financial Year									Three Months Ended		
	2012			2013			2014			June 30, 2014		
	Qty (tonnes thousand)	Value (₹ million)	% of raw material expenditure	Qty (tonnes thousand)	Value (₹ million)	% of raw material expenditure	Qty (tonnes thousand)	Value (₹ million)	% of raw material expenditure	Qty (tonnes thousand)	Value (₹ million)	% of raw material expenditure
Coal	3,914.70	50,534.40	59.65%	3,901.11	43,460.80	53.66%	3,967.49	37,080.8	52.78%	983.15	8,684.4	56.11%
Iron ore	5,572.60	28,394.70	33.52%	5,776.88	31,617.1	39.04%	5,724.94	27,772.7	39.53%	1,643.84	7,615.5	49.20%
Limestone	977.5	1,272.40	1.50%	1043.21	1,398.7	1.73%	975.57	1,422.4	2.02%	254.05	355.6	2.30%
Dolomite	558	772.5	0.91%	557.355	848.8	1.05%	603.61	981.7	1.40%	165.65	267.6	1.73%
Silico manganese	46.8	2,447.80	2.89%	48.876	2,780.0	3.43%	53.58	2,885.8	4.11%	13.47	756.4	4.89%
Ferro silicon	5.8	417.6	0.49%	4.875	338.0	0.42%	4.84	365.1	0.52%	1.845	138.6	0.90%
Aluminum	3.4	426.2	0.50%	3.379	441.1	0.54%	4.61	596.8	0.85%	1.08	156.1	1.01%
Manganese ore	11	18.6	0.02%	14.161	24.5	0.03%	15.98	27.2	0.04%	1.12	6.3	0.04%
Petroleum coke	-	-	0.00%	5.69	151.2	0.19%	6.03	152.9	0.22%	1.63	43.5	0.28%
Sea water magnesite	1.8	68.2	0.08%	2.13	83.8	0.10%	2.73	132.1	0.19%	0.47	23.6	0.15%
Billets	2.4	86	0.10%	13.47	506.5	0.63%	0	0.0	0.00%	0	0.0	0
Other raw materials	-	283.8	0.33%	-	90.1	0.11%	-	144.7	0.21%	-	22.7	0.15%
Materials consumed for trial run production	-	-	-	-	-754.0	-0.93%	-	-1,304.0	-1.86%	-	-2,591.9	-16.05%
Total		**84,722.2**	**100.00%**		**80,986.6**	**100.00%**		**70,258.2**	**100.00%**		**15,478.4**	**100.00%**

Our profitability depends in part on the extent to which steel selling prices exceed raw material prices, and in particular, the extent to which changes in raw material prices correlate with changes in steel selling prices, and how long it takes them to do so. In recent periods, steel selling prices have tended to react quickly to rises in raw material prices, due in part to the tendency of distributors to increase purchases of steel products early in a rising cycle of raw material prices. In addition, decreases in steel prices may outstrip decreases in raw materials costs.

Given this overall dynamic, our Company's operating profitability has been particularly sensitive to fluctuations in raw material prices, (see the section titled "***Risk Factors–Internal Risk Factors–Risk Factors Relating to Our Company's Business and Operations–We have had and may in future have a decreasing trend in operating profits***" on page 24 of this Draft Red Herring Prospectus for further details), which have themselves become more volatile since the iron ore industry moved away from annual benchmark pricing to quarterly pricing in 2010. Unlike some of our competitors that have the benefit of captive iron ore and coking coal mines and are therefore somewhat shielded from volatility in the prices of those raw materials, we purchase iron ore and coking coal at market prices under supply contracts typically lasting up to five years. Under long-term arrangements, the price is fixed on a quarterly or monthly basis. For other raw materials, we enter into agreements through a tendering system.

Energy costs, specifically power and fuel, also are a significant element of our input costs. Power and fuel consumption accounted for approximately 3.9%, 5.5%, 6.0% and 9.8% of our total expenses during the Financial Years 2012, 2013 and 2014 and the three months ended June 30, 2014, respectively. Steel production is a high fixed-cost industry and production rates have a direct impact on unit costs. For the previous ten consecutive years, production in all major units of VSP (with the exception of hot metal) exceeded 100% of rated capacity. For the Financial Year 2014, average production performance of hot metal, liquid steel and saleable steel (excluding expansion units) was 82.4%, 111.2% and 112.0%, respectively. For the three months ended June 30, 2014, average production performance of hot metal, liquid steel and saleable steel (excluding expansion units except for hot metal production) was 89.4%, 102.7% and 100.5%, respectively.

Expansion Plans

As described in more detail in the section titled "***Our Business–Expansion and Development Projects***" on page 110 of this Draft Red Herring Prospectus, we are continuing to expand our operations organically and intend to expand the existing steel production capacity of VSP in phases from 3.0 mtpa to 6.3 mtpa by the Financial Year 2015, which is in its advanced stages, and to 7.3 mtpa by the Financial Year 2017. Expansion programs generally entail significant capital and operating expenditures in connection with the expansion, marketing of new products and services and the addition of new employees. The total capital expenditure expected to be incurred in connection with the expansion to 6.3 mtpa, which is in an advanced stage, is approximately ₹ 122.91 billion. As of June 30, 2014, we had spent ₹ 109.00 billion on the expansion. While we have funded our current expansion mostly through internal resources to date, we may need to raise funds through external financing in the future. If our plans to expand VSP are successful, we expect them to lead to significant production and sales growth, with consequent significant revenue growth.

Product Mix

Our operating results are also affected by our product mix. In general, a higher percentage of sales of high value added steel product impacts our Company's results of operations favorably, as such products tend to have higher prices and profit margins than other products. We plan to expand our operations to improve our product mix and manufacture new products in line with our customers' requirements.

In the three months ended June 30, 2014, sales of our value added products, including plain wire rods and rebars, as a percentage of total saleable steel was 77.1%. This percentage has consistently been at over 75% every year for the past five Financial Years, measuring 75.3%, 78.9%, 79.0%, 78.7% and 77.7% in the Financial Years 2010, 2011, 2012, 2013 and 2014, respectively. We intend to continue to increase our production of value added steel products. To this end, we are constructing three new finishing mills, a wire rod mill, a special bar mill and a structural mill. The special bar mill and the structural mill are planned to be brought into operation during the Financial Years 2014 to 2015 and the wire rod mill has already been commissioned. In addition, our Company has entered into an MoU with Power Grid Corporation of India Limited to set up a joint venture in order to supply end products such as a transmission line tower and tower parts, and on January 19, 2013, we entered into an MoU with MECON Limited for the selection and acquisition of the technology and process know-how required to produce cold rolled silicon steel. For details of these MoUs, see the section titled "***History and Certain Corporate Matters***" on page 130 of this Draft Red Herring Prospectus. Also, on October 3, 2013, our Company had signed an off-take agreement and a land lease agreement with the Indian Railways for setting up a forged wheel plant and the process of tendering contracts for the construction of the main plant is in progress. For more information on these agreements, see the section titled "***History and Certain Corporate Matters***" on page 130 of this Draft Red Herring Prospectus. In addition, we are in discussions with the Indian Railways for setting up a rail axle plant for the manufacturing of railway axles, which we intend to produce with the large diameter round billets from VSP.

We believe that the diversification of our production capabilities will enable us to increase our sales volume to our existing and new customers, with an anticipated beneficial impact on our profitability.

Competition

Our operating results are affected by competitive factors including additions to capacity and expansion of production facilities by other primary producers. Secondary producers exert pricing competition for our finished goods and consolidation in the steel industry also creates competitive challenges. For more information see the section titled "***Risk Factors–Internal Risk Factors–Risk Factors Relating to Our Company's Business and Operations–Recent developments in the global steel industry towards consolidation could have an adverse effect on our competitive position and hence on our business, financial condition and results of operations***" on page 28 of this Draft Red Herring Prospectus.

Exchange Rate Fluctuations

Our revenues are denominated in rupees and we incur expenses in respect of our imports of raw materials in foreign currencies, principally the U.S. Dollar. We do not hedge our foreign currency purchase contracts as, given the duration of our purchase contracts, it would not be commercially beneficial for us to do so. This exposes us to exchange rate movements which may have a material effect on our operating results in a given period.

Critical Accounting Policies

Our financial statements are prepared under the historical cost convention in accordance with Indian GAAP and the relevant provisions of the Companies Act. We have restated our financial statements for the Financial Years 2010, 2011, 2012, 2013 and 2014 and the three months ended June 30, 2014, in accordance with the ICDR Regulations.

Preparation of financial statements in accordance with Indian GAAP and the provisions of the Companies Act, as well as their restatement to reflect guidance as per ICDR Regulations, require our management to make judgments, estimates and assumptions that affect the reported amounts of our assets and liabilities, disclosures of contingent liabilities and the reported amounts of revenues and expenses. These judgments, assumptions and estimates are reflected in our accounting policies, which are more fully described in Annexure E to our restated financial statements contained in "***Section V: Financial Information—Financial Statements***."

Revenue Recognition

Sales are recognized as revenue when all significant risks and rewards of ownership have been transferred to the buyer. Export incentives under various schemes are recognized as income on certainty of realization.

Claims

Claims against third parties are recognized when there is certainty of realization.

Fixed Assets

Fixed assets are stated at historical cost (or revalued amounts, as the case may be) less accumulated depreciation/amortisation. Expenditure attributable or related to construction is accounted for as follows:

(1) to the extent that the expenditure is directly identifiable to any specific plant unit, trial run expenditure (net of revenue) is included in the cost of the fixed asset; and

(2) to the extent that the expenditure is not directly identifiable to any specific plant unit, is allocated to "expenditure during construction" for allocation to fixed assets (and is included under capital work-in-progress).

Prospecting and development expenses incurred to prepare mines for commercial exploration—that is, expenses that are preliminary and preoperative in nature—are capitalized.

Expenditure incurred for obtaining required clearance to operate the mines is capitalized as intangible assets.

Expenditure incurred to renew mining leases is capitalized as intangible assets.

Depreciation and Amortization

Depreciation on fixed assets is provided on a straight line up to 95% of the cost of the asset over its useful life, as provided for in Schedule II of the Companies Act 2013 except in respect of the following categories of assets (where their useful life is based on the technical assessment of the Management (the useful life given in brackets)):

- Telecommunications equipment (5 years);
- Cranes, slag pot carriers, audio and visual equipment (10 years);
- Earth moving equipment, fork lift trucks, air conditioners, refrigerators, water coolers, air coolers and freezers (7 years);
- Cars (6 years);
- Safety equipment, other light vehicles (8 years);
- Central processors (including system software) (4 years);
- Coke ovens and coal chemical plant (15 years);
- Net book value as on March 31, 2014 is reckoned as the residual value for those assets whose net book value is less than 5% of the cost of the assets as on March 31, 2014;
- Leasehold land is amortized over the period of lease;
- Prospecting and development expenditure is amortized, in the case of OMDC, at the rate of 10% using a written down method and, in the case of BSLC, a straight line amortization period of ten years;
- "Intangible assets" are amortized as follows:
    - mining lease rights are amortized over the period of lease; and
    - software which is not an integral part of related hardware is treated as intangible asset and amortized over a period of four years or its license period, whichever is less.

Grants and Subsidies

When a grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match it to the costs for which the grant or subsidy is intended to compensate.

Where the grant or subsidy relates to an asset, its value is deducted from the gross value of the asset concerned in determining the carrying amount of the related asset.

Investments

Current investments are carried at the lower of cost and fair value.

Long-term investments are carried at cost and provision is made for diminution in value that is not temporary.

Inventories

Inventories are valued at lower of cost and net realizable value.

The basis of determining cost is:

- for finished / semi-finished goods and raw materials, a periodic weighted average cost is applied;
- for minor raw materials, stores and spares, loose tools, a dynamic moving weighted average cost is applied; and
- for all materials in transit, at cost is applied.

Obsolete, surplus and non-moving inventory are adequately provided for.

Borrowing Costs

Borrowing costs incurred to obtain assets which take more than 12 months to become ready for intended use are capitalized to the costs of the respective assets wherever the borrowing costs are directly attributable to such assets and in other cases by applying the weighted average cost of borrowings to the expenditure on such assets.

Other borrowing costs are expensed over the course of the year in which they are incurred.

Foreign Currency Transactions

Foreign currency monetary transactions are recorded at the closing rate.

Exchange differences arising on account of the settlement or conversion of foreign currency items are recognized as expense or income in the period in which they arise.

Employee Benefits

Provisions and liabilities for gratuities, post-retirement medical benefits, retirement settlement benefits and the Employees' Family Benefit Scheme are made based on the actuarial valuation as at the end of the year. Consequential charges to the statement of profit and loss includes actuarial gains and losses.

Prior Period Adjustments

Items of income or expenditure which arise during a period as a result of errors or omissions in the preparation of financial statements in a prior period are, where they exceed ₹ 500,000, in each case treated as a prior period adjustment. For subsidiaries, no threshold limit is prescribed for an item to be treated as a prior period adjustment.

Principal Components of Our Income Statement

Income

Our income comprises revenue from operations and other income.

Revenue from Operations

Revenue from operations consists of (i) net sales, (ii) internal consumption and (iii) export benefits.

<u>Net Sales</u>

Our sales, representing aggregate domestic sales and exports of steel products, are presented on a net basis to account for excise duty that we recover from our customers.

<u>Internal Consumption</u>

Internal consumption comprises the use of our own products for maintenance and repairs as well as for capital works. Internal consumption does not represent external sales and is therefore correspondingly offset by a decretion to stocks.

<u>Export Benefits</u>

Export benefits consist of GoI assistance based on the value of our exports and take the form of either cash credits or duty-free allowances for specified items under the applicable programs.

Other Income

Other revenue consists of (i) interest income and (ii) other income.

<u>Interest Income</u>

Interest earned consists of primarily of the interest we earn on our bank deposits

<u>Other Income</u>

Other income includes the reversal of previously made provisions, rent recoveries, profit from the sale of fixed assets, the award of liquidated damages and other sundry receipts.

Expenses

Our expenses comprise (i) cost of materials consumed, (ii) changes in inventories of semi-finished and finished goods, (iii) employee benefits and (iv) other expenses.

Depreciation and interest and finance charges are recorded as separate items rather than expenses in our statement of profit or loss.

Cost of Materials Consumed

The consumption of raw materials in the production of steel represents our most significant item of expenditure. Iron ore and coal are, by volume and value, the principal raw materials we use in our operations. Other raw materials used in the production of steel include limestone, dolomite, manganese ore, quartz and silica sand. For a discussion of our supply arrangements and access to these raw materials, see the sections titled "***Our Business—Raw Materials"*** and ***"Our Business—Raw Material Projects***" on pages 117 and 118 of this Draft Red Herring Prospectus.

Changes in Inventories of Semi-Finished and Finished Goods

This expenditure item reflects the increase or decrease, as applicable, to our stock of semi-finished and finished goods during the relevant period.

Employee Benefits

Our expenditure on employee benefits consists primarily of salaries, wages and allowances but also includes our contribution to provident and other funds, welfare expenses and gratuities to employees.

Other Expenses

Other expenses consist of stores and spares consumed, power and fuel, repairs and maintenance, freight outward and other expenses and provisions.

<u>Consumption of Stores and Spares</u>

We use significant quantities of spare parts and other consumables in our operations, which we account for as consumption of stores and spares.

<u>Power and Fuel</u>

Power and fuel comprises our purchases of power from third parties as well as our purchases of boiler coal and furnace oil and other fuels for our own power generators.

<u>Repairs and Maintenance</u>

This item represents expenditure on repairs and maintenance of plants, buildings, machinery and other equipment.

<u>Freight Outward</u>

Freight outward comprises our expenditure to deliver our products to stockyards.

<u>Other Expenses and Provisions</u>

The major expenditure items classified as other expenses consist of expenses associated with, among other things, scrap handling and recovery, travel, insurance, water charges, security, advertising, excise duties, taxes and levies, our CSR initiatives and auditor and other professional fees.

Provisions include those for damaged, obsolete and other non-moving inventory, doubtful advances and doubtful debts.

Depreciation

Depreciation is provided on a straight line method up to the full cost of the asset and in the manner specified in Schedule XIV of the Companies Act and as specified in *"**—Critical Accounting Policies—Depreciation and Amortization***" beginning on page 306 of this Draft Red Herring Prospectus.

Interest and Finance Charges

Interest expenses include those incurred in connection with our financial indebtedness, which consist principally of working capital loans, loans against term deposits and import financing. This item of expenditure also represents interest payable on income tax and finance charges.

For further information on our financial indebtedness, see "***Annexure O***" of our "***Restated Consolidated Financial Statements***" beginning on page 231 of this Draft Red Herring Prospectus.

Tax Expense

Tax expense comprises current tax, prior year adjustments, fringe benefits tax (until March 31, 2010, after which it was withdrawn) and deferred tax.

Results of Operations

The following table sets out our steel production by volume for the periods indicated:

	Financial Year						Three Months Ended	
	2012		2013		2014		June 30, 2014	
	Tonnes in thousands	Percentage	Tonnes in thousands	Percentage	Tonnes in thousands	Percentage	Tonnes in thousands	Percentage
Value-added products								
Blooms[1]	0.50	0.02%	0.86	0.03%	0.443	0.01%	1.219	0.17%
Billets[1]	11.27	0.38%	12.02	0.41%	40.594	1.35%	2.17	0.31%
Bars	868.89	29.06%	857.06	29.55%	869.589	28.83%	204.56	29.24%
WRM[2]	890.74	29.79%	855.65	29.50%	895.977	29.71%	193.18	27.61%
MMSM[3]	552.06	18.46%	502.53	17.33%	550.547	18.25%	132.54	18.95%
Subtotal	*2,323.45*	*77.71%*	*2228.12*	*76.82%*	*2357.15*	*78.15%*	*533.66*	*76.29%*
Non value-added products								
Blooms[1]	127.89	4.28%	138.50	4.77%	149.597	4.96%	32.24	4.61%
Billets[1]	19.96	0.67%	31.99	1.10%	15.102	0.50%	2.272	0.32%
Bars	3.39	0.11%	9.58	0.33%	4.256	0.14%	1.196	0.17%
WRM[2]	124.93	4.18%	117.11	4.04%	101.733	3.37%	43.119	6.16%
MMSM[3]	390.62	13.06%	375.18	12.94%	388.23	12.87%	87.065	12.45%
Subtotal	*666.79*	*22.29%*	*672.35*	*23.18%*	*658.92*	*21.85%*	*165.89*	*23.71%*
Total	**2,990.23**	**100.00%**	**2,900.47**	**100.00%**	**3016.07**	**100.00%**	**699.55**	**100.00%**

Medium Merchant and Structural Mill rolls rounds, squares and structurals.

1 Light Medium Merchant Mill rolls blooms and billets.

2 Wire Rod Mill rolls rebars and plain wire rods.

3 Medium Merchant and Structural Mill rolls rounds, squares and structurals.

The following table sets out our restated statements of profit and loss for the Financial Years 2012, 2013 and 2014 and the three months ended June 30, 2014. Such financial information should be read in conjunction with our restated consolidated financial statements and the accompanying notes available in "***Section V: Financial Information—Financial Statements***."

	Financial Year						**Three months ended**	
	2012		**2013**		**2014**		**June 30, 2014**	
	₹ million	Percentage of total income	₹ million	Percentage of total income	₹ million	Percentage of total income	₹ million	Percentage of total income
Income								
Revenue from operations								
Net sales (gross sales net of excise duty)	131,762.9	96.35%	120,363.2	94.96%	119,895.5	96.37%	23,003.9	97.73%
Internal consumption	1,003.0	0.73%	803.9	0.63%	560.9	0.45%	57.4	0.24%
Export benefits	80.2	0.06%	217.9	0.17%	112.2	0.09%	21.8	0.09%
Total revenue from operations	132,846.1	97.15%	121,385.0	95.76%	120,568.6	96.91%	23,083.1	98.06%
Other income								
Interest earned	3,085.7	2.28%	3,091.5	2.44%	2,552.7	2.05%	285.4	1.21%
Other income	815.6	0.59%	2,279.2	1.80%	1,294.5	1.04%	170.7	0.73%
Total other income	3,901.3	2.85%	5,370.7	4.24%	3,847.1	3.09%	456.2	1.94%
Total income	136,747.4	100.00%	126,755.7	100.00%	124,415.7	100.00%	23,539.2	100.00%
Expenses								
Cost of materials consumed	84,722.3	61.96%	80,986.6	63.89%	70,258.2	56.47%	15,478.3	65.76%
Consumption of trial run production	-	-						
Change in inventories of semi-finished/finished stocks	454.9	0.33%	(3,011.5)	(2.38%)	203.1	0.16%	-6,251.9	(26.56%)
Employee benefits	15,107.1	11.05%	15,146.0	(11.95%)	17,986.5	14.46%	4,687.2	19.91%
Other expenses								
Stores & spares consumed	5,192.5	3.80%	5,309.6	4.19%	5,580.2	4.49%	1,154.6	4.91%
Power & fuel	4,678.9	3.42%	6,365.9	5.02%	6,773.0	5.44%	1,990.5	8.46%
Repairs & maintenance	1,699.6	1.24%	2,064.9	1.63%	2,384.9	1.92%	625.6	2.66%
Freight outward	3,563.5	2.61%	4,150.9	3.27%	5,012.8	4.03%	1,050.9	4.46%

	Financial Year						Three months ended	
	2012		2013		2014		June 30, 2014	
	₹ million	Percentage of total income	₹ million	Percentage of total income	₹ million	Percentage of total income	₹ million	Percentage of total income
Other expenses & provisions	5,441.0	3.98%	5,483.1	4.33%	5,144.6	4.14%	1,768.2	7.51%
Total other expenses	20,575.5	15.05%	23,374.4	18.44%	24,895.5	20.01%	6,589.8	28.00%
Total expenses	120,859.7	88.38%	116,495.5	91.91%	113,343.4	91.10%	20,503.4	87.10%
Less: Inter account adjustments - raw material mining cost	500.3	0.37%	521.7	0.41%	585.7	0.47%	128.4	0.55%
Net expenses	120,359.4	88.02%	115,973.8	91.49%	112,757.7	90.63%	20,375.0	86.56%
Earnings before interest, tax, depreciation and amortization (EBITDA)	**16,388.0**	**11.98%**	**10,781.9**	**8.51%**	**11,658.0**	**9.37%**	**3,164.2**	**13.44%**
Finance costs	1,906.0	1.39%	3,592.5	2.83%	3,381.2	2.72%	754.4	3.20%
Depreciation and amortization	3,414.9	2.50%	1,965.4	1.55%	2,813.1	2.26%	640.2	2.72%
Prior period items (net credit)	(69.5)	(0.05%)	(138.6)	(0.11%)	(9.9)	(0.01%)	(5.3)	(0.02%)
Profit after PPI and before exceptional and extraordinary items and tax	**11,136.6**	**8.14%**	**5,362.6**	**4.23%**	**5,473.6**	**4.40%**	**1,764.3**	**7.50%**
Exceptional items	-	-	-	-	-	-	-	-
Profit before extraordinary items and tax	11,136.6	8.14%	5,365.4	4.23%	5,473.6	4.40%	1,764.3	7.50%
Extraordinary items	-	-	-	-	-	-	-	-
Profit before tax	**11,136.6**	**8.14%**	**5,365.4**	**4.23%**	**5,473.6**	**4.40%**	**1,764.3**	**7.50%**
Tax expense								
Current tax	3,887.3	2.84%	142.6	0.11%	62.4	0.05%	345.0	1.47%
Earlier years adjustments	(106.6)	(0.08%)	(16.9)	(0.01%)	(38.9)	(0.03%)	-	-
Fringe benefit tax	-	-						
Deferred tax	(141.6)	(0.10%)	1,749.5	1.38%	1,909.7	2.85%	235.8	1.00%
Total tax expense	3,639.1	2.66%	1,875.2	1.48%	1,933.2	2.87%	580.8	2.47%
Profit/(loss) for the period from continuing operations	7,497.4	5.48%	3,490.2	2.75%	3,540.4	2.85%	1,183.5	5.03%
Profit/(loss) for the period from discontinuing operations	-	-	-	-	-	-	-	-
Tax expense of discontinuing operations	-	-	-	-	-	-	-	-
Profit for the period from discontinuing operations (after tax)	-	-	-	-	-	-	-	-
Net profit after tax as per audited accounts	**7,497.4**	**5.48%**	**3,490.2**	**2.75%**	**3,540.4**	**2.85%**	**1,183.5**	**5.03%**
Adjustments on account of -								
Changes in accounting policies	-	-	-	-	-	-	-	-
Other adjustments & Prior period items	(3,170.1)	(2.32%)	2,228.7	1.76%	650.4	0.52%	(6.0)	(0.03%)
Arrear salary & wages	(369.7)	(2.27%)	1,102.7	0.87%	514.8	0.41%	(42.2)	(0.18%)
Current tax impact of adjustments	729.61	0.53%	(82.0)	(0.06%)	72.7	0.06%	(318.4)	(1.35%)
Deferred tax impact	7.5	0.01%	(1,009.1)	(0.80%)	(567.2)	(0.46%)	326.3	1.39%
Total of adjustments after tax impact	**(2,802.6)**	**(2.05%)**	**2,240.3**	**1.77%**	**670.7**	**0.54%**	**(40.2)**	**(0.17%)**
Profit after tax (as restated)	**10,300.0**	**7.53%**	**1,249.9**	**0.99%**	**2,869.7**	**2.31%**	**1,223.7**	**5.20%**

The following are the restatement adjustments carried out in the preparation of our restated financial statements in compliance with the ICDR regulations:

- We have restated the prior period items in the profit and loss account to the respective years to which they relate.
- In the Financial Year 2014 there was a change in accounting practice related to assets not owned by an enterprise, based on the Expert Advisory Committee of the Institute of Chartered Accountants of India ("**ICAI**"). Accordingly, the expenditure incurred on assets not owned by an enterprise is to be recognized upon completion of work. We have made adjustments in the restated financial statements in accordance with this change in accounting practice.
- In the Financial Year 2013 we reversed the vacant land tax liability which was adjusted accordingly in the restated financial statements.
- Arrears of expenses in respect of salaries and wages paid to our executives in accordance with the Department of Public Enterprise Guidelines, and in respect of non-executives, in accordance with the wage agreement entered into pursuant to the National Joint Committee for Steel Industries Agreement, and expenditure on pay revisions for the executives/non-executives that were charged in prior years, have now been restated in the profit and loss account to the respective years to which they relate.
- We have accounted for the deferred tax assets and liabilities in accordance with AS22 (Accounting for Taxes on Income) issued by the ICAI.

- We have accounted for deferred tax assets and liabilities in terms of Accounting Standard 22 on 'Accounting for Taxes on Income' by the ICAI. Current tax and deferred tax adjustments have been made, computed on the restated profit amounts at the rates applicable to respective years.

For further information, see "***Critical Accounting Policies***" beginning on page 306 of this Draft Red Herring Prospectus and "***Annexure F***" of our "***Restated Consolidated Financial Statements***" beginning on page 210 of this Draft Red Herring Prospectus.

Certain restatement adjustments related to employee gratuities and benefits have not been reflected in our restated financial statements. For further information, see "***Annexure G***" of our "***Restated Consolidated Financial Statements***" beginning on page 212 of this Draft Red Herring Prospectus.

Three months ended June 30, 2014

In the three months ended June 30, 2014, our results of operations benefited from a positive increment in margins, owing to increased prices for our steel products driven by positive market demand, together with decreasing prices of raw materials, primarily coking coal.

Income

For the three months ended June 30, 2014, we recorded income of ₹ 23.54 billion.

Revenue from Operations (Net Sales, Internal Consumption and Export Benefits)

Net sales in the three months ended June 30, 2014 were ₹ 23.54 billion. The average net selling price (after deducting excise duties, freight costs and handling charges) per steel tonne in the three months ended June 30, 2014 was ₹ 36,509.

Internal consumption amounted to ₹ 0.06 billion in the three months ended June 30, 2014. Export benefits were ₹ 0.02 billion in the three months ended June 30, 2014.

Other Income

We earned interest of ₹ 0.29 billion on our bank deposits and loans to employees in the three months ended June 30, 2014.

Other income, resulting primarily from sundry receipts, liquidated damages and rent recoveries, amounted to ₹ 0.17 billion in the three months ended June 30, 2014.

Expenses

Our expenses in the three months ended June 30, 2014 amounted to ₹ 20.50 billion, or 89.13% of net sales.

The following table sets out our expenses in the three months ended June 30, 2014 and as a proportion of our net sales in that period.

	Three months ended June 30, 2014	
	₹ million	Percentage of net sales
Cost of materials consumed	15,478.3	67.29%
Change in inventories of semi-finished/finished stocks	(6,251.9)	(27.18%)
Employee benefits	4,687.2	20.38%
Other expenses		
Stores & spares consumed	1,154.6	5.02%
Power & fuel	1,990.5	8.65%
Repairs & maintenance	625.6	2.72%
Freight outward	1,050.9	4.57%
Other expenses & provisions	1,768.2	7.69%
Total expenses	**20,503.4**	**89.13%**

Cost of Materials Consumed

We consumed ₹ 15.48 billion, or 67.29% of net sales, of raw materials in the three months ended June 30, 2014. Our cost of raw materials during the three months ended June 30, 2014 was positively affected as a result of the appreciation of the Indian Rupee against the U.S. Dollar.

Change in Inventories of Semi-finished/Finished stocks

Our stock of semi-finished and finished products increased by ₹ 6.25 billion, or 27.18% of net sales, in the three months ended June 30, 2014 as a result of lower sales during the period relative to production. In addition, the implementation of our new management information system allowed us to recognize revenue in an amount of 0.14 billion which was not previously recognized, and which positively impacted our stock of semi-finished and finished stocks.

Employee Benefits

Our expenditure on employee remuneration and benefits in the three months ended June 30, 2014 was ₹ 4.69 billion, or 20.38% of net sales.

Other Expenses

Other expenses, representing consumption of stores and spares, power and fuel, repairs and maintenance and freight costs, were ₹ 6.59 billion, or 28.65% of net sales, in the three months ended June 30, 2014.

Depreciation and Amortization

Depreciation expenses were ₹ 0.64 billion in the three months ended June 30, 2014.

Finance Costs

We incurred ₹ 0.75 billion towards interest and finance charges on our working capital and other commercial borrowings in three months ended June 30, 2014.

Tax Expense

Total tax expense was ₹ 0.58 billion in the three months ended June 30, 2014.

Profit after Tax (as Restated)

As a result of the factors set out above our profit after tax in the three months ended June 30, 2014 was ₹ 1.22 billion.

Financial Year 2014 Compared to Financial Year 2013

Global steel production grew in Financial Year 2013, and the prices for certain of the raw materials used to make steel (primarily coking coal) substantially declined in Financial Year 2013. This decrease in raw material prices was offset by relative oversupply competition and depressed demand conditions, although there was a marginal increase in our production and sales volumes in Financial Year 2013.

Income

For the Financial Year 2014, we recorded income of ₹ 124.42 billion, which was 1.8% lower than income of ₹ 126.76 billion in the Financial Year 2013. A decrease of 0.4% in net sales, to ₹119.90 billion in the Financial Year 2014 from ₹120.36 billion in the Financial Year 2013, and a decrease of 43.2% in other income, from ₹ 2.28 billion in Financial Year 2013 to ₹1.29 billion in Financial Year 2014, was the primary driver of the decline in income.

Revenue from Operations (Net Sales, Internal Consumption and Export Benefits)

Net sales in Financial Year 2014 were ₹ 119.90 billion. The average net selling price (after deducting excise duties, freight costs and handling charges) per steel tonne in Financial Year 2014 was ₹ 33,627 compared to ₹ 35,643 in Financial Year 2013. As in the previous year, this resulted in lower realizations as increased sales volumes were offset by reduced selling prices.

Internal consumption amounted to ₹ 0.56 billion in the Financial Year 2014, which was lower than internal consumption of ₹ 0.80 billion in the Financial Year 2013. Export benefits declined to ₹ 0.11 billion in the Financial Year 2014 compared to ₹ 0.22 billion in the Financial Year 2013.

Other Income

We earned interest of ₹ 2.55 billion on our bank deposits and loans to employees in the Financial Year 2014. Despite higher interest rates during the Financial Year 2014 than during the Financial Year 2013, we earned less interest during the Financial Year 2014 given that term deposits with banks were lower than the prior year, owing to being utilized towards our capacity expansion plans.

Other income, resulting primarily from sundry receipts, liquidated damages and rent recoveries, amounted to ₹ 1.29 billion in the Financial Year 2014 compared to ₹ 2.28 billion in the Financial Year 2013. This decrease was primarily as a result of an account adjustment leading to a reversal of ₹ 0.50 billion expenditure charged in prior years, following the receipt of an opinion from ICAI on advances paid on assets not owned by an enterprise.

Expenses

Our expenses in the Financial Year 2014 amounted to ₹ 113.34 billion compared to ₹ 116.49 billion in the Financial Year 2013.

The following table sets out our expenses in the Financial Year 2014 compared to the Financial Year 2013 and as a proportion of our net sales in the respective years:

	Financial Year			
	2014		**2013**	
	₹ million	Percentage of net sales	₹ million	Percentage of net sales
Cost of materials consumed	7,0258.2	58.60%	80,986.6	67.29%
Change in inventories of semi-finished/finished stocks	203.1	0.17%	(3,011.5)	(2.50%)
Employee benefits	1,7986.5	15.00%	15,146.0	12.58%
Other expenses				
Stores & spares consumed	5,580.2	4.65%	5,309.6	4.41%
Power & fuel	6,773.0	5.65%	6,365.9	5.29%
Repairs & maintenance	2,384.9	1.99%	2,064.9	1.72%
Freight outward	5,012.8	4.18%	4,150.9	3.45%
Other expenses & provisions	5,144.6	4.29%	5,483.1	4.56%
Total expenses	**11,3343.4**	**94.54%**	**116,495.5**	**96.79%**

Cost of Materials Consumed

We consumed ₹ 70.26 billion of raw materials in the Financial Year 2014, compared to consumption of raw materials of ₹ 80.99 billion in the Financial Year 2013. The 13.20% decrease in cost of materials consumed was attributable to a decline in the cost of raw materials (primarily coking coal).

Change in Inventories of Semi-finished/Finished Stocks

Our stock of semi-finished and finished goods decreased by ₹ 0.20 billion in the Financial Year 2014 compared to an increase of ₹ 3.01 billion in the Financial Year 2013 as a result of marginally increased sales volumes in Financial Year 2014.

Employee Benefits

We had 18,371 permanent employees as of March 31, 2014 compared to 18,702 permanent employees as of March 31, 2013. Our expenditure on employee remuneration and benefits increased by 18.8% to ₹ 17.99 billion in the Financial Year 2014 from ₹ 15.15 billion in the Financial Year 2013 as a result of increases in inflation indexed pay rises, promotions and increments and the impact of the finalization of the upward wage revision for non-executive employees.

Other Expenses

Other expenses increased to ₹ 24.90 billion in the Financial Year 2014 compared to ₹ 23.37 billion in the Financial Year 2013. The increase resulted from the higher consumption of stores and spares owing to the new units becoming operational as a result of our capacity expansion in Financial Year 2014, an increase in production and an increase in the railway freight tariff.

Depreciation and Amortization

Depreciation expenses were ₹ 2.81 billion in the Financial Year 2014 compared to ₹ 1.97 billion in the Financial Year 2013.

Finance Costs

We incurred ₹ 3.38 billion towards interest and finance charges on our working capital and other commercial borrowings in the Financial Year 2014 compared to ₹ 3.59 billion in the Financial Year 2013.

Tax Expense

Total tax expense was ₹ 1.93 billion in the Financial Year 2014 compared to ₹ 1.88 billion in the Financial Year 2013. Our Company's effective tax rate in the Financial Year 2014 was 33.99%, based on the taxable income computed under the provisions of the Income Tax Act, 1961.

Profit after Tax (as Restated)

As a result of the factors set out above, our profit after tax in the Financial Year 2014 was ₹ 2.87 billion, which was 129.60% higher than profit after tax of ₹ 1.25 billion in the Financial Year 2013.

Financial Year 2013 Compared to Financial Year 2012

In Financial Year 2013, global economic conditions, including in India, continued to be affected by uncertainty and volatility surrounding the European sovereign debt crisis and other international and domestic macroeconomic conditions. In addition, the appreciation of the US Dollar against the Rupee, the resulting weaker price of steel products generally, and therefore also the demand for our steel products, represented challenges for our Company and our results of our operations.

Income

In the Financial Year 2013, we recorded income of ₹ 126.76 billion, which was 7.3% lower than income of ₹ 136.75 billion in the Financial Year 2012. A decrease of 8.6% in net sales, to ₹ 120.36 billion in the Financial Year 2013 from ₹ 131.75 billion in the Financial Year 2012, was the primary driver of the decline in income.

Revenue from Operations (Net Sales, Internal Consumption and Export Benefits)

Net sales of ₹ 120.36 billion in the Financial Year 2013, represented a decrease of 8.6%, or ₹ 11.39 billion, compared to net sales of ₹ 131.75 billion in the Financial Year 2012. The average net selling price per steel tonne in the Financial Year 2013 was ₹ 35,643 compared to ₹ 36,002 in Financial Year 2012. This resulted in lower realizations as increased sales volumes were offset by reduced selling prices in conditions of reduced market demand.

Internal consumption decreased to ₹ 0.80 billion in the Financial Year 2013 from ₹ 1.00 billion in the Financial Year 2012. This decrease of ₹ 0.20 billion, or 19.9%, arose as a result of lower consumption of manufactured products for internal use, such as repairs and maintenance.

Other Income

Interest income increased by 0.32%, to ₹ 3.09 billion from ₹ 3.08 billion, as a consequence of an increase in interest rates on our term deposits.

Other income of ₹ 2.28 billion in the Financial Year 2013, like other income of ₹ 0.82 billion in the Financial Year 2012, resulted primarily from a reversal of certain taxes and water costs charged to revenue in prior years.

Expenses

Our expenses of ₹ 116.50 billion in the Financial Year 2013 was 3.6% lower than total expenditure of ₹ 120.86 billion in the Financial Year 2012 as a result of a decline in raw material prices (primarily coking coal).

The following table sets out our expenses in the Financial Year 2013 compared to the Financial Year 2012 and as a proportion of our respective net sales in those years:

	Financial Year			
	2013		**2012**	
	₹ million	Percentage of net sales	₹ million	Percentage of net sales
Cost of materials consumed	80,986.6	67.29%	84,722.3	64.30%
Change in inventories of semi-finished/finished stocks	(3,011.5)	(2.50%)	454.9	0.35%
Employee benefits	15,146.0	12.58%	15,107.1	11.47%
Other expenses				
Stores & spares consumed	5,309.6	4.41%	5,192.5	3.94%
Power & fuel	6,365.9	5.29%	4,679.0	3.55%

	Financial Year			
	2013		2012	
	₹ million	Percentage of net sales	₹ million	Percentage of net sales
Repairs & maintenance	2,064.9	1.72%	1,699.6	1.29%
Freight outward	4,150.9	3.45%	3,563.5	2.70%
Other expenses & provisions	5,483.1	4.56%	5,440.9	4.13%
Total expenses	**116,495.5**	**96.79%**	**120,859.8**	**91.73%**

Cost of Materials Consumed

Our expenditure on cost of materials consumed decreased by 4.4% to ₹ 80.99 billion in the Financial Year 2013 from ₹ 84.72 billion in the Financial Year 2012 due to a decline in raw material prices (primarily coking coal).

Change in Inventories of Semi-finished/Finished stocks

Our stock of semi-finished and finished goods increased by ₹ 3.01 billion in the Financial Year 2013 compared to a decrease of ₹ 0.45 billion in the Financial Year 2012.

Employee Benefits

Our expenditure on employee remuneration and benefits increased by 0.3%, to ₹ 15.15 billion in the Financial Year 2013 from ₹ 15.11 billion in the Financial Year 2012 as a result of making provision for non-executive wage revision for the first time. Employee numbers remained similar across these periods. We had 18,072 permanent employees as of March 31, 2013 and 18,079 employees as of March 31, 2012.

Other Expenses

Our consumption of stores and spares was broadly constant between the Financial Years 2013 and 2012, standing at ₹ 5.31 billion and ₹ 5.19 billion, respectively.

We spent ₹ 6.37 billion on power and fuel in the Financial Year 2013, which, primarily as a result of an increase in the set electricity tariff, was 36.1% higher than the ₹ 4.68 billion we spent on power and fuel in the Financial Year 2012.

Depreciation and Amortization

Depreciation expenses were ₹ 1.96 billion in the Financial Year 2013 as compared to ₹ 3.41 billion in the Financial Year 2012.

Finance Costs

Finance charges increased by 88.5% to ₹ 3.60 billion in the Financial Year 2013 from ₹ 1.91 billion in the Financial Year 2012, mainly due to increased working capital borrowings.

Tax

Total expense was ₹ 1.88 billion, in the Financial Year 2013 compared to ₹ 3.64 billion in the Financial Year 2012 as a result of a decrease in our profit before tax. Our Company’s effective tax rate, based on the taxable income computed under the provisions of the Income Tax Act, 1961, was 32.445% in each of the Financial Years 2013 and 2012.

Profit after Tax (as Restated)

As a result of the factors set out above, our restated profit after tax of ₹ 1.25 billion in the Financial Year 2013 was 87.9% lower than our restated profit after tax of ₹ 10.30 billion in the Financial Year 2012.

Liquidity and Capital Resources

To date, our primary liquidity requirements have been to finance our working capital requirements and our capital expenditure. To fund these costs, we have relied on cash flows from operations and long-term and short-term borrowings. As of June 30, 2014, we had total current assets of ₹ 92.75 billion, including cash and bank balances of ₹ 7.87 billion, and total current liabilities of ₹ 109.36 billion. We believe that our anticipated cash flow from operations, together with our available loan facilities will be sufficient to meet our operating and capital expenditure requirements for the foreseeable future.

Sources and Uses of Cash

The following table summarizes our cash flows for the periods indicated:

	Financial Year			Three months ended June 30, 2014
	2012	2013	2014	
		(₹ million)		(₹ million)
Net cash from/(used in) operating activities	7,552.9	1,636.1	11,586.5	6,900.8
Net cash from/ (used in) investing activities	(15,134.6)	(9,396.4)	(14,658.4)	(6,558.2)
Net cash from/(used in) financing activities	8,249.8	2,962.9	(10,807.5)	(1,789.0)
Net increase/(decrease) in cash and bank balances	638.1	(4,797.5)	(13,879.4)	(13,56.6)
Cash and bank balances at beginning of period	27,264.7	27,902.7	23,105.3	9,225.8
Cash and bank balances at end of period	27,902.7	23,105.3	9,225.8	7,869.3

Cash From/Used in Operating Activities

Cash from/used in operating activities represents operating profit adjusted for non-cash items and changes to our working capital as a result of increases and decreases in inventories, trade receivables, loans and advances, other current assets and other liabilities.

Net cash from operating activities in the three months ended June 30, 2014 was ₹ 6.90 billion, resulting from operating profit before working capital changes of ₹ 3.45 billion, working capital adjustments of ₹ 3.73 billion and income tax payments of ₹ 0.12 billion. Our principal working capital adjustments in the three months ended June 30, 2014 consisted of:

- an increase in inventories of ₹ 5.27 billion resulting primarily from an increase in our stocks of finished products;
- a decrease in trade receivables of ₹ 4.20 billion resulting primarily from reduced credit sales and improved realizations;
- a decrease in loans and advances of ₹ 1.02 billion resulting primarily from a decrease in forward contract receivables; and
- an increase in liabilities of ₹ 4.11 billion resulting primarily from an increase in forward contract payables.

Net cash from operating activities in the Financial Year 2014 was ₹ 11.59 billion, resulting from operating profit before working capital changes of ₹ 8.91 billion, working capital adjustments of ₹ 3.81 billion and income tax payments of ₹ 0.94 billion. Our principal working capital adjustments in the Financial Year 2014 consisted of:

- an increase in inventories of ₹ 0.32 billion resulting primarily from an increase in the value of our stocks of finished products and raw materials;
- a decrease in trade receivables of ₹ 2.10 billion resulting primarily from reduced credit sales;
- an increase in loans and advances of ₹ 0.44 billion resulting primarily from an increase in the minimum alternative tax ("**MAT**") credit; and
- an increase in liabilities of ₹ 2.73 billion resulting primarily from an increase in the provision for retirement benefits.

Net cash used in operating activities in the Financial Year 2013 was ₹ 1.64 billion, resulting from operating profit before working capital changes of ₹ 5.20 billion, negative working capital adjustments of ₹ 2.15 billion and income tax payments of ₹ 1.44 billion. Our principal working capital adjustments in the Financial Year 2013 consisted of:

- an increase in inventories of ₹ 4.23 billion resulting primarily from an increase in the value of our stocks of finished products and raw materials arising from reduced purchases and sales;

- an increase in trade receivables of ₹ 5.84 billion resulting primarily from an increase in credit granted;
- an increase in loans and advances of ₹ 0.79 billion resulting primarily from an increase in the MAT credit; and
- an increase in liabilities of ₹ 7.69 billion resulting primarily from an increase in supplier credit.

Net cash from operating activities in the Financial Year 2012 was ₹ 7.52 billion, resulting from operating profit before working capital changes of ₹ 16.09 billion, negative working capital adjustments of ₹ 3.57 billion and income tax payments of ₹ 4.92 billion. Our principal working capital adjustments in the Financial Year 2012 consisted of:

- an increase in inventories of ₹ 1.48 billion resulting primarily from an increase in the value of our stocks of finished products and raw materials;
- an increase in trade receivables of ₹ 0.94 billion resulting primarily from an increase in credit granted;
- an increase in loans and advance of ₹ 3.14 billion resulting primarily from an increase in forward contract receivables and advances to joint ventures, primarily ICVL; and
- an increase in liabilities of ₹ 2.43 billion resulting primarily from a decrease in forward contract payables.

Cash From/Used in Investing Activities

Cash from/used in investing activities comprises the purchase of fixed assets and other investments; cash from investing activities comprises proceeds from the sale of fixed assets and interest received. The purchases of fixed assets referred to in the discussion below relate primarily to our expansion projects at VSP, where, among other things, we are implementing a brownfield expansion aimed at increasing the capacity of VSP from the current 3.0 mtpa to 6.3 mtpa by the Financial Year 2015. For further details, see "***—Capital Expenditure***", below in this section, and the section titled "***Our Business–Expansion and Development Projects***" on page 110 of this Draft Red Herring Prospectus.

Net cash used in investing activities in the three months ended June 30, 2014 was ₹ 6.55 billion, resulting from purchases of fixed assets of ₹ 6.69 billion marginally offset by interest of ₹ 0.13 billion received on our term deposits with banks.

Net cash used in investing activities in the Financial Year 2014 was ₹ 14.66 billion, resulting from purchases of fixed assets of ₹ 16.68 billion marginally offset by interest of ₹ 2.02 billion received on our term deposits with banks and proceeds of ₹ 0.007 billion from the sale of fixed assets.

Net cash used in investing activities in the Financial Year 2013 was ₹ 9.40 billion, resulting from purchases of fixed assets of ₹ 13.70 billion, partially offset by an increase in investments of ₹ 1.53 billion and interest of ₹ 2.77 billion received on our term deposits with banks.

Net cash used in investing activities in the Financial Year 2012 was ₹ 15.13 billion, resulting from purchases of fixed assets of ₹ 17.70 billion partly offset by interest of ₹ 2.51 billion received on our term deposits with banks.

Cash From/Used in Financing Activities

Our cash from/used in financing activities relates principally to the receipt of proceeds from and repayment of secured and unsecured loans, interest and finance charges and the payment of dividends to our shareholder, GoI, and dividend taxes.

Net cash used in financing activities in the three months ended June 30, 2014 was ₹ 1.79 billion, resulting principally from the interest and finance charges of ₹ 1.59 billion, partly offset by an increase in short-term loans of ₹ 1.03 billion.

Net cash used in financing activities in the Financial Year 2014 was ₹ 10.81 billion, resulting principally from the repayment of share capital of ₹ 6.07 billion, interest and finance charges of ₹ 3.96 billion and the payment of a dividend of ₹ 1.04 billion.

Net cash from financing activities in the Financial Year 2013 was ₹ 2.96 billion, resulting principally from the proceeds from secured loans of ₹ 12.42 billion and short-term loans of ₹ 10.83 billion, partly offset by the repayment of share capital of ₹ 13.81 billion, interest and finance charges of ₹ 3.33 billion and the payment of a dividend of ₹ 2.73 billion.

Net cash from financing activities in the Financial Year 2012 was ₹ 8.25 billion, principally from proceeds from short-term loans of ₹14.39 billion, partly offset by interest and finance charges of ₹ 1.97 billion and payment of a dividend of ₹ 2.74 billion and dividend taxes of ₹ 0.44 billion in the Financial Year 2012.

Capital Expenditure

Our capital expenditures totaled ₹ 18.96 billion, ₹ 12.87 billion and ₹ 15.12 billion and ₹ 2.93 billion in the Financial Years 2012, 2013 and 2014 and the three months ended June 30, 2014, respectively.

These expenditures relate primarily to our expansion projects at VSP, where, among other things, we are implementing a brownfield expansion aimed at increasing the capacity of VSP in phases from 3.0 mtpa to 6.3 mtpa, which is in the advanced staged of completion and is expected to be operational by the end of the Financial Year 2015, and to 7.3 mtpa by the Financial Year 2017. Apart from capacity expansion, the expansion is also expected to increase energy efficiency, productivity and yield, as well as deploy more environmentally friendly technologies.

The total capital expenditure expected to be incurred in connection with the expansion to 6.3 mtpa is approximately ₹ 122.91 billion. The capital expenditure incurred on this project as of June 30, 2014 was ₹ 109 billion. We have already entered into a long-term agreement, valid until March 3, 2015, with NMDC for the supply of iron ore in order to meet the requirements of our expanded capacity, and we plan to import our requirement of coking coal from overseas suppliers. Our mines are expected to fulfill most of our requirement for dolomite and BF (blast furnace) grade limestone. We have also recruited approximately 3,810 employees over the Financial Years 2008 to 2014 in anticipation of the additional manpower required by the expansion.

In addition to our planned expansion, we are also undertaking an independent development project. This includes building a new coke oven battery of approximately 0.83 mtpa capacity, which will act as a replacement while we are repairing and modernizing our other coke oven batteries and it will also meet additional supply requirements. Construction tenders have been issued for this project and are being evaluated.

Separately, on January 10, 2011, our Company entered into a MoU with Indian Railways, GoI, for the manufacture and supply of railway axles. We will produce the axles while Indian Railways will act as a long-term customer. We are setting up a plant with the capability of producing rail axles. The lease agreement for the land provided by the Ministry of Railways has been approved by our Board of Directors. On October 3, 2013, our Company has also signed an off-take agreement and a land lease agreement with the Indian Railways for setting up a forged wheel plant and the process of tendering contracts for the construction of the main plant is in progress. For more information on the MoU, see the section titled "***History and Certain Corporate Matters***" on page 130 of this Draft Red Herring Prospectus.

We periodically reassess our capital expenditure plans, and the planned amounts of such expenditures may change materially after such assessment. Our expansion plans, including acquisitions of other businesses and joint ventures, require significant capital expenditures. Factors that could affect the feasibility of our expansion plans and its ability to timely complete them include receiving financing on reasonable terms or at all, obtaining required regulatory permits and licenses, the expiration of any agreements with local governments related to such projects, demand for our products and general economic conditions. Any of these factors may cause us to delay, modify or forego some or all aspects of our expansion plans. We cannot assure prospective investors that we will be able to complete our projects on schedule, within budget, or at all.

Indebtedness, contractual obligations and off-balance sheet arrangements

Indebtedness

The following table summarizes our outstanding indebtedness as of the dates indicated:

	At March 31,			At June 30
	2012	2013	2014	2014
	(₹ million)			
Secured loans				
Working capital borrowings from banks	7,552.2	5,862.2	5,894.4	1,513.4
Loans from banks against term deposits	2,471.8	-	-	-

	At March 31,			At June 30
	2012	2013	2014	2014
	(₹ million)			
Secured total	*10,024.0*	*5,862.2*	*5,894.4*	*1,513.4*
Unsecured loans				
Working capital borrowings	852.5	2,038.0	2,296.3	3.4
Short term loans from banks	2,231.2	-	4,873.1	7,556.7
Short term foreign currency facilities	11,161.6	25,208.4	24,335.5	24,393.3
Unsecured total	*14,245.3*	*27,246.4*	*31,504.9*	*31.953.4*
Commercial paper (unsecured)	1,482.1	3,475.8	-	4,966.2
Total	***25,751.4***	***36,584.4***	***37,399.3***	***38,433.0***

Most of our current financing arrangements are secured by our current assets. Security is typically given on a *pari passu* basis to multiple lenders pursuant to composite hypothecation agreements.

We are planning to incur significant additional indebtedness in the future to fund our capacity expansion plans, upgrade our existing facilities and meet our increased working capital requirements.

For further information on our borrowings, see the section titled "***Financial Indebtedness***" beginning on page 324 of this Draft Red Herring Prospectus and "***Annexure O***" of our "***Restated Consolidated Financial Statements***" beginning on page 231.

Contractual Obligations

The table below presents our total contractual obligations by year of maturity as of June 30, 2014.

	Amount due				
	within one year or on demand	**in the second year**	**in the third to fifth year**	**over five years**	**Total**
			(₹ million)		
Short term bank loans..	38,433.0	-	-	-	38,433.0
Long term loans...	-	11,295.7	5.2	-	11,300.9

Capital Commitments

As of June 30, 2014 we had capital commitments of ₹ 63.90 billion relating to our capacity expansion plans.

Contingent Liabilities

As of June 30, 2014, we had certain contingent liabilities not provided for, amounting to ₹ 90.26 billion. The contingent liability amounts disclosed in our audited restated consolidated financial statements represent estimates and assumptions of our management based on advice received. For further information on such contingent liabilities, see the section titled **"*Financial Statements-Statement of Contingent Liabilities*"** on page 247 of this Draft Red Herring Prospectus.

Off-balance Sheet Arrangements

We have not entered into, and are not a party to, any off-balance sheet arrangements.

Market Risks

We are exposed to market risks in our normal business activities. Market risk is the potential loss that may result from market changes associated with an existing or forecasted financial or commodity transaction. The types of market risks we are exposed to and examples of each are:

Commodity Price Risk

Our Company's income is exposed to the market risk of price fluctuations related to the sale of steel products. Market forces generally determine prices for the steel products that we sell. These prices may be influenced by factors such as supply and demand, production costs (including the costs of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may reduce the revenue that our Company earns from the sale of its steel products.

With regard to raw materials and energy sources, the cost of iron ore, in particular, has been volatile over the course of the last several years. In addition, energy and fuel prices have been highly volatile at times. To address such cost volatility, where competitively possible, we attempt to increase the price of steel we sell in the spot market in order for fluctuations in the price of these inputs to be, in part, passed on to our customers rather than absorbed solely by us.

In addition, in order to further minimize exposure to fluctuations in raw material costs, and to secure an adequate supply of raw materials, our Company has entered into regular period purchase agreements for certain raw materials. While enabling us to reduce our exposure to fluctuations in raw material costs, this also exposes us to an element of market risk relative to our Company's sales contracts. After new contracts are negotiated with our customers, the average sales prices could increase or decrease. If that average sales price decreases, our Company may not be able to reduce its raw material costs to a corresponding degree depending on the timing of the relevant purchase contracts.

Interest Rate Risk

Changes in interest rates could affect our results of operations and financial condition. As of June 30, 2014, the majority of our total indebtedness was at floating rates of interest. If the interest rates for our existing or future borrowings increase significantly, our cost of funds will increase. We do not currently enter into any derivative transactions to hedge against our exposure to interest rate risks.

Currency Exchange Risk

Changes in currency exchange rates may affect our results of operations. Approximately 49.0% of our total indebtedness of ₹ 49,733.9 billion as of June 30, 2014 was denominated in foreign currencies, most significantly the U.S. Dollar, and we expect that a portion of our future indebtedness will continue to be denominated in foreign currencies. We also expect our future capital expenditure in connection with our proposed expansion plans to include expenditure in foreign currencies for imported equipment and machinery. Depreciation of the Indian Rupee against the U.S. Dollar and other foreign currencies has adversely affected and may in future adversely affect our results of operations by increasing the cost of raw materials priced in foreign currency, financing any debt denominated in foreign currency or any proposed capital expenditure in foreign currencies.

Operating Risk

Our operations are subject to various operating risks that may materially increase our cost of mining operations and delay or disrupt production at particular mines either permanently or for varying lengths of time, which could have a material adverse effect on our business, results of operations and financial condition. While we maintain a mega-risk insurance policy that covers loss to our property and consequential loss of profits, this may not cover our entire loss. We also do not maintain insurance coverage for third party liability or insurance for storage of goods or products. For further information relating to our insurance policies, see the section titled "***Risk Factors–Internal Risk Factors–Risk Factors Relating to Our Company's Business and Operations–Our insurance policies provide limited coverage, potentially leaving us uninsured or under insured against certain business risks***" on page 35 of this Draft Red Herring Prospectus.

Credit Risk

The carrying amounts of bank balances, sundry debtors, loans and advances represent the maximum credit exposure of our Company. Substantially all of our cash is deposited principally with several nationwide and regional renowned banks in India without significant credit risk. We do not expect any losses to result from non-performance of these financial institutions. Our credit risk is partially attributable to our sundry debtors, a portion of which is not secured by any form of credit support, such as letters of credit, performance guarantees or escrow arrangements. We have no other financial assets that carry significant exposure to credit risk.

Seasonality

Our results of operation are not ordinarily affected by seasonality, except to the extent demand for long products, which are widely used in the construction industry, is affected by periods of curtailed construction activity due to adverse weather conditions, generally in the second quarter of the fiscal year. We use the first quarter of the fiscal year for plant maintenance and our production also is lower during this period.

Effect of Inflation

Inflation may affect our results of operations primarily in relation to our employees' wage increases being inflation linked. Similarly, inflation also has an indirect impact on our costs of production and transportation.

Analysis of Certain Changes

Unusual or Infrequent Events or Transactions

Except 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." For details on the industrial accident which occurred at the Steel Melt Shop, see the section titled "***Risk Factors–Internal Risk Factors–Risk Factors Relating to Our Company's Business and Operations–Industrial accidents at our facilities have exposed us to possible financial liabilities and possible legal proceedings and resulted in adverse publicity for our Company***" on page 20 of this Draft Red Herring Prospectus.

Significant Economic Changes that Materially Affected or are Likely to Affect Income from Continuing Operations

Other than as mentioned under the sub-section titled "***Factors Affecting Our Results of Operation and Financial Condition***" on page 303 of this Draft Red Herring Prospectus, to our knowledge, there are no other significant economic changes that materially affect or are likely to affect income from continuing operations.

Known Trends or Uncertainties

Other than as described in this Draft Red Herring Prospectus, particularly in the sections titled "***Risk Factors***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" beginning on pages 19 and 302 of this Draft Red Herring Prospectus, respectively, to our knowledge, there are no trends or uncertainties that have or had or are expected to have a material adverse impact on our income from continuing operations.

Future changes in the relationship between costs and revenues, in case of events such as future increases in labor or material costs or prices that will cause a material change are known.

Other than as described elsewhere in this Draft Red Herring Prospectus, particularly as mentioned under the section titled "***- Factors Affecting Our Financial Condition and Results of Operations***" in this section, to our knowledge, there are no known factors that might affect the future relationship between costs and revenues.

The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices.

Changes in revenues during the last three years are as explained under "Results of operations" in this section.

Significant Regulatory Changes

To the best of our knowledge, other than as described in this Draft Red Herring Prospectus, there have been no significant regulatory changes that could affect our revenue from continuing operations.

Significant Developments Subsequent to Date of Latest Financial Statements

The only material development which has occurred in our Company subsequent to June 30, 2014, the date of the last financial statements as disclosed in this Draft Red Herring Prospectus is that we raised additional short term borrowings of ₹6.14 billion (as of August 31, 2014).

There has been no redemption of preference shares, equity share repurchase or dividend declared or paid since June 30, 2014.

Except as stated in this Draft Red Herring Prospectus, to our knowledge no other circumstances have arisen since June 30, 2014, which materially affect or are likely to affect, the operations or profitability of our Company, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

Recent Accounting Pronouncements

There are no recent accounting pronouncements that are expected to impact our accounting policies or the manner of our financial reporting. The Institute of Chartered Accountants of India, however, previously announced a road map for the adoption of, and convergence of Indian GAAP with, IFRS, pursuant to which certain public companies in India, including our Company, would be required to prepare annual and interim financial statements under IFRS. Because the Ministry of Corporate Affairs, GoI deferred the implementation of the roadmap, there is significant lack of clarity on the adoption of and convergence with IFRS, we have not determined with any degree of certainty the impact that such adoption will have on our financial reporting. For more information, see the section titled "***Risk Factors–External Risk Factors–The proposed adoption of the International Financial Reporting Standards ("IFRS") could result in our financial condition and results of operations appearing materially different than under Indian GAAP***" on page 44 of this Draft Red Herring Prospectus.

FINANCIAL INDEBTEDNESS

Borrowings of our Company

Set forth below, is a brief summary of our Company's borrowings (both, fund based and non-fund based) as of August 31, 2014, together with a brief description of certain significant terms of such financing arrangements. Our Company's borrowings consist of mostly working capital facilities availed from the banks mentioned below. The total amount outstanding as on August 31, 2014 is ₹ 56,020.05 million*.

S. No.	Name of Lender	Documentation	Amount Sanctioned	Amount Outstanding as on August 31, 2014	Rate of Interest (%) p.a.	Tenure	Security
1.	SBI	Our Company has entered into a multiple banking arrangement with SBI on April 18, 2005 for availing working capital loans.(1)#	Fund based: i. Cash credit/ working capital demand loan / commercial paper (hypothecation) - ₹ 10,000.00 million ii. Letter of comfort – ₹ 10,000 million (as a sub-limit of commercial paper for issuance of letter of comfort favouring issuing and paying agent of commercial paper) iii. Export packing credit - ₹ 1,000 million (as a sub limit of cash credit) iv. Delivery duty paid (cheque) – ₹ 100 million (as a sub limit of cash credit)	i. ₹ 14.11 million ii. Nil iii. Nil iv. Nil	10.40%	November 29, 2014	Hypothecation of current assets on *pari-passu* basis with other banks under multiple banking arrangements by composite hypothecation agreement dated April 18, 2005 which was last amended on November 30, 2013.
			Non-Fund Based: i. Letter of credit - ₹ 5,500 million (as a sub limit of cash credit)	i. ₹ 99.70 million			

S. No.	Name of Lender	Documentation	Amount Sanctioned	Amount Outstanding as on August 31, 2014	Rate of Interest (%) p.a.	Tenure	Security
			ii. Bank guarantee - ₹ 500 million (as a sub limit of cash credit) iii. Credit exposure limit - ₹ 200 million (as a sub limit of cash credit) (Both ways full interchangeability from fund based (cash credit) limits to non-fund based (letter of credit) limits. One way full interchange-ability from bank guarantee limits to letter of credit limits to the extent of 100% of bank guarantee limits exists. ₹5,500 million as a sub limit of line of credit for buyer's credit.)	ii. ₹ 2.50 million iii. Nil			
2.	SBI	Our Company has entered into a banking arrangement with SBI on February 26, 2013 for working capital requirements accepted with SBI on November 30, 2013.(1)(2)	i. Corporate loan – I. ₹ 22,000 million ii. Corporate loan – II. ₹ 25,000 million	i. ₹ 11,295.70 million ii. ₹ 5.18 million	i. 10.05% ii. 10.20%	i. 3 years ii. 4.5 years	i. *Pari-passu* charge on fixed assets acquired out of loan along with other lenders ii. *Pari-passu* charge on fixed assets of the company with fixed asset coverage ratio of 1.25
3.	State Bank of Hyderabad	Our Company has entered into a multiple banking arrangement with State Bank of Hyderabad, dated October 16, 2009 for	Fund based: i. Cash credit - ₹ 2,000 million ii. Export packing credit - ₹ 2,000 million (as a sub limit of	i. ₹ 1 million ii. Nil	i. Base rate, i.e., 10.20%, at present.	March 7, 2015	Hypothecation of current assets on *pari-passu* basis with other banks under multiple banking arrangements by hypothecation

S. No.	Name of Lender	Documentation	Amount Sanctioned	Amount Outstanding as on August 31, 2014	Rate of Interest (%) p.a.	Tenure	Security
		working capital requirements.[(3)#]	cash credit) iii. Working capital demand loan - ₹ 1,600 million (as a sub limit of cash credit)				agreement dated October 16, 2009. i. Application-cum-indemnity from our Company; demand bills with shipping documents/air consignment notes/RRs/MTRs of approval transport Companies covering raw materials, stores and spares, and extension of security cover available for CC Hypothecation limit to cover LOC too. ii. Counter indemnity of our Company and charge over current assets to cover the BG limit.
			Non fund based: i. Letter of credit - ₹ 1,700 million (as a sub limit of cash credit limits of ₹ 2,000 million). ii. Bank guarantee - ₹ 300 million (as a sub limit of cash credit limits of ₹ 2,000 million). (Full inter-changeability from fund based limits to non-fund based limits).	i. ₹ 43.10 million ii. Nil			
4.	Canara Bank	Our Company has entered into a multiple banking arrangement with Canara Bank dated March 11, 2005 for working capital requirements.[(4)#]	Fund based: i. Cash credit - ₹ 2,000.00 million.	i. ₹ 0.1 million	Base rate i.e. 10.20% at present	December 26, 2014	Hypothecation of current assets by common hypothecation agreement, dated April 18, 2005 and supplemental agreements dated August 3, 2006, May 19, 2007, August 1, 2009,September 16, 2010, July 30, 2012, January 31, 2014 and February 7, 2014.
			Non- Fund based: i. Bank guarantee - ₹ 150.00 million ii. Foreign letter of credit for modernisation - ₹ 3,000.00 million.	i. Nil ii. ₹ 2,820.30 million			
5.	Bank of Baroda	Our Company has entered into a multiple	Fund based: - i. Cash credit - ₹	i. NIL	i. 10.25%	March 29, 2014	Hypothecation of current assets on *pari-passu*

S. No.	Name of Lender	Documentation	Amount Sanctioned	Amount Outstanding as on August 31, 2014	Rate of Interest (%) p.a.	Tenure	Security
		banking arrangement with Bank of Baroda, on December 19, 2005 for the purpose of working capital requirements.[#] Further, the loan agreement was renewed by letter dated August 1, 2013.	338.50 million ii. Pre-shipment packing credit - ₹ 200 million. Non-fund based: i. Letter of credit - ₹251.50 million ii. Bank guarantee - ₹ 10 million. (Cash credit / pre-shipment packing credit is interchangeable to letter of credit and vice versa).	ii. Nil i. ₹ 102.80 million ii. Nil	ii. For Rupee - 1% above the base rate with monthly rest For foreign currency – LIBOR + 350 basis points		basis with other banks under multiple banking arrangements by composite hypothecation agreement dated December 19, 2005 (as amended on January 6, 2006, August 10, 2006 and August 1, 2013).
6.	Andhra Bank	Our Company has entered into a composite loan agreement with Andhra Bank dated November 12, 2008 for renewal of working capital facilities.[#] Further, the Andhra Bank has sanctioned short term loan by letter dated March 19, 2014.	Fund based: i. Cash credit - ₹ 300 million. ii. Export packing credit - ₹ 115 million. (as a sub limit of cash credit of 300 million) Non- Fund based: i. Letter of credit - ₹ 300 million ii. Bank Guarantee - ₹ 30.00 million (as sub limit of cash credit of ₹ 300 million) (Non -fund based interchangeable to fund based and vice versa).	i. ₹ 5.35 million ii. Nil i. Nil ii. Nil	i. Base Rate i.e. 10.25% at present ii. As per HO / RBI guidelines	One year	Hypothecation of current assets on *pari-passu* basis with other banks under multiple banking arrangements by composite hypothecation agreement dated September 8, 2006.

S. No.	Name of Lender	Documentation	Amount Sanctioned	Amount Outstanding as on August 31, 2014	Rate of Interest (%) p.a.	Tenure	Security
7.	UCO	Our Company entered into an agreement with UCO on April 18, 2005 for availing working capital facility. # Further, the UCO Bank renewed the loan agreement on August 10, 2013.	Fund based: i. Cash credit - ₹ 50 million. (as a sub limit of working capital demand loan) ii. Working capital demand loan - ₹ 100 million. iii. Export packing credit - ₹ 150 million. (as a sub limit of working capital demand loan.	i. Nil ii. Nil iii. Nil	Base Rate i.e. 10.20%	August 9, 2014	Hypothecation by way of first charge of stock of raw materials, finished goods and stores, spaces and receivables, including all products, goods and movable property of any kind by composite hypothecation agreement dated April 18, 2000 which was last amended on August 10, 2013.
			Non- fund based: (as a sub limit of fund based limits of ₹ 100 million) i. Letter of credit - ₹ 100 million. ii. Bank guarantee - ₹ 50 million.	i. Nil ii. Nil			
8.	IDBI	IDBI has through sanction letter dated September 27, 2010 sanctioned working capital loans and cash management services to our Company.(5)	Fund based: i. Cash credit - ₹ 2,000 million. ii. Working capital demand loan (sub-limit of cash credit) - ₹ 1,800 million. iii. Forward cover - ₹ 1,000 million. iv. EPC (cash credit sub-limit) – ₹ 1800 million	i. ₹ 0.90 million ii. Nil iii. Nil	Base Rate i.e. 10.25%	October 15, 2014	Nil

S. No.	Name of Lender	Documentation	Amount Sanctioned	Amount Outstanding as on August 31, 2014	Rate of Interest (%) p.a.	Tenure	Security
			Non- Fund based: i. Letter of credit Inland & foreign / Buyers' credit – ₹ 8,000 million (One way interchange-ability of cash credit to letter of credit/buyer's credit.) ii. Bank guarantee (sub-limit of letter of credit) – ₹ 750 million. iii. Capital expenditure letter of credit / buyer's credit (sub-limit of letter of credit) – ₹ 2,000 million	i. Buyers Credit a) ₹ 1,209.90 million (USD 20 million) b) ₹ 563.80 million (USD 9.32 million) c) ₹ 535.38 million (USD 8.85 million) d) ₹ 643.25 million (USD10.63 million) e) ₹ 546.75 million (USD 9.04 million) f) ₹ 641.55 million (USD 10.61 million) g) ₹ 1203.37 million (USD 19.89 million) h) ₹ 464.43 million (USD 7.68 million) i) ₹ 540.02 million (USD 8.93 million) j) ₹ 687.64 million (USD 11.37 million)			

S. No.	Name of Lender	Documentation	Amount Sanctioned	Amount Outstanding as on August 31, 2014	Rate of Interest (%) p.a.	Tenure	Security
				(Buyer's credit) i. ₹ 324 million (Letter of credit) ii. ₹ 329.50 million (Bank Guarantees) iii. ₹ 618.70 million – Capital expenditure Letter of Credit			
9.	Vijaya Bank	Vijaya Bank through sanction letter dated June 22, 2011 has sanctioned working capital loan to our company. (6)#	Over draft / working capital / short term loan / letter of credit / bank guarantee limits of ₹ 300 million	₹ 0.30 million	Base rate i.e. 10.20%	February 18, 2015	Nil
10.	HSBC	Our Company and HSBC have entered into a loan agreement pursuant to a sanction letter dated January 31, 2011 for availing working capital facilities. The sanction letter dated January 31, 2011 was renewed by letter dated January 16, 2014.	i. Import documentary credit / buyers credit/ working capital loan/overdraft - ₹ 4,850 million ii. Foreign exchange lines - ₹600 million. iii Capital expenditure loan – ₹ 3,000 million (As a sub limit of working capital limits of ₹ 4,850 million)	i. ₹ 201.50 million (Cash Credit) Buyer's Credits: i. a) ₹ 605.53 million (USD 10.01 million) b) ₹ 653.68 million (USD 10.81 million) c) ₹ 538.35 million (USD 8.90 million) d) 430.07 million (USD7.11 Million) ii. Nil	Base rate i.e. 10%	November 30, 2014	Nil

S. No.	Name of Lender	Documentation	Amount Sanctioned	Amount Outstanding as on August 31, 2014	Rate of Interest (%) p.a.	Tenure	Security
				iii. ₹ 1,550 million (capital expenditure loan)			
11.	IndusInd	IndusInd has issued a sanction letter dated September 27, 2010 for working capital facilities. IndusInd renewed the limits by letter dated September 7, 2012 and our Company accepted limits of ₹ 1,000 million for buyers' credit facility.	i. Buyer's credit limit (sub limit of letter of credit facility) - ₹ 8,000 million. ii. Line of credit for short term loans (sub limit of line of credit facility) 2,500 million) post shipment credit (sub limit of line of credit) ₹ 2,500 million. iii. Investment in bonds (sub limit of line of credit) – ₹ 1,500 million. iv. Sales invoice discounting (sub limit of line of credit) – ₹ 1,000 million.	i. a) ₹ 693.55 million (USD 11.46 million) b) ₹ 626.04 million (USD 10.35 million) c) ₹ 526.95 million (USD 8.71 million) d) ₹ 1,391.58 million (USD 23 million) e) ₹ 498.33 million (USD 8.24 million) f) ₹ 466.79 million (USD 7.72 million) g) ₹ 508.52 Million (USD 8.41 million) h) ₹ 491.31 million (USD 8.12 million) i) ₹ 568.34 million (USD 9.39 million) j) ₹ 1,072.57 million	As mutually agreed between the parties.	May 31, 2015	Nil

S. No.	Name of Lender	Documentation	Amount Sanctioned	Amount Outstanding as on August 31, 2014	Rate of Interest (%) p.a.	Tenure	Security
				(USD 17.73 million)			
		IndusInd has issued a sanction letter dated August 22, 2012 for working capital facilities. Our Company by letter dated August 29, 2012 accepted limits of ₹ 2,000 million for foreign letter of credit for capital expenditure. Further the bank renewed the limits vide their letter dated August 4, 2014.	i. Letter of Credit ₹ 8,000 million. ii. Bank Guarantee ₹ 1,000 million (Sub limit of letter of credit) iii. Letter of credit (LC) for capital expenditure - ₹ 2,000 million. (sub limit of letter of credit)	Nil ii. ₹ 100.00 million (Bank Guarantees) iii. ₹ 749.30 million (LC for Capital expenditure)		May 31, 2015	Nil
12.	Citibank	Our Company has entered into a loan agreement with Citi Bank, dated September 28, 2010 for availing working capital credit facilities.(7)#	₹ 1,250.00 million (interchangeable between fund based and non-fund based facilities).			12 months and subject to yearly review.	Nil
13.	HDFC	Our Company and HDFC have entered into a loan agreement dated November 19, 2010 for availing revolving working capital facility and further the fund based limits have been converted into revolving credit facilities by	i. ₹ 500 million (fund based) ii. 500 million (non-fund based – letter of credit as a sublimit of short term loan)	i. ₹ 0.00 million ii. ₹ 3.79 million	Base rate i.e. 10%	12 months and subject to yearly review.	Nil

S. No.	Name of Lender	Documentation	Amount Sanctioned	Amount Outstanding as on August 31, 2014	Rate of Interest (%) p.a.	Tenure	Security
		loan agreement dated January 6, 2012.#					
14.	Deutsche Bank	Our Company and Deutsche Bank have entered into a loan agreement dated May 6, 2010 for availing buyer's credit for imports.(8)	i. ₹ 7,500 million / equivalent foreign currency (fund and non-fund based) ii. ₹ 6,500 million (capital expenditure facility - as a sublimit of working capital limits of ₹ 7,500 million)	i. a) ₹ 636.10 million b) ₹ 23.83 million (USD 0.39 million) Buyers Credit c) ₹ 23.80 million (USD 0.39 million) ii. ₹ 5,624.90 million (Capital expenditure short term loan)	Base Rate i.e. 9.95%	12 months and subject to yearly review.	Unfunded risk participation for ₹2,000 million from Axis Bank to secure Purchase Invoice Financing (for capital expenditure purpose) and the remaining facilities will be on clean basis.
15.	Bank of Tokyo - Mitsubishi UFJ	Bank of Tokyo - Mitsubishi UFJ has issued a sanction letter dated March 1, 2011 for availing revolving foreign currency loan for import financing.(9)	i. Buyer's credit limit - USD 110 million ii. Over draft of ₹ 800 million iii. Working capital demand loan – ₹ 800 million (as a sub limit of Over draft)	i. a) ₹ 592.89 million (USD 9.80 million) b) ₹ 23.15 million (USD 0.38 million) c) ₹ 1,219.96 million (USD 20.17 million) d) ₹ 23.30 million (USD 0.39 million) e) ₹ 298.15 million (USD 4.93 million) f) ₹ 664.31 million (USD 10.98 million)	i. Libor + 0.40% ii. Base Rate + 2.50% iii. Base Rate + 2.50%	February 28, 2015	Nil

S. No.	Name of Lender	Documentation	Amount Sanctioned	Amount Outstanding as on August 31, 2014	Rate of Interest (%) p.a.	Tenure	Security
				g) ₹ 22.63 million (USD 0.37 million) h) ₹ 266.86 million (USD 4.91 million) i) ₹ 720.55 million (USD 11.91 million) j) ₹ 23.81 million (USD 0.39 million) k) ₹ 1,209.90 million (USD 20 million) l) ₹ 949.31 million (USD 11.91 million) m) ₹ 537.84 million (USD 8.89 million) n) ₹ 23.83 million (USD 0.39 million) o) ₹ 29.90 million (USD 0.49 million) p) ₹ 23.81 million (USD 0.39million) q) ₹ 24.24 million (USD 0.40 million)			
16.	Kotak Mahindra	Kotak Mahindra through sanction letter dated September 19, 2011 has sanctioned	i. ₹ 3,000 million for working capital purposes. ii. ₹ 3,000 million for capital	i. Nil ii ₹ 609.75 million	i.10.00% ii. 10.00%	November 30, 2014	Nil

S. No.	Name of Lender	Documentation	Amount Sanctioned	Amount Outstanding as on August 31, 2014	Rate of Interest (%) p.a.	Tenure	Security
		working capital facilities to our Company.(10)	expenditure (as a sub limit of Working Capital Limits).				
17.	Standard Chartered Bank	Standard Chartered Bank has issued a sanction letter dated May 7, 2010 for availing buyer's credit facility. Further, Standard Chartered Bank enhanced the limits for working capital purposes through their letter dated October 9, 2013.	Letter of Credit of USD 75 million (Financial Guarantee of USD 75 million as a sublimit of letter of credit.)	i. ₹ 556.43 (USD 9.20 million) ii. ₹ 23.58 million (USD 0.39 million)	As may be communicated from the Standard Chartered Bank from time to time.	One year in case of raw materials and three year in case of capital goods.	Nil
18.	ICICI Bank	ICICI Bank has issued sanction letter dated May 17, 2013 for working capital facilities.	Fund based: i. EPC/PCFC: ₹ 2,000 million		EPC - 9.75% PCFC – Libor + 2.50%	December 5, 2014	Nil
			Non-Fund Based: i. Buyer's Credit: ₹ 2,000 million (as a sublimit of EPC/ PCFC)		L + 350bps for maturity period upto 360 days		
19.	ANZ Bank	ANZ Bank has issued sanction letter dated May 19, 2014 for availing buyer's credit facilities.	Buyers credit facility of USD 20 million	Nil	Applicable interest margin and applicable LIBOR	180 days	Nil
20.	YES Bank	YES Bank has issued sanction dated January 8, 2014 for availing buyer's credit facilities.	Buyers' credit facilities - ₹ 2,500 million	i. ₹ 681.19 million (USD 11.26 million) ii. ₹ 603.96 million (USD 9.98 million) iii. ₹ 1,107.73 million (USD 18.31	To be decided at the time of drawdown with mutual agreement.	12 months subject to annual review	Nil

S. No.	Name of Lender	Documentation	Amount Sanctioned	Amount Outstanding as on August 31, 2014	Rate of Interest (%) p.a.	Tenure	Security
				million)			
₹	DBS Bank	DBS Bank has issued sanction letter dated May 21, 2013 for working capital facilities. DBS Bank has enhanced / modified the limit to ₹ 5,000 million through its letters dated November 12, 2013 and July 9, 2014.	Working Capital: i. Working capital loan / sales or purchase invoice discounting / purchase invoice discounting / buyers credit for working capital requirements of ₹ 5,000 million ii. Packing credit / post shipment finance – ₹ 2,000 million (as a sub limit of buyers' credit limits) iii. Over draft ₹1,000 million (as a sub limit of buyer's credit limits) Capital Expenditure: i. Purchase invoice financing (one off facility towards capital expenditure) ₹ 2,000 million (as sub limit of working capital limits) ii. Short term loan up to 180 days (one off facility towards capital expenditure) ₹ 500 million (as a sub limit of	i. Nil i) ₹ 506.70 million	Base rate i.e. 9.75%	One year	Nil

S. No.	Name of Lender	Documentation	Amount Sanctioned	Amount Outstanding as on August 31, 2014	Rate of Interest (%) p.a.	Tenure	Security
			capital expenditure)				
21.	Bank of India	Bank of India has issued sanction letter dated November 25, 2013 for working capital facilities.	Fund Based: i. Cash Credit: ₹ 200 million Non-Fund Based: ii. Letter of Credit/Buyer's Credit: ₹ 1,000 million	i. ₹ 1 million ii. Nil	i. Base Rate i.e., 10.25% at present	One year i.e. November 24, 2014	Nil
22.	Allahabad Bank	Our Company entered into cash management services agreement with Allahabad Bank on August 6, 2012.	Over draft - ₹ 750 million (fund based)	₹ 284.80 million	Base rate i.e. 10.25% at present	August 31, 2015.	Nil

(1) The loan agreement dated April 18, 2005 was last renewed on June 25, 2012 for a period of 12 months.

(2) Corporate Loan –I was accepted and the agreement was signed on February 26, 2013 and Corporate Loan – II was accepted and the agreement was signed on November 30, 2013.

(3) The loan agreement was a renewal and enhancement of an earlier facility provided by the State Bank of Hyderabad and was further renewed through letters dated December 30, 2010, March 31, 2011, March 15, 2012 and March 8, 2014.

(4) Canara Bank has further sanctioned FLC limits of ₹ 3,000 million for modernization project by its letter dated June 5, 2012 and has renewed the working capital facility sanctioned to our Company through renewal letter dated January 1, 2014.

(5) The sanction letter dated September 27, 2010 was renewed on December 20, 2010, June 8, 2011 and March 6, 2012. Further, IDBI Bank has revised the tenure regarding bank guarantee through letters dated July 22, 2013 and July 29, 2013

(6) Our Company has entered into an agreement dated July 30, 2011 with Vijaya Bank for release of an overdraft of ₹ 1,000 million. Vijaya Bank by its letter dated May 22, 2012 enhanced this overdraft facility to ₹ 2,000 million and entered into a supplementary agreement with our Company dated May 23, 2012 in this regard. Further, the Vijaya Bank renewed the limits for a period of one year and increased the overdraft facility to ₹ 3,000 million through its letter dated September 5, 2012. However, Vijaya Bank through its letter dated February 27, 2014 reduced the limits to ₹ 2,000 million.

(7) Citibank has renewed the existing working capital limits by letter dated May 7, 2012. Subsequently, the facilities limit was increased to ₹ 1,940 million through an amendatory agreement dated June 14, 2012 entered into between our Company and Citibank.

(8) Loan agreement dated May 6, 2010 was amended on September 13, 2010. Further, the bank enhanced credit limits to ₹ 3,250.00 million by its letter dated August 27, 2012. Further, the Bank enhanced the limits to ₹ 7,500 million through sanction letter dated May 15, 2014.

(9) Bank of Tokyo renewed the working capital limits with effect from February 29, 2012. Further, Bank of Tokyo has renewed the sanctioned limits till February 28, 2015, through the sanction letter dated February 19, 2014.

(10) Kotak Mahindra enhanced the limits through their letter dated November 12, 2013 with a sub limit of ₹ 2,000 million for capital expenditure. Further, Kotak Mahindra by its letter dated December 30, 2013, has extended the validity of the sanction limit till December 30, 2014

* The amounts outstanding as of August 31, 2014 are as certified by the lenders and do not contain particulars of the overdraft taken by our Company against fixed deposits.
# Our Company by its letter dated July 23, 2014 has requested the bank to alter/modify the sanctioned limits.

Commercial Paper

S. No.	Name of Lender	Amount (in ₹ Million)	Date of Expiry
1.	Reliance Capital Trustee Company Limited A/c Reliance Liquid Fund-CP	1,500	September 26,2014
2.	HDFC Trustee Company Limited A/c HDFC Liquid Fund	2,500	October 16,2014
3.	HDFC Trustee Company Limited A/c HDFC Cash Management Fund Saving Plan	500	October 16,2014
4	Birla Sunlife Trustee Company Private Limited - Birla Sun Life Cash Plus	2,000	November 20, 2014
5	HDFC Trustee Company Limited A/c HDFC Cash Management Fund Saving Plan	500	November 20, 2014
6	HDFC Trustee Company Limited A/c HDFC Liquid Fund	2,000	November 26, 2014
7	HDFC Trustee Company Limited A/c HDFC Cash Management Fund Saving Plan	500	November 26, 2014

Corporate Actions:

Some of the corporate actions for which our Company requires the prior written consent of lenders include the following:

i. to change or alter the capital structure of our Company;

ii. to undertake any amendments in the Memorandum and Articles of Association;

iii. to undertake or permit any scheme of amalgamation, consolidation, demerger, merger or corporate reconstruction or acquisition of any Company assets, business, or undertaking or body corporate;

iv. to change the ownership or control of our Company which may change the effective beneficial ownership or control of our Company and also affect change in the management of the business;

v. to declare any dividend on its share capital, if it fails to meet its obligations to pay the interest and/or commission and/or installment and/or the moneys payable to the lenders, so long as it is in such default;

vi. to prepay the outstanding principal amount of the facilities which are in the nature of loans in full or in part before the repayment dates;

vii. giving of any corporate or financial guarantee;

viii. to withdraw or allow to be withdrawn any monies brought in by the promoters and directors or relatives and friends of the promoters or directors of our Company, unless specifically waived by the lender; or

ix. to invest by way of share capital in, or lend or advance funds to or place deposits with any other concern, including its associates concern, except in the normal course of business or as advances to employees.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below, there are no winding up petitions, no outstanding litigation, suits, criminal or civil prosecutions, proceedings or tax liabilities against our Company, our Subsidiaries, our Directors, our Promoters and Group Companies that would have a material adverse effect on our business operations and financial position of our Company. Further, except as stated below there are no defaults, non-payment of statutory dues, over-dues to banks/financial institutions, defaults against banks/financial institutions, defaults in dues payable to holders of any debenture, bonds and fixed deposits and arrears of preference shares issued by our Company and our Subsidiaries, default in creation of full security as per terms of issue/other liabilities. There are no amounts owed to small scale undertakings exceeding ₹ 0.10 million, which is outstanding for more than 30 days, except as stated in the chapter "Financial Statements". No proceedings have been 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 V of the Companies Act, 2013) other than unclaimed liabilities of our Company and our Subsidiaries and no disciplinary action has been taken by SEBI or any stock exchanges against our Company, our Subsidiaries, our Promoters, our Directors and Group Companies.

Neither our Company nor its Directors have been declared as wilful defaulters by the RBI or any other authority and there are no violations of securities laws committed by them in the past or pending against them or any person or entity connected with them, except as mentioned below.

We have disclosed all the legal proceedings as on August 31, 2014 pending against/by our Company and the Subsidiaries in a consolidated manner. In addition, we have summarized the significant proceedings pending against our Company and Subsidiaries in relation to criminal cases, public interest litigation, environment cases and other proceedings involving claims exceeding ₹ 60 million.

Contingent Liabilities of our Company as of August 31, 2014:

Our contingent liabilities not provided for as of August 31, 2014, on a consolidated basis amount to ₹ 90,256.4 million.

If any of these contingent liabilities materialize, the value of our capital works in progress and profitability could be adversely affected.

Outstanding Litigation/Proceedings involving our Company

Cases filed against our Company

Criminal cases

There are 23 criminal cases pending against our Company before Additional Chief Metropolitan Magistrate Court, Visakhapatnam on account of accidents that occurred in plant works area due to alleged lapse of safety measures and complaints filed by the Factories Inspector for violation of provisions of the Factories Act. There are no financial implications out of the pending cases. A brief description of these cases is provided below:

1. The Joint Chief Inspector of Factories, Visakhapatnam has issued a show cause notice (A. no. 4048/2008) dated January 10, 2008 for the violation of certain sections of the Factories Act read with the rules made there under, against Mr. P.V.S. Prasad Rao, Executive Director (Works) and Mr. V. S. Rao, General Manager (Environment and Safety), who have been nominated as the 'occupier' and the 'manager', respectively, for our Company's factory under the Factories Act. The show cause notice alleged that the occupier and the manager have failed to take adequate precautions to prevent the de-watering pumps from accidently being electrically charged, which led to the death of a contract worker due to electric shock. Our Company had replied to the show cause notice by its letter (no. VSP/SED/08/673) dated January 22, 2008, subsequent to which the Inspector of Factories, Visakhapatnam by order (A. no. 1268/2008) dated March 12, 2008 directed the Assistant Inspector of Factories, Visakhapatnam to file a complaint against the occupier and the manager before the appropriate Magistrate Court. The state of Andhra Pradesh represented by the Assistant Inspector of Factories, Visakhapatnam has filed a complaint (S.T.C no. 158/2009) dated

March 12, 2008 before the III Metropolitan Magistrate Court, Gajuwaka and has prayed that the occupier and the manager be held liable under section 92 of the Factories Act and that they may be issued an order under section 102 of the Factories Act, directing them to comply with the provisions and rules made there under.

2. The Joint Chief Inspector of Factories, Visakhapatnam has issued a show cause notice (A. no. 2029/2009) dated August 5, 2009 for the violation of certain sections of the Factories Act read with the rules made there under, against Mr. Prabhakar Rao, the then Executive Director (Works) and Mr. A. K. Makhija, General Manager (Environment and Safety), who have been nominated as the 'occupier' and the 'manager', respectively, for our Company's factory under the Factories Act. The show cause notice alleged that the occupier and the manager have failed to take adequate precautions before allowing a contract worker to enter into a tank storing crude benzole to clean the sludge settled at the bottom, which lead to the worker's death due to inhaling toxic vapors. Our Company had replied to the show cause notice, by its letter (no. VSP/SED/2009/7090023610) dated September 14, 2009, subsequent to which the Inspector of Factories, Visakhapatnam by order (A. no. 891/2009) dated October 20, 2009 directed the Assistant Inspector of Factories, Visakhapatnam to file a complaint against the occupier and manager before the appropriate Magistrate Court. The state of Andhra Pradesh represented by the Assistant Inspector of Factories, Visakhapatnam has filed a complaint (S.T.C no. 395/2009) dated October 20, 2009 before the II Additional Metropolitan Magistrate Court, Visakhapatnam and has prayed that the occupier and the manager be held liable under section 92 of the Factories Act and that they may be issued an order under section 102 of the Factories Act, directing them to comply with the provisions and rules made there under.

3. The Joint Chief Inspector of Factories, Visakhapatnam has issued a show cause notice (A.no. 102/2010) dated January 20, 2010 for violation of certain sections of the Factories Act read with the rules made there under, against Mr. Prabhakar Rao, the then Executive Director (Works) and Mr. A.K. Makhija, General Manager (Environmental and Safety), who have been nominated as the 'occupier' and the 'manager', respectively, for our Company's factory under the Factories Act. The show cause notice alleged that the occupier and the manager have failed to construct and maintain the scaffolding to wire rod mill structure, which resulted in the death of a worker due to the collapsing of the scaffolding. Our Company had replied to the show cause notice by its letter (no. VSP/Pr. Safety/10/703) dated February 5, 2010, subsequent to which the Inspector of Factories, Visakhapatnam by order (A. no. 82/2010) dated March 29, 2010 directed the Assistant Inspector of Factories, Visakhapatnam to file a complaint against the occupier and manager before the appropriate Magistrate Court. The state of Andhra Pradesh represented by the Assistant Inspector of Factories, Visakhapatnam has filed a complaint (S.T.C no. 329/2010) dated March 29, 2010 before the II Additional Chief Metropolitan Magistrate Court, Visakhapatnam and has prayed that the occupier and manager be held liable under section 92 of the Factories Act and that they may be issued an order under section 102 of the Factories Act, directing them to comply with the provisions and the rules made there under.

4. The Joint Chief Inspector of Factories, Visakhapatnam has issued a show cause notice (A. no. 374/2010) dated February 20, 2010 for the violation of certain sections of the Factories Act read with the rules made there under, against Mr. Prabhakar Rao, the then Executive Director (Works) and Mr. A. K. Makhija, General Manager (Environment and Safety), who have been nominated as the 'occupier' and the 'manager', respectively, for our Company's factory under the Factories Act. The show cause notice alleged that the occupier and the manager have failed to take adequate precautions during the unloading of oxygen cylinders, which resulted in the death of a workman after a truck caught fire due to leakage of oxygen and liquefied petroleum gas cylinder. Our Company had replied to the show cause notice by its letter (no. VSP/Pr.Safety/10/738) dated March 29, 2010, subsequent to which the Inspector of Factories, Visakhapatnam-II by order (A. no. 296/2010) dated April 8, 2010 directed the Assistant Inspector of Factories, Visakhapatnam to file a complaint against the occupier and the manager before the appropriate Magistrate Court. The state of Andhra Pradesh represented by the Assistant Inspector of Factories, Visakhapatnam has filed a complaint (S.T.C no. 326/2010) dated April 9, 2010 before the II Additional Chief Metropolitan Magistrate Court, Visakhapatnam and has prayed that the occupier and the manager be held liable under section 92 of the Factories Act and that they may be issued an order under section 102 of the Factories Act, directing them to comply with the provisions and the rules made there under.

5. The Joint Chief Inspector of Factories, Visakhapatnam has issued a show cause notice A. no. 736/2010) dated March 30, 2010 for the violation of certain sections of the Factories Act read with the rules made there under, against Mr. Prabhakar Rao, the then Executive Director (Works) and Mr. A.K. Makhija, General Manager (Environment and Safety), who have been nominated as the 'occupier' and the 'manager',

respectively, for our Company's factory under the Factories Act. The show cause notice alleged that the occupier and the manager have failed to take adequate precautions to secure covering/fencing of a cable trench to its full length, which led to the death of a worker, who fell into the open trench. Our Company had replied to the show cause notice by its letter (no. VSP/Pr. Safety/10/749) dated April 19, 2010, subsequent to which the Inspector of Factories, Visakhapatnam by order (A. no. 473/2010) dated June 3, 2010 directed the Assistant Inspector of Factories, Visakhapatnam to file a complaint against the occupier and manager before the appropriate Magistrate Court. The state of Andhra Pradesh represented by the Assistant Inspector of Factories, Visakhapatnam has filed a complaint (S.T.C no. 328/2010) dated June 3, 2010 before the II Additional Chief Metropolitan Magistrate Court, Visakhapatnam and has prayed that the occupier and the manager be held liable under section 92 of the Factories Act and that they may be issued an order under section 102 of the Factories Act, directing them to comply with the provisions and rules made there under.

6. The Joint Chief Inspector of Factories, Visakhapatnam has issued a show cause notice (A. no. 1478/2010) dated July 9, 2010 for the violation of certain sections of the Factories Act read with the rules made there under, against Mr. Prabhakar Rao, the then Executive Director (Works) and Mr. A.K. Makhija, General Manager (Environmental and Safety), who have been nominated as the 'occupier' and the 'manager', respectively, for our Company's factory under the Factories Act. The show cause notice alleged that the occupier and the manager have failed to adopt safety protocols and quality testing before commencing and during the prumatic pressure test which resulted in the death of one factory worker and caused serious injuries to another. Our Company had replied to the show cause notice by its letter (no. VSP/ Pr. Safety/ 10/ 849) dated August 2, 2010, subsequent to which the Inspector of Factories, Visakhapatnam by order (A. no. 723/2010) dated September 2, 2010 directed the Assistant Inspector of Factories, Visakhapatnam to file a complaint against the occupier and manager before the appropriate Magistrate Court. The state of Andhra Pradesh represented by the Assistant Inspector of Factories, Visakhapatnam has filed a complaint (S.T.C no. 469/2010) dated September 3, 2010 before the II Additional Chief Metropolitan Magistrate Court, Visakhapatnam and has prayed that the occupier and the manager be held liable under section 92 of the Factories Act and that they may be issued an order under section 102 of the Factories Act, directing them to comply with the provisions and the rules made there under.

7. The Joint Chief Inspector of Factories, Visakhapatnam has issued a show cause notice (A. no. 2188/2010) dated September 20, 2010 for the violation of certain sections of the Factories Act read with the rules made there under, against Mr. Ravindra Ranjan, General Manager in-charge (Works) and Mr. A.K. Makhija, General Manager (Environmental and Safety) who have been nominated as the 'occupier' and the 'manager', respectively, for our Company's factory under the Factories Act. The show cause notice alleged that the occupier and the manager have failed to provide fall protection arrangements to the workers, which resulted in the death of a worker. Our Company had replied to the show cause notice by its letter (no. VSP/Pr. Safety/10) dated October 6, 2010, subsequent to which the Inspector of Factories, Visakhapatnam by order (A. no. 897/2010) dated November 9, 2010, directed the Assistant Inspector of Factories, Visakhapatnam to file a complaint against the occupier and manager before the appropriate Magistrate Court. The state of Andhra Pradesh represented by the Assistant Inspector of Factories, Visakhapatnam has filed a complaint (S.T.C no. 551/2010) dated November 10, 2010 before the II Additional Chief Metropolitan Magistrate Court, Visakhapatnam and has prayed that the occupier and manager be held liable under section 92 of the Factories Act and that they may be issued an order under section 102 of the Factories Act, directing them to comply with the provisions and the rules made there under.

8. The Joint Chief Inspector of Factories, Visakhapatnam has issued a show cause notice (A. no. 2742/2009) dated October 26, 2009 for the violation of certain sections of the Factories Act read with the rules made there under, against Mr. Prabhakar Rao, the then Executive Director (Works) and Mr. A.K. Makhija, General Manager (Environmental and Safety), who have been nominated as the 'occupier' and the 'manager', respectively, for our Company's factory under the Factories Act. The show cause notice alleged that the occupier and the manager have failed to provide substantial hand rails of sufficient height to the working platform provided for the operation of the slide gate cylinder of the empty ladle in continuous casting department which caused multiple injuries that later caused the death of a worker. Our Company had replied to the show cause notice by its letter (no. VSP/SED/2009/7090026116) dated December 3, 2009, subsequent to which, the Inspector of Factories, Visakhapatnam by order (A. no. 1023/2009) dated December 31, 2009 directed the Assistant Inspector of Factories, Visakhapatnam to file a complaint against the occupier and manager before the appropriate Magistrate Court. The state of Andhra Pradesh represented by the Assistant Inspector of Factories, Visakhapatnam has filed a complaint (S.T.C no. 15/2010) dated December 31, 2009 before the II Additional Chief Metropolitan Magistrate Court, Visakhapatnam and has prayed that the occupier and the manager be held liable under section 92 of the Factories Act and that they

may be issued an order under section 102 of the Factories Act, directing them to comply with the provisions and the rules made there under.

9. The Joint Chief Inspector of Factories, Visakhapatnam has issued a show cause notice (A. no. 141/2011) dated January 28, 2011 for the violation of certain sections of the Factories Act read with the rules made there under, against Mr. Ravindra Ranjan, General Manager in-charge (Works) and Mr. A.K. Makhija, General Manager (Environment and Safety), who have been nominated as the 'occupier' and the 'manager', respectively, for our Company's factory under the Factories Act. The show cause notice alleged that the occupier and the manager allowed oil tanks in the storage yard of Mecon Limited to get loaded on to a truck trailer which was parked right under the overhead power lines, which resulted in the death of a worker when the hook of the crane being used came in contact with the overhead power lines. Our Company had replied to the show cause notice by its letter (no. VSP/Pr. Safety/11/50) dated February 12, 2011 subsequent to which the Inspector of Factories, Visakhapatnam by order (A. no. 177/2011) dated April 6, 2011 directed the Assistant Inspector of Factories, Visakhapatnam to file a complaint against the occupier and manager before the appropriate Magistrate Court. The state of Andhra Pradesh represented by the Assistant Inspector of Factories, Visakhapatnam has filed a complaint (S.T.C no. 169/2011) dated April 6, 2011 before the II Additional Chief Metropolitan Magistrate Court, Visakhapatnam and has prayed that the occupier and manager be held liable under section 92 of the Factories Act and that they may be issued an order under section 102 of the Factories Act, directing them to comply with the provisions and the rules made there under.

10. The Joint Chief Inspector of Factories, Visakhapatnam has issued a show cause notice (A. no. 613/2011) dated March 31, 2011 for the violation of certain sections of the Factories Act read with the rules made there under, against Mr. Ravindra Ranjan, General Manager in-charge (Works) and Mr. A.K. Makhija, General Manager (Environment and Safety), who have been nominated as the 'occupier' and the 'manager', respectively, for our Company's factory under the Factories Act. The show cause notice alleged that the occupier and the manager have failed to provide a gate with interlocking or other efficient device to the hoist way of skip hoist in the coke over battery which resulted in a factory worker getting trapped between the skip hoist bucket and the fixed structure causing his death. Our Company had replied to the show cause notice by its letter (no. VSP/SED/2011/7110040427) dated May 3, 2011 subsequent to which the Inspector of Factories, Visakhapatnam by order (A. no. 405/2011) dated June 2, 2011 directed the Assistant Inspector of Factories, Visakhapatnam to file a complaint against the occupier and the manager before the appropriate Magistrate Court. The state of Andhra Pradesh represented by the Assistant Inspector of Factories, Visakhapatnam has filed a complaint (S.T.C no. 209/2011) dated June 3, 2011 before the II Additional Chief Metropolitan Magistrate Court, Visakhapatnam and has prayed that the occupier and manager be held liable under section 92 of the Factories Act and that they may be issued an order under section 102 of the Factories Act, directing them to comply with the provisions and the rules made there under.

11. The Joint Chief Inspector of Factories, Visakhapatnam has issued a show cause notice (A. no. 1097/2011) dated May 26, 2011 for the violation of certain sections of the Factories Act read with the rules made there under, against Mr. Ravindra Ranjan, General Manager in-charge (Works) and Mr. A.K. Makhija, General Manager (Environment and Safety), who have been nominated as the 'occupier' and the 'manager', respectively, for our Company's factory under the Factories Act. The show cause notice alleged that the occupier and the manager have failed to cover a floor opening in the sinter machine, which resulted in a factory worker's death. Our Company had replied to the show cause notice by its letter (no. VSP/Pr. Safety/11/1234) dated June 8, 2011 subsequent to which the Inspector of Factories, Visakhapatnam by order (A. no. 560/2011) dated July 25, 2011 directed the Assistant Inspector of Factories, Visakhapatnam to file a complaint against the occupier and manager before the appropriate Magistrate Court. The state of Andhra Pradesh represented by the Assistant Inspector of Factories, Visakhapatnam has filed a complaint (S.T.C no. 223/2011) dated July 28, 2011 before the II Additional Chief Metropolitan Magistrate Court, Visakhapatnam and has prayed that the occupier and manager be held liable under section 92 of the Factories Act and that they may be issued an order under section 102 of the Factories Act, directing them to comply with the provisions and the rules made there under.

12. The Joint Chief Inspector of Factories, Visakhapatnam has issued a show cause notice (A. no. 1641/2011) dated August 10, 2011 for the violation of certain sections of the Factories Act read with the rules made there under, against Mr. Ravindra Ranjan, General Manager in-charge (Works) and Mr. A.K. Makhija, General Manager (Environmental and Safety) who have been nominated as the 'occupier' and the 'manager', respectively, for our Company's factory under the Factories Act. The show cause notice alleged that the occupier and the manager have failed to provide arrangements for fall protection like safety belt

with lanyard hooked to a suitably designed permanent fixture, which resulted in a worker losing balance and falling into the ladle causing his death. Our Company had replied to the show cause notice by its letter (no. VSP/SED/2011/7110043714) dated September 12, 2011, subsequent to which the Inspector of Factories, Visakhapatnam by order (A. no. 752/2011) dated October 24, 2011 directed the Assistant Inspector of Factories, Visakhapatnam to file a complaint against the occupier and the manager before the appropriate Magistrate Court. The state of Andhra Pradesh represented by the Assistant Inspector of Factories, Visakhapatnam has filed a complaint (S.T.C no. 270/2011) dated October 27, 2011 before the II Additional Chief Metropolitan Magistrate Court, Visakhapatnam and has prayed that the occupier and manager be held liable under section 92 of the Factories Act and that they may be issued an order under section 102 of the Factories Act, directing them to comply with the provisions and the rules made there under.

13. The Joint Chief Inspector of Factories, Visakhapatnam has issued a show cause notice (A. no. 1725/2011) dated August 20, 2011 for the violation of certain sections of the Factories Act read with the rules made there under, against Mr. Ravindra Ranjan, General Manager in-charge (Works) and Mr. A.K. Makhija, General Manager (Environment and Safety) who have been nominated as the ‘occupier’ and the ‘manager’, respectively, for our Company’s factory under the Factories Act. The show cause notice alleged that the occupier and the manager have failed to cover the openings in the bin top covers and arrange the illumination in such a way so as to prevent direct glare at the bin top level, which resulted in the death of a worker as he fell into the floor opening. Our Company had replied to the show cause notice by its letter (no. VSP/Pr. Safety/11/194) dated August 29, 2011, subsequent to which the Inspector of Factories by order (A. no. 763/2011) dated October 29, 2011 directed the Assistant Inspector of Factories, Visakhapatnam to file a complaint against the occupier and the manager before the appropriate Magistrate Court. The state of Andhra Pradesh represented by the Assistant Inspector of Factories, Visakhapatnam has filed a complaint (S.T.C no. 271/2011) dated November 1, 2011 before the II Additional Chief Metropolitan Magistrate Court, Visakhapatnam and has prayed that the occupier and the manager be held liable under section 92 of the Factories Act and that they may be issued an order under section 102 of the Factories Act, directing them to comply with the provisions and the rules made there under.

14. The Joint Chief Inspector of Factories, Visakhapatnam has issued a show cause notice (A. no. 3116/2008) dated October 30, 2008 for the violation of certain sections of the Factories Act against Mr. Umesh Chandra, General Manager (Works) and Mr. A.K. Makhija, General Manager (Environment and Safety) who have been nominated as the ‘occupier’ and the ‘manager’, respectively, for our Company’s factory under the Factories Act. The show cause notice alleged that the occupier and the manager have failed to provide guards to the couplings of certain shuttle trolleys and to maintain the minimum gap between the chute and the shuttle trolley. This resulted in the death of a worker, who got caught between the chute and shuttle trolley. Our Company had replied to the show cause notice by its letter (no. VSP/SED/2008/116) dated November 20, 2008, subsequent to which the Inspector of Factories, Visakhapatnam by order (A. no. 1219/2008) dated December 23, 2008 directed the Assistant Inspector of Factories, Visakhapatnam to file a complaint against the occupier and the manager before the appropriate Magistrate Court. The state of Andhra Pradesh represented by the Assistant Inspector of Factories, Visakhapatnam has filed a complaint (S.T.C no. 166/2009) dated December 28, 2008 before the II Additional Chief Metropolitan Magistrate Court, Visakhapatnam and has prayed that the occupier and manager be held liable under section 92 of the Factories Act and that they may be issued an order under section 102 of the Factories Act, directing them to comply with the provisions and the rules made there under.

15. The Assistant Inspector of Factories, Visakhapatnam has filed a complaint (STC no. 122/2012) for the violation of certain sections of the Factories Act before the II Additional Chief Metropolitan Magistrate, Visakhapatnam against Mr. Ravindra Ranjan, General Manager in-charge (Works) and Mr. A.K. Makhija, General Manager (Environmental and Safety) who have been nominated as the ‘occupier’ and the ‘manager’, respectively, for our Company’s factory under the Factories Act. The complaint alleged that the occupier and manager have failed to construct the bund properly, which had resulted in the collapse of the bund leading to hot metal gushing out, which resulted in two workers being charred to death due to the extreme heat of the liquid metal. The Assistant Inspector of Factories has prayed that the occupier and the manager be held liable under section 92 of the Factories Act and that they may be issued an order under section 102 of the Factories Act, directing them to comply with the provisions and rules made there under.

16. The Assistant Inspector of Factories, Visakhapatnam has filed a complaint (STC no. 126/2012) for the violation of certain sections of the Factories Act before the II Additional Chief Metropolitan Magistrate, Visakhapatnam against Mr. Ravindra Ranjan, General Manager in-charge (Works) and Mr. A.K. Makhija,

General Manager (Environmental and Safety) who have been nominated as the 'occupier' and the 'manager', respectively, for our Company's factory under the Factories Act. The complaint alleged that the occupier and manager have failed to ensure absence of any material on the coke oven battery before pressing a charging car with less ground clearance due to which two metallic mesh pieces were removed from the top of the oven. Thus when the charging car was moving, the extended metallic part of the charging car got pushed towards two workers, who were unaware of the development and one worker was hit and the metallic piece pressed at his thighs. He was grievously injured and his right leg was amputated. The Assistant Inspector of Factories has prayed that the occupier and the manager be held liable under section 92 of the Factories Act and that they may be issued an order under section 102 of the Factories Act, directing them to comply with the provisions and rules made there under.

17. The Assistant Inspector of Factories, Visakhapatnam has filed a complaint (STC no. 127/2012) for the violation of certain sections of the Factories Act before the II Additional Chief Metropolitan Magistrate, Visakhapatnam against Mr. Ravindra Ranjan, General Manager in-charge (Works) and Mr. A.K. Makhija, General Manager (Environmental and Safety) who have been nominated as the 'occupier' and the 'manager', respectively, for our Company's factory under the Factories Act. The complaint alleged that the occupier and manager have failed to arrange for any fall protection in a stability girder in a structural mill. A worker who was trying to walk from the girder at the eave to roof monitor for fixing life line without any fall protection fell from a height of 23 meters as one of the roof sheets bucked due to the load and resulted in the death of the worker on the spot. The Assistant Inspector of Factories has prayed that the occupier and the manager be held liable under section 92 of the Factories Act and that they may be issued an order under section 102 of the Factories Act, directing them to comply with the provisions and rules made there under.

18. The Joint Chief Inspector of Factories, Visakhapatnam has issued a show cause notice (A. no. 1820/2012) for the violation of certain sections of the Factories Act. The show cause notice alleged that the occupier and the manager have failed to take adequate precautions while carrying out operations at pressure reducing stations–3 ("**PRS-3**") of steel melting shop-2. As a result, the flow of the oxygen in branch-I gushed up to pressure control valve ("**PCV**") in closed condition and created adiabatic compression and instantaneous rise in the temperature beyond the ignition temperatures of teflon and menol in sequence and caused a fire. 19 persons died as a result of the fire. Our Company replied to the show cause notice by its letter dated August 18, 2012, subsequent to which the Inspector of Factories, Visakhapatnam by order (A. no. 810/2012) directed the Assistant Inspector of Factories, Visakhapatnam to file a complaint against the occupier and the manager before the appropriate Magistrate Court. The state of Andhra Pradesh represented by the Assistant Inspector of Factories, Visakhapatnam filed a complaint (STC no. 129/2012) dated October 10, 2012 before the II Additional Chief Metropolitan Magistrate, Visakhapatnam against Mr. Ravindra Ranjan, General Manager in-charge (Works) and Mr. A.K. Makhija, General Manager (Environmental and Safety) who have been nominated as the 'occupier' and the 'manager', respectively, for our Company's factory under the Factories Act praying that a direction be issued under section 102 of the Factories Act directing them to comply with the provisions of the Factories Act.

19. The Joint Chief Inspector of Factories, Visakhapatnam has issued a show cause notice (A. no. 2386/2012) dated September 26, 2012, for the violation of certain sections of the Factories Act. The show cause notice alleged that the occupier and the manager have failed to provide earthing to the metallic body of the portable halogen lamp arranged inside the underground cable trays tunnel of the special bar. On September 4, 2012, a contract worker while handling the lamp inside the tunnel got electrocuted and died on the spot. Our Company has replied to the notice by its letter dated October 12, 2012, subsequent to which the Inspector of Factories, Visakhapatnam by its order (A. no. 809/2012) directed the Assistant Inspector of Factories, Visakhapatnam to file a complaint against the occupier and the manager before the appropriate Magistrate Court. The state of Andhra Pradesh represented by the Assistant Inspector of Factories, Visakhapatnam has filed a complaint (STC no. 134/2012) dated December 31, 2012 for the violation of certain sections of the Factories Act before the II Additional Chief Metropolitan Magistrate, Visakhapatnam against Mr. Ravindra Ranjan, General Manager in-charge (Works) and Mr. A.K. Makhija, General Manager (Environmental and Safety) who have been nominated as the 'occupier' and the 'manager', respectively, for our Company's factory under the Factories Act praying that a direction be issued under section 102 of the Factories Act directing them to comply with the provisions of the Act and Rules.

20. The Joint Chief Inspector of Factories, Visakhapatnam has issued a show cause notice (A. no. 2385/2012) dated September 25, 2012, for the violation of certain sections of the Factories Act. The show cause notice alleged that the occupier and the manager have failed to provide sufficient duck ladders or crawling boards due to which one of the three contract workers while attending the work on the roof of the central machine

shop fell through a height of 9 meters and received grievous head injuries and died the same day. Our Company replied to the notice by its letter dated October 31, 2012, subsequent to which the Inspector of Factories, Visakhapatnam directed the Assistant Inspector of Factories, Visakhapatnam to file a complaint against the occupier and the manager before the appropriate Magistrate Court. The state of Andhra Pradesh represented by the Assistant Inspector of Factories, Visakhapatnam has filed a complaint (S.T.C no. 133/2012) dated December 31, 2012 before the II Additional Chief Metropolitan Magistrate Court, Visakhapatnam against Mr. Ravindra Ranjan, General Manager in-charge (Works) and Mr. A.K. Makhija, General Manager (Environmental and Safety) who have been nominated as the 'occupier' and the 'manager', respectively, for our Company's factory under the Factories Act praying that the occupier and manager be held liable under section 92 of the Factories Act and that they may be issued an order under section 102 of the Factories Act, directing them to comply with the provisions and the rules made there under.

21. The Assistant Inspector of Factories, Visakhapatnam has filed a complaint (STC no. 63/2014) for the violation of certain sections of the Factories Act before the II Additional Chief Metropolitan Magistrate, Visakhapatnam against Mr. Ravindra Ranjan, General Manager in-charge (Works) and Mr. Siram Sreesa Kumar, Executive Director (Environment and Safety) who have been nominated as the 'occupier' and the 'manager', respectively, for our Company's factory under the Factories Act. The complaint alleged that the occupier and manager have failed to maintain the blast furnace gas line in a safe condition, due to which, while the blast furnace gas was being charged for lighting up the boiler, the blast furnace gas leak resulted in exposure of toxic gases to 11 employees who eventually succumbed. Subsequently, the Joint Chief Inspector of Factories, Visakhapatnam along with the Inspector of Factories, Visakhapatnam inspected the factory on January 21, 2013, January 22, 2013 and January 31, 2013 and issued a show cause notice (A. no. 356/2013) dated March 24, 2013. Thereafter, the Inspector of Factories, Visakhapatnam by order (A. no. 115/2013) dated April 16, 2013 accorded sanction to initiate proceedings against the occupier and manager. The Assistant Inspector of Factories has prayed that the occupier and manager by held liable under section 92 of the Factories Act and that they may be issued an order under section 102 of the Factories Act, directing them to comply with the provisions and rules made there under.

22. The Assistant Inspector of Factories, Visakhapatnam has filed a complaint (STC no. 64/2014) for the violation of certain sections of the Factories Act before the II Additional Chief Metropolitan Magistrate, Visakhapatnam against Mr. Ravindra Ranjan, General Manager in-charge (Works) and Mr. Siram Sreesa Kumar, Executive Director (Environment and Safety) who have been nominated as the 'occupier' and the 'manager', respectively, for our Company's factory under the Factories Act. The complaint alleged that the occupier and manager have failed to provide extra support below wooden planks due to which contract worker fell from a height of 55 meters and received severe head and bodily injuries and died the same day. Subsequently, the Joint Chief Inspector of Factories along with the Inspector of Factories inspected the factory on November 13, 2013 and November 14, 2013 and issued a show cause notice (A. no. 1072/2013) dated December 10, 2013. Thereafter, the Inspector of Factories, Visakhapatnam by order (A. no. 1072/2013) dated February 7, 2014 accorded sanction to initiate proceedings against the occupier and manager. The Assistant Inspector of Factories, Visakhapatnam has prayed that that the occupier and manager by held liable under section 92 of the Factories Act and that they may be issued an order under section 102 of the Factories Act, directing them to comply with the provisions and rules made there under.

23. The Assistant Inspector of Factories, Visakhapatnam has filed a complaint (STC no. 213/2014) for the violation of certain sections of the Factories Act before the II Additional Chief Metropolitan Magistrate, Visakhapatnam against Mr. Dasari Nageswara Rao, Executive Director (Works) and Mr. Nadimpalli Venkata Krishnam Raju, General Manager (Safety) who have been nominated as the 'occupier' and the 'manager', respectively, for our Company's factory under the Factories Act. The complaint alleged that the occupier and manager have failed to provide secure guards to the rear side of the blower motor, due to which a contract worker received grievous injuries when her clothes got entangled with the motor which eventually resulted into her death. Subsequently, the Inspector of Factories, Visakhapatnam inspected the factory on March 19, 2014 and again on March 23, 2014 by the Joint Chief Inspector of Factories along with the Inspector of Factories. Thereafter, the Inspector of Factories, Visakhapatnam by order (A. no. 521/2014) dated June 3, 2014 accorded sanction to initiate proceedings. The Assistant Inspector of Factories, Visakhapatnam has prayed that that the occupier and manager by held liable under section 92 of the Factories Act and that they may be issued an order under section 102 of the Factories Act, directing them to comply with the provisions and rules made there under.

Public Interest Litigation

1) Mr. Gurram Veerabhadram and six others have filed a writ petition (W.P. No. 23744 of 2002) dated November 24, 2002 against our Company and others before the High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh alleging that the pollution caused by the dolomite mining operations of our Company at Madharam village, Khammam district, Andhra Pradesh emanates high pollution effluents and heavy dust, which is hazardous to health and also results in low quality yield of crops from the agricultural land and gardens of the petitioners that are located in Madharam village. Mr. Gurram Veerabhadram and six others have prayed for the issue of writ of mandamus directing our Company and the other respondents to pay monetary compensation to them from the year 1989 onwards till the rectification of the air, water, and land pollution emanating from the mines and also that our Company's mining operations be declared as illegal and violative of Article 19(1) (g) and Article 253 of the Constitution of India, 1950. Further, by way of interim relief, Mr. Gurram Veerabhadram and six others have prayed that our Company and the other respondents be directed to pay monetary compensation to six of the petitioners including Mr. Gurram Veerabhadram at the rate of ₹ 0.03 million per acre per year and to one other petitioner at the rate of ₹ 0.10 million per acre per year commencing from the year 1989 onwards till the date of disposal of the said writ petition. The High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh passed an interim order dated December 30, 2002 directing the Andhra Pradesh Pollution Control Board ("**APPCB**") to depute an officer to examine the various allegations made in the writ petition and submit a report to the High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh within a period of three weeks. Our Company filed a counter affidavit dated March 11, 2003 stating that that the mining operations at Madharam were being carried out in a scientific manner keeping the pollution within the prescribed limits. Subsequently, the High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh passed another interim order dated May 1, 2008 directing the APPCB to submit a report after verifying the industrial operations of our Company with reference to the applicable pollution control norms and a report on the compliance by our Company with the directions of the appellate authority dated February 17, 2004 under the Air Act and Water Act. Pursuant to this order, the APPCB submitted an affidavit dated June 10, 2008 stating non-compliance by our Company of provisions of the Water Act and Air Act. Our Company filed a reply dated August 1, 2008 to the affidavit stating that our Company had taken various pollution controlling mechanisms to maintain the ambient air quality standards within the prescribed limited including the inter-locking of the mining process and pollution control equipment, providing closed chutes at all free falling dust areas and sprinkling of water on open heaps of dolomite. The contingent liability of our Company as on March 31, 2012, if this case is decided against us, was approximately ₹ 31.65 million. The High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh by an order dated July 17, 2013 transferred the case to the National Green Tribunal ("**NGT**"), Chennai Bench, Chennai. NGT, Chennai by its order dated October 8, 2013 issued notice to our Company. Our Company appeared before NGT, Chennai on November 22, 2013 and filed its additional counter dated April 12, 2014. Thereafter, APPCB filed its status report dated July 17, 2014.

Income Tax cases

There are 64 income tax cases pending *inter alia* before various authorities like the Supreme Court of India, High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh, Income Tax Appellate Tribunal ("**ITAT**") and Commissioner of Income Tax (Appeals) ("**CIT (A)**"). The aggregate amount involved in these cases is approximately ₹ 3,667.58 million. Subsequent to assessment orders, the tax demand raised by the assessing officer was paid prior to filing an appeal before the first appellant authority. As a result, there may not be any additional liability to the Company, in case the appellant authority upholds the order of the assessing officer. In case of any relief granted by the appellate authority, our Company will be entitled to the refund of the amount previously deposited under protest. There are ten cases which involve amounts in excess of ₹ 60 million. A brief description of these cases and notices is provided below:

Assessment Year 2011-2012

1. Our Company has filed an appeal (bearing ITA no. 397/2012-13) dated March 12, 2013 before the CIT (A), Vishakhapatnam under section 246 (A) (1) (a) of the I.T. Act against the assessment order of the Joint Commissioner of Income Tax ("**JCIT**"), Range 3, Vishakhapatnam dated February 8, 2013 under section 143(3) of the I.T. Act on the ground that the JCIT, Visakhapatnam had erred in disallowing various deductions claimed by our Company. The order made disallowances of approximately ₹ 1,074.5 million having tax implications of approximately ₹ 356.92 million. The CIT (A) by its order (ITA no. 0397/12-13/JCIT/R-3/VSP/2013-14 dated December 23, 2013) partially upheld the disallowances made by the JCIT, Vishakhapatnam and partially allowed the disallowances made on expenditure on afforestation and horticulture and expenditure on peripheral development, community development expenditure and other

expenditure partially. Our Company has filed an appeal dated February 20, 2014 before the ITAT, Visakhapatnam.

Assessment Year 2010-2011

2. Our Company has filed an appeal (ITA no. 829/11-12) dated March 30, 2012 before the CIT (A), Visakhapatnam, under section 246A (1) (a) of the I.T. Act against the assessment order of the JCIT, Visakhapatnam, dated March 7, 2012 under section 143(3) of the I.T. Act on the ground that the JCIT, Vishakhapatnam had erred in disallowing various deductions claimed by our Company. The impugned order disallowed afforestation and horticulture expenses, depreciation on assets not owned by our Company, expenses made on account of post-retirement benefit scheme, employees family benefit scheme, leave encashment scheme, long service awards, expenditure on account of mines closure, peripheral development expenses. The above mentioned order thereby made disallowances of approximately ₹ 1,343.99 million having tax implications of approximately ₹ 456.83 million. Further, there was an additional demand of ₹ 43.12 million under the said order towards the interest on dividend distribution tax. Our Company filed a rectification application dated March 12, 2012 for rectifying the mistake in the order regarding the imposition of interest over the dividend distribution tax. Thereafter, the JCIT, Visakhapatnam had informed our Company that the rectification order is under process and pursuant to which the tax payable was arrived at ₹ 456.83 million and the same was paid by the Company on March 28, 2012. The CIT (A), Vishakhapatnam by its order dated November 27, 2012 had partially disallowed the appeal filed by our Company. Our Company has filed an appeal against the order dated January 12, 2013 before the ITAT, Visakhapatnam.

Assessment Year 2009-2010

3. Our Company has filed an appeal (ITA no.637/11-12) dated January 31, 2012 before the CIT (A), Vishakhapatnam, under section 246 A (1)(a) of the I.T. Act, against the assessment order of the Assistant Commissioner of Income Tax ("**ACIT**"), Circle 3(1), Visakhapatnam, dated December 30, 2011 under section 143(3) of the I.T. Act for the assessment year 2009-2010 on the ground that the ACIT, Visakhapatnam had erred in disallowing various deductions claimed by our Company. The impugned order disallowed afforestation and horticulture expenses, depreciation on assets not owned by our Company, expenses made on account of post-retirement benefit scheme, employees family benefit scheme, leave encashment scheme, long service awards, expenditure on account of mines closure, peripheral development expenses, technical consultancy fees and other miscellaneous expenses. The order thereby made disallowances of approximately ₹ 1,034 million having tax implications of approximately ₹ 462.30 million including interest of ₹ 110.88 million. Our Company filed a rectification application dated January 6, 2011 for rectifying the interest wrongly levied for the aforesaid amount. Pursuant to the said petition, an order (no. AABCR0435L/Cir.3 (1)/VSP/2011-2012) dated January 20, 2011 had been passed by the JCIT, Visakhapatnam, by which the tax payable was rectified to ₹ 351.50 million. Against the said demand our Company has remitted the entire amount to the income tax department on February 1, 2012. The CIT (A), Vishakhapatnam by its order dated November 19, 2012 partially disallowed the appeal filed by our Company. Our Company has filed an appeal against the order dated November 19, 2012 before the ITAT, Visakhapatnam.

Assessment Year 2008-2009

4. Our Company has filed an appeal (ITA no. 166/08-09) dated December 3, 2010 before the CIT (A), Vishakhapatnam, against the assessment order of the ACIT, Visakhapatnam, dated October 29, 2010 under section 143(3) of the I.T. Act on the ground that the ACIT, Visakhapatnam had erred in disallowing various deductions claimed by our Company. The impugned order treated the receipts from the sale of trees as revenue income instead of capital receipts, disallowed depreciation on assets not owned by our Company, expenses made on account of post-retirement benefit scheme, employees family benefit scheme, leave encashment scheme, technical consultancy fee, change in the accounting policy. The order thereby made disallowances of approximately ₹ 2,166.97 million having tax implications of approximately ₹ 720.80 million. Against the said demand, our Company has remitted the entire amount to the income tax department on December 3, 2010. The CIT (A), Vishakhapatnam by its order (ITA no. 166/Additional CIT/R-3/VSP/10-11/11-12) dated December 30, 2011 partially allowed the appeal by disallowing the addition of certain expenses as taxable income as ordered by the ACIT, Visakhapatnam. After deletion of the certain additions made by the assessment officer, our Company had calculated the tax payable as ₹ 504.10 million with respect to the remaining disallowance of ₹ 1,497.60 million. Aggrieved by the

aforementioned order our Company has filed an appeal (ITA no. 97/V/2012) dated March 30, 2012 before the ITAT, Visakhapatnam.

Assessment Year 2007-2008

5. Our Company has filed an appeal (ITA no. 404/08-09) dated March 12, 2009 before the CIT (A), Vishakhapatnam, against the assessment order of the ACIT, Visakhapatnam, dated February 18, 2009 passed under section 143(3) of the I.T. Act for the assessment year 2007-2008 on the ground that the ACIT, Visakhapatnam had erred in disallowing various deductions claimed by our Company. The impugned order treated the receipts from the sale of trees as revenue income instead of capital receipts, disallowed depreciation on assets not owned by our Company, expenses made on account of post-retirement benefit scheme, employees family benefit scheme, leave encashment scheme and long service awards. The order thereby made disallowances of approximately ₹ 892.10 million having tax implications of approximately ₹ 301 million. Against the said demand, our Company has remitted the entire amount to the income tax department on March 5, 2009. The CIT (A), Vishakhapatnam, by its order (ITA no. 404/ACIT/C-3(1)/VSP/08-09011-12) dated December 19, 2011 upheld the disallowances made by the ACIT, Visakhapatnam. Aggrieved by the above mentioned order, our Company has filed the appeal (ITA no. 95/V/2012) dated April 4, 2012 before the ITAT, Visakhapatnam.

Assessment Year 2006-2007

6. The ACIT, Visakhapatnam has issued a notice dated August 6, 2012 under section 148 of the I.T. Act stating that our Company's income of ₹ 7,314. 56 million chargeable to tax for assessment year 2006-2007 did not account for unabsorbed depreciation loss for assessment years 1996-1997 and 1997-1998 which were allowed at the time of assessment under section 143(3) of the I.T. Act was not allowable and should not have been set-off against the income for assessment year 2006-2007. Therefore, our Company's income should be reassessed for the assessment year 2006-2007. Our Company has filed an objection by reply dated September 5, 2012 and has filed a Writ Petition (W.P. no. 29925 of 2012) dated September 21, 2012 before the High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh challenging the above mentioned notice. The High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh by its order dated September 26, 2013 granted stay thereby directing the ACIT, Visakhapatnam not to pass any order exercising jurisdiction under section 147 of the Income Tax Act, 1961.

Assessment Year 2005-2006

7. The ACIT, Visakhapatnam has issued a notice dated August 31, 2012 under section 154 and 155 of the I.T. Act informing our Company that the assessment order dated March 19, 2010 under section 143(3) read with section 147 of the I.T. Act for the assessment year 2005-2006 requires to be amended and that the unabsorbed depreciation relating to assessment years 1993-1994, 1994-1995, 1995-1996 and 1996-1997 should not have been allowed to set-off against the income for the assessment year 2005-2006. Our Company has filed an objection by reply dated September 17, 2012 and has filed a Writ Petition (W.P. no. 29926 of 2012) dated September 21, 2012 before the High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh challenging the above mentioned notice. The High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh by its order dated September 26, 2013 granted stay thereby directing the ACIT, Visakhapatnam not to pass any order exercising jurisdiction under section 154 and 155 of the Income Tax Act, 1961.

8. Our Company has filed a Special Leave Petition (C.C. no. 673 of 2007 now converted to C.A. 433 of 2007) dated January 13, 2007 before the Supreme Court against the order (no. 652 of 2004) of the Authority for Advance Rulings, New Delhi ("**AAR**") dated July 19, 2006 passed under section 115JB of the I.T. Act. Our Company has filed an application dated November 29, 2004 before the AAR for arriving at the methodology to set off of interim profits against losses brought forward for the assessment year 2004-2005 and 2005-2006. However, the AAR upheld the methodology followed by the income tax department and imposed minimum alternate tax on our Company before absorption of the accumulated depreciation, thereby making a tax demand of approximately ₹ 1,096.30 million for the assessment years 2004-2005 and 2005-2006. Our Company has paid an amount of ₹ 65.65 million for the assessment year 2004-2005 and ₹ 1,052.65 million for the assessment year 2005-2006 on July 31, 2006 to the income tax department. The Supreme Court by order dated September 13, 2012 had disposed of the matter and directed our Company to move the High Court under Article 226 and 227 of the Indian Constitution against the order of the advance

ruling authority. Our Company has filed writ petition before the High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh and is yet to be listed for hearing.

Assessment Year 2004-2005

9. Our Company filed an appeal (ITA no. 2347/10) dated June 8, 2010 before the High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh against the order of the ITAT, Visakhapatnam, dated February 5, 2010 for the assessment year 2004-2005 on the ground that the ITAT, Visakhapatnam had erred in upholding the order of the CIT (A), Vishakhapatnam with respect to deduction of ₹ 2,036.52 million claimed under section 80 HHC of the I.T. Act, while computing the taxable income based on the book profits under section 115JB of the I.T. Act, thereby making a tax implication of approximately ₹ 156.60 million. Our Company remitted the entire amount of demand on July 31, 2006 and on January 12, 2007 as per the assessment order under section 143 (3) to the income tax department.

10. Our Company has filed an appeal (ITA no. 413/11-12) dated January 20, 2012 before the CIT (A), Vishakhapatnam against the assessment order of the JCIT, Visakhapatnam dated December 19, 2011 passed under section 143(3) read with section 253 of the I.T. Act for the assessment year 2004-2005. Initially our Company filed its returns for the assessment year 2004-2005 on October 29, 2004 admitting nil income during the above mentioned period. However, by an assessment order dated November 30, 2006, the ACIT, Visakhapatnam, determined that the amount of tax payable by our Company is ₹ 303.09 million. Our Company had paid an amount of ₹ 65.60 million on July 31, 2006. Subsequently, the ACIT, Visakhapatnam by his letter (no. AABCR 0435L/Circular.3 (1)/2004-05) dated December 26, 2006 adjusted certain refunds and tax already paid by our Company and determined the balance amount payable as ₹ 235.65 million. Our Company had paid the same on January 12, 2007. Our Company filed an appeal before the CIT (A), Vishakhapatnam against the order dated November 30, 2006 on the grounds that the ACIT, Visakhapatnam had erred in disallowing the deductions claimed under section 80HHC and had not adjudicated the matter relating to deductions claimed by our Company to the tune of ₹ 237.90 million on account of post-retirement medical and settlement benefits scheme and employee family benefit scheme. The Commissioner of Income Tax Appeals, by order (ITA no. 123/ACIT/C-3(1)/VSP/06-07) dated March 30, 2007 allowed the appeal partially and also confirmed the findings of assessing officer with respect to the above mentioned claim under section 80HHC and had not adjudicated the matter relating to post retirement benefits, etc. Our Company filed an appeal dated May 24, 2007 before the ITAT, Visakhapatnam. The ITAT, Visakhapatnam by order (ITA no. 222 and 223/Vizag/2007) dated February 5, 2010 directed the CIT (A), Vishakhapatnam to adjudicate the matter relating to post retirement benefits afresh.

Commercial Tax Cases

There are 58 commercial tax pending cases against our Company in relation to sales tax, value added tax and entry tax pending before the Supreme Court of India, High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh, Sales Tax Appellate Tribunal, Appellate Deputy Commissioner of Commercial Taxes, Assistant Commissioner of Commercial Taxes and Deputy Commissioner of Commercial Taxes Vishakhapatnam, Chennai, Kochi, Bhubaneswar and Kanpur. The aggregate amount involved in these cases is approximately ₹ 10, 279.93 million. These cases include four cases which involve amounts in excess of ₹ 60 million. A brief description of these cases is provided below:

1. Our Company had filed a Special Leave Petition (Civil Appeal no. 762 of 2012) on January 3, 2012 against the State of Uttar Pradesh and others before the Supreme Court regarding the payment of Entry Tax pursuant to the demand notices issued under the Uttar Pradesh Tax on Entry of Goods into Local Areas Act 2007 ("**UP Act**"). The special leave was preferred by our Company after the stay dated July 28, 2009 granted by the Allahabad High Court in the writ petition filed by our Company (bearing no. 1625 of 2009) for the exemption from the payment of the entry tax amounting to ₹ 156.78 million by furnishing bank guarantee was vacated by a judgment of the High Court of Allahabad in Writ Tax no. 1484 of 2007 dated December 23, 2011. The Supreme Court by its order dated January 18, 2012 declined to grant a blanket stay, however granted a conditional stay on the operation of the impugned judgment and directed our Company to deposit 50% of the accrued tax liability/arrears under the U.P. Act, 2007 and furnish bank guarantee for the balance amount and such deposit to be made after adjusting the amount(s) paid or deposited during the pendency of the writ petition before the High Court of Allahabad. The Supreme Court also directed the concerned department not to take any coercive steps in view of the interim order passed. Our Company had furnished bank guarantee for the tax demanded from July 2009 to December 2011 and had paid the demanded amount from January 2012.

Assessment Year 2005-2006

2. Our Company has filed a writ petition (no. 14584 of 2007) dated July 6, 2007 before High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh against the order (GI no. 7247/2005-06 CST) of the Assistant Commissioner, Commercial Taxes, Large Taxpayers Unit ("**LTU**"), Visakhapatnam, dated June 19, 2007 for the Financial Year 2005-2006 on the ground that the Assistant Commissioner erred in treating the stock transfer of goods/material from factory to the branches of our Company as inter-state sales under section 3(a) of the CST Act, thereby raising a demand of ₹ 3,832.46 million as sales tax on stock transfer of goods/material including tax on LTC sales and project sales and applicable deductions. Our Company has disputed the sales tax of ₹ 3,832.93 million and has prayed before the High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh to declare the orders of the Assistant Commissioner, Commercial Taxes, LTU, Visakhapatnam as illegal, arbitrary and against the principals of natural justice and stay the collection of sales tax pursuant to the said order. The appeal has been admitted and an interim stay has been granted by the High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh by order in W.P.M.P no. 18341 of 2007 in W.P no. 14584 of 2007 dated January 21, 2008. Pursuant to the petition filed under section 151 of CPC, the High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh directed the Assistant Commissioner of Commercial Tax not to take any coercive steps against our Company as the disputed question of fact with regard to the nature of the transaction would be decided through the writ petition.

Assessment Year 2004-2005

3. Our Company has filed a writ petition (no. 10380 of 2008) dated April 29, 2008 before High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh against the order (GI. no. 7247/2004-05(CST) of the Assistant Commissioner, Commercial Taxes, LTU, Visakhapatnam, dated March 31, 2008 for the Financial Year 2004-2005 on the ground that the Assistant Commissioner erred in treating the stock transfer of goods/material from factory to the branches of our Company as inter-state sales under section 3(a) of the CST Act, thereby raising a demand of ₹ 3,652.43 million as sales tax on stock transfer of goods/material including tax on LTC sales and project sales and applicable deductions. Our Company has disputed the sales tax of ₹ 3,651.91 million and has prayed before the High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh to declare the orders of the Assistant Commissioner as illegal, arbitrary and against the principals of natural justice and stay the collection of tax pursuant to the said order. The appeal has been admitted and an interim stay has been granted by the High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh by order in W.P.M.P no. 13600 of 2008 in W.P no. 10380 of 2008 dated May 2, 2008, pursuant to a petition under section 151 of CPC, against the collection of the assessed amount.

Assessment Year 2003-2004

4. Our Company has filed a writ petition (no. 18514 of 2007) dated October 6, 2007 before High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh against the order (GI. no. 7247/2003-04(CST) of the Appellate Deputy Commissioner, Commercial Taxes, Visakhapatnam dated August 23, 2007 for the Financial Year 2003-2004 on the ground that the Appellate Deputy Commissioner erred in treating the stock transfer of goods/material from factory to the branches of our Company as inter-state sales under section 3(a) of the CST Act, thereby raising a demand of ₹ 2,404.05 million as sales tax on stock transfer of goods/material. Our Company has prayed for the High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh to declare the orders of the Assistant Commissioner as illegal, arbitrary and against the principals of natural justice and stay the collection of tax pursuant to the said order. Our Company has made a pre-deposit of ₹ 801.30 million pursuant to the order of the joint commissioner dated June 27, 2007 requiring our Company to pay one-third of the tax amount claimed. The appeal has been admitted and interim stay has been granted by the High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh by order (W.P.M.P no. 23765 of 2007 in W. P. no. 18514 of 2007) dated November 1, 2007.

Excise Tax Cases

There are 103 central excise and service tax cases pending against our Company before the Commissioner of Central Excise and Customs and Service Tax, and the CESTAT. The aggregate amount involved in these cases is approximately ₹ 5,436.74 million. Of the 103 cases, 17 cases involve amounts in excess of ₹ 60 million. A brief description of these cases is provided below:

1. A show cause notice (no. V/15/08/2014-Adj.) dated January 29, 2014 was issued by the Commissioner of Central Excise, Customs and Service Tax, Visakhapatnam against our Company, proposing disallowance of Cenvat credit on the service tax paid on input services worth ₹ 131.028 million used for an expansion project, alleging credit was taken before the commencement of production for the period from January 2013 to September 2013 and demanded recovery of the same under rule 14 of the Cenvat Credit Rules, 2004 read with the proviso to section 73(1) of the Finance Act 1994. Our Company, by its letter dated August 27, 2014 sought extension of time to file its objection/reply to the show cause notice and further requested a personal hearing.

2. A show cause notice (no. V/15/79/2014-Adj) dated May 6, 2014 was issued by the Commissioner of Central Excise, Customs and Service Tax, Visakhapatnam against our Company, proposing disallowance of Cenvat credit on inputs and capital goods of ₹ 78.56 million used for the period from April 2013 to December 2013 and demanded recovery of the same under Rule 14 of the Cenvat Credit Rules, 2004 read with section 11A and section 11AA of the Central Excise Act, 1944 ("**CE Act**"). Our Company, by its letter dated August 27, 2014 sought extension of 30 days to file its objection/reply to the show cause notice and further requested a personal hearing before adjudicating the show cause notice.

3. A show cause notice (no. V/15/34/2005-Adj) dated May 2, 2005 was issued by the Commissioner of Central Excise, Customs and Service Tax, Visakhapatnam against our Company proposing a demand of ₹ 170.10 million as duty under proviso to section 11A (1) and section 38 A of the CE Act on the items produced in auxiliary shops for the period from April 2000 to March 2003. Our Company has filed a reply against the show cause by letter (no. VSP/FIN/SCN/AUXSHOPS) dated July 25, 2005 stating that notification no. 65/95 issued pursuant to the CE Act gives exemption to all excisable goods manufactured in a workshop within the factory premises and intended for use in the said factory for repair/maintenance of the machinery installed therein. Further, notification no. 67/95 issued pursuant to the CE Act exempts both capital goods and inputs used for manufacture of final products.

4. A show cause notice (no. V/15/106/2006 Adj) October 27, 2006 was issued by the Commissioner of Central Excise, Customs and Service Tax, Visakhapatnam against our Company proposing a demand of ₹ 81.72 million as duty under proviso to section 11A (1) and section 38 A of the CE Act on the items produced in auxiliary shops for the period from April 2003 to March 2006. Our Company has filed a reply against the show cause by letter (no. VSP/FIN/SCN/AUXSHOPS/798) dated January 4, 2007 stating that notification no. 65/95 issued pursuant to the CE Act gives exemption to all excisable goods manufactured in a workshop within the factory premises and intended for use in the said factory for repair/maintenance of the machinery installed therein. Further, notification no. 67/95 issued pursuant to the CE Act exempts both capital goods and inputs used for manufacture of final products.

5. A show cause notice (no. V/15/127/2009-Adj) dated September 15, 2009 was issued by the Commissioner of Central Excise, Customs and Service Tax, Visakhapatnam against our Company, proposing disallowance of Cenvat credit on the service tax paid on input services worth ₹ 619.66 million used for an expansion project, alleging credit was taken before the commencement of production for the period from December 2006 to September 2008 and required recovery of the same under rule 14 of the Cenvat Credit Rules, 2004 ("**Cenvat Rules**") read with the proviso to section 11A(1) of the CE Act. Our Company has filed a reply against the show cause by letter (no. VSP/FIN/CE/SCN/2009-10/1401) dated March 11, 2010 stating that under rule 3 of the Cenvat Rules, a manufacturer or producer of final products or provider of taxable service shall be allowed to take credit of the service tax paid on any input service received by the manufacturer of the final product or by the provider of output services on or after September 10, 2004. The services received from various service providers in relation to expansion works, qualifies the definition of input service as per rule 2(l) of Cenvat Rules, and hence credit availed by our Company is in order. Our Company had prayed before the Commissioner of Central Excise, Customs and Service Tax to dispose the show cause notice.

6. A show cause notice (no. V/15/08/2010-Adj) dated February 10, 2010 was issued by the Commissioner of Central Excise, Customs and Service Tax, Visakhapatnam against our Company, proposing disallowance of Cenvat credit on the service tax paid on input services worth ₹ 614.39 million used for expansion project, alleging credit was taken before commencement of production for the period from October, 2008 to September, 2009 and required recovery of the same under rule 14 of the Cenvat Rules, read with the proviso to section 11A(1) of the CE Act. Our Company has filed a reply against the show cause by letter

(no. VSP/FIN/CE/SCN/2010-11/309) dated July 1, 2010 stating that under rule 3 of the Cenvat Rules, a manufacturer or producer of final products or provider of taxable service shall be allowed to take credit of the service tax paid on any input service received by the manufacturer of final product or by the provider of output services on or after September 10, 2004. The services received from various service providers in relation to expansion, works qualifies the definition of input service as per rule 2(l) of Cenvat Rules, and hence credit availed by our Company is in order. Our Company had prayed before the Commissioner of Central Excise, Customs and Service Tax to dispose the show cause notice.

7. A show cause notice (no. V/15/153/2010-Adj) dated November 3, 2010 was issued by the Commissioner of Central Excise, Customs and Service Tax, Visakhapatnam against our Company, proposing disallowance of Cenvat credit on the service tax paid on input services worth ₹ 356.33 million used for expansion project, alleging credit was taken before commencement of production for the period between October, 2009 to March, 2010 and required recovery of the same under rule 14 of the Cenvat Rules, read with the section 73(1) of the Finance Act 1994. Our Company has filed a reply against the show cause by letter (no. VSP/FIN/CE/SCN/2011-12/087) dated May 4, 2011 stating that under rule 3 of the Cenvat Rules a manufacturer or producer of final products or provider of taxable service shall be allowed to take credit of the service tax paid on any input service received by the manufacturer of final product or by the provider of output services on or after September 10, 2004.The services received from various service providers in relation to expansion works qualifies the definition of input service as per rule 2(l) of Cenvat Rules and hence credit availed by our Company is in order. Our Company had prayed before the Commissioner of Central Excise, Customs and Service Tax to dispose the show cause notice.

8. A show cause notice (no. V/15/37/2011-Adj) dated March 14, 2011 was issued by the Commissioner of Central Excise, Customs and Service Tax, Visakhapatnam against our Company, proposing disallowance of Cenvat credit on the service tax paid on input services worth ₹ 293.19 million used for expansion project, alleging credit was taken before commencement of production for the period from April, 2010 to September, 2010 and required recovery of the same under rule 14 of the Cenvat Rules, read with the section 73(1) of the Finance Act, 1994. Our Company has filed a reply against the show cause by letter (no. VSP/FIN/CE/SCN/2011-12/599) dated December 19, 2011 stating that under rule 3 of the Cenvat Rules a manufacturer or producer of final products or provider of taxable service shall be allowed to take credit of the service tax paid on any input service received by the manufacturer of final product or by the provider of output services on or after September 10, 2004. The services received from various service providers in relation to expansion works qualifies the definition of input service as per rule 2(l) of Cenvat Rules and hence credit availed by our Company is in order. Our Company had prayed before the Commissioner of Central Excise, Customs and Service Tax to drop the show cause notice.

9. A show cause notice (no. V/15/180/2011-Adj) dated September 20, 2011 was issued by the Commissioner of Central Excise, Customs and Service Tax, Visakhapatnam against our Company, proposing disallowance of Cenvat credit on the service tax paid on input services worth ₹ 313.40 million used for expansion project, alleging credit was taken before commencement of production for the period from October, 2010 to March, 2011 and required recovery of the same under rule 14 of the Cenvat Rules, read with the section 73(1) of the Finance Act 1994. Our Company has filed a reply against the show cause by letter (no. VSP/FIN/CE/SCN/2011-12/600) dated December 19, 2011 stating that under rule 3 of the Cenvat Rules, a manufacturer or producer of final products or provider of taxable service shall be allowed to take credit of the service tax paid on any input service received by the manufacturer of final product or by the provider of output services on or after September 10, 2004. The services received from various service providers in relation to expansion works qualifies the definition of input services per rule 2(l) of Cenvat Rules, and hence credit availed by our Company is in order. Our Company had prayed before the Commissioner of Central Excise, Customs and Service tax to drop the show cause notice.

10. A show cause notice (no. V/15/47/2012-Adj) dated March 30, 2012 was issued by the Commissioner of Central Excise, Customs and Service Tax, Visakhapatnam against our Company, proposing disallowance of Cenvat credit on the service tax paid on input services worth ₹ 159.70 million used for expansion project, alleging credit was taken before commencement of production for the period from April 2011 to September 2011 and required recovery of the same under rule 14 of the Cenvat Rules, read with section 73(1) of the Finance Act, 1994. Our Company has filed a reply against the show cause by letter (no. VSP/FIN/CE/SCN/2013-14) dated June 16, 2013 stating that under rule 3 of the Cenvat Rules, a manufacturer or producer of final products or provider of taxable service is allowed to take credit of the service tax paid on any input service received by the manufacturer of final product or by the provider of output services on or after September 10, 2004. The services received from various service providers in

relation to expansion works qualifies the definition of input services per rule 2(l) of Cenvat Rules, and hence credit availed by our Company is in order. Our Company had prayed before the Commissioner of Central Excise, Customs and Service Tax to drop the show cause notice.

11. A show cause notice (no. V/15/48/2013-Adj) dated March 19, 2013 was issued by the Commissioner of Central Excise, Customs and Service Tax, Visakhapatnam against our Company, proposing disallowance of Cenvat credit on the service tax paid on input services worth ₹ 109.51 million used for expansion project, alleging credit was taken before commencement of production for the period from April 2012 to December 2012 and required recovery of the same under rule 14 of the Cenvat Rules read with the section 73(1) of the Finance Act 1994. Our Company has filed a reply against the show cause by letter (no. VSP/FIN/CE/SCN/2013-14) dated June 21, 2013 stating that under rule 3 of the Cenvat Rules, a manufacturer or producer of final products or provider of taxable service is allowed to take credit of the service tax paid on any input service received by the manufacturer of final product or by the provider of output services on or after September 10, 2004. The services received from various service providers in relation to expansion works qualifies the definition of input services per rule 2(l) of Cenvat Rules, and hence credit availed by our Company is in order. Our Company had prayed before the Commissioner of Central Excise, Customs and Service Tax to drop the show cause notice.

12. The Directorate General of Central Excise, Chennai issued a show cause notice (no. 27/2009) dated April 15, 2009 for demanding an amount of ₹ 121.50 million during the period between April 2004 and September 2008 alleging that the shortage in payment was on account of undervaluation of finished excisable goods cleared for consumption in their expansion project, is in contravention of section 4 of the CE Act read with rule 4 of the Cenvat Rules. Our Company had replied to the show cause notice on July 15, 2010 stating that the goods used for captive consumption to be valued as per rule 8 of the Cenvat Rules and as such the valuation adopted by our Company is correct. The Commissioner of Central Excise, by its order (no. 29/2010 (MP) dated August 13, 2010 confirmed the duty demand of ₹ 121.50 million under section 11 A (1) of the CE Act and imposed a penalty of ₹ 121.50 million under section 11AC of the CE Act. Our Company has filed an appeal along with a stay petition (E/2356/2010) dated November, 8, 2010 against the said order before the CESTAT, Bengaluru. CESTAT by its stay order (no.1073/2012) dated June 20, 2012 directed our Company to pre-deposit an amount of ₹ 30 million and to report compliance on or before August 29, 2012. On such pre-deposit by our Company, the CESTAT stayed the payment of the balance duty till the final disposal of the matter.

13. A show cause notice (no. V/15/131/2011-Adj) dated August 3, 2011 was issued by the Commissioner of Central Excise, Visakhapatnam against our Company, proposing a demand Central Excise duty amounting to ₹ 48.95 million in respect of the goods cleared without payment of duty under the notification (no.108/95-CE) dated August 28, 1995 to contractors of projects financed by the United Nations or international organizations and approved by the Government of India, during the period from July 2006 to December 2010, under Rule (4) and Rule (8) of the Central Excise Rules, 2002, read with proviso to section 11A(1) of the CE Act. Our Company had replied to the show cause notice on March 13, 2012 stating that the clearances were made after submission of a certificate from the authorities specified under the notification (no. 108/95-CE) dated August 28, 1995, to the Jurisdictional Assistant Commissioner of Central Excise, Visakhapatnam and that extended period of limitation cannot be invoked since the clearances are made with the knowledge of the department. Our Company has submitted that there was an excess demand of ₹ 14.28 million on account of apparent errors in the show causes notice. Thereafter, the Commissioner of Central Excise, Visakhapatnam by its order (Order-in-Original no. VIZ-CEX-001-COM-049-12) dated March 16, 2012 confirmed the demand of ₹ 34.66 million under section 11 A (2) of CE Act, and imposed a penalty of ₹ 34.66 million under section 11 AC of the CE Act. Our Company has filed an appeal dated June, 26, 2012 along with stay application against the said order before the CESTAT, Bengaluru. The CESTAT by its miscellaneous order (no. 26361/2012) dated June 20, 2013 ordered the waiver of pre-deposit and stay against recovery of the adjudged dues.

14. A show cause notice (no. V/15/289/2011-Adj) dated January 27, 2012 was issued by the Commissioner of Central Excise, Customs and Service Tax, Visakhapatnam against our Company, proposing disallowance of Cenvat credit on inputs and capital goods of ₹ 67 million used for the period from January, 2011 to June, 2011. Our Company Our Company has filed a reply against the show cause by letter (no. VSP/FIN/CE/SCN/2012-13/277) dated July 23, 2012 stating that the said inputs and capital goods are used in the factory for manufacture of final products and as such they qualify for availing credit under the Cenvat Rules. Thereafter, the Commissioner of Central Excise, Visakhapatnam by its order (Order-in-Original no. VIZ-CEX-001-COM-098-12) dated July 31, 2012 allowed. ₹ 20.92 million, dropped a demand of ₹ 0.10

million, and disallowed ₹ 45.98 million as Cenvat credit and imposed a penalty of ₹ 0.5 million under in terms of rule 14 of Cenvat Rules read with section 11A of the CE Act and rule 15 of Cenvat Rules respectively. Our Company has filed an appeal dated December 18, 2012 along with stay application against the said order before the CESTAT, Bengaluru. The CESTAT by its final order (no. 26529/2013) dated September 9, 2013 remand the appeal to the adjudicating authority to re-consider the issue afresh.

15. Six show cause notices (no. V/15/109/2004-Adj) dated September 30, 2004 for the period from September 2003 to June 2004, (no. V/15/23/2005-Adj) dated April 25, 2005 for the period from July 2004 to November 2004, (no. V/15/104/2005-Adj) dated December 14, 2005 for the period from December 2004 to March 2005, (no. V/15/56/2006-Adj) dated May 1, 2006 for the period from April 2005 to December 2005, (no. V/15/144/2006-Adj) dated January 19, 2007 for the period from January 2006 to June 2006 and (no. V/15/74/2007-Adj) dated July 19, 2007 for the period from July 2006 to December 2006, were issued by the Commissioner of Central Excise, Customs and Service Tax, Visakhapatnam against our Company, proposing disallowance of Cenvat credit on inputs and capital goods of ₹ 196.55 million used for expansion project. Our Company has filed a reply against the show cause by its letters (no. VSP/FIN/SCN/SCNAPR03/654) dated December 31, 2004, (no. VSP/FIN/SCN/CENVAT/06-07/643) dated November 1, 2006, (no. VSP/FIN/SCN/CENVAT/06-07/011) dated April, 15, 2006, (no. VSP/FIN/SCN/111) dated August 9, 2005, (no. VSP/FIN/SCN: 144/CENVAT/07-08/) dated June 19, 2007 and (no. VSP/FIN/SCN: 74/CENVAT/07-08/235) dated August 31, 2007. The Commissioner of Central Excise, Customs and Service Tax, Visakhapatnam by order (no. 21/2007-08/RS) dated September 27, 2007 disallowed the entire amount. Our Company filed an appeal (no. E/16/2008) dated December 31, 2007 against the above mentioned order before the CESTAT, Bengaluru and prayed for setting aside of the order for recovery of the credit. Our Company has also filed an appeal no. E/Stay/14/2008 in E/16/2008 and prayed for a waiver of the pre-deposit of ₹ 196.55 million and the CESTAT, Bengaluru by order (no. 1453/2010) dated October 26, 2010 directed the adjudicating authority to reconsider the issue afresh. Pursuant to this direction, the Commissioner of Central Excise, Customs and Service Tax, Visakhapatnam by the order. (no. VIZ-CEX-001-COM-005 -12) dated January 16, 2012 allowed ₹ 42.20 million and disallowed ₹ 153.85 million as Cenvat credit and imposed a penalty of ₹ 0.4 million under rule 15 of Cenvat Rules. Our Company has filed an appeal along with a stay petition dated April 30, 2012 against the order of the Commissioner of Central Excise, Customs and Service Tax, Visakhapatnam in CESTAT Bengaluru. CESTAT, Bengaluru by its final order (no. 26451-26456/2013) dated August 22, 2013 set aside the impugned order after waiving the pre-deposit and the matter is remanded to the adjudicating authority to decide the issue afresh.

16. A show cause notice (HQPS no. 21/96(AE) dated April 26, 1999 was issued by the Commissioner of Central Excise, Customs and Service Tax, Visakhapatnam against our Company proposing a demand of ₹ 54.81 million as duty on excess stocks found at stockyard for the period from 1991-1992 to 1997-1998. Our Company has filed a reply against the show cause by letter (no. VSP/FIN/SCN/SCN21-96/232) dated September 1, 2001 and requested the Commissioner of Central Excise, Customs and Service Tax, Visakhapatnam to drop the proceedings relating to the excise duty citing reasons of limitation and non-applicability of section 11 AC of the CE Act, which was incorporated only with effect from September 28, 1996 which was being retrospectively applied as the duty amounts became payable prior to September 1996. The Commissioner of Central Excise, Customs and Service Tax, Visakhapatnam by the order (no. 23/03-04) dated August 18, 2003 imposed a duty of ₹ 48.27 million under section 11(A) (1) of the CE Act read with rule 9(2) of the CE Rules. The order also imposed a mandatory penalty of ₹ 21.53 million under section 11 AC of the CE Act and an additional ₹ 25 million penalty under rule 173Q of the CE Rules. Our Company has filed an appeal dated November 18, 2003 against the said order before the CESTAT, Bengaluru. CESTAT, Bengaluru by stay order (no. 1009/2004) dated October 8, 2004 directed our Company to pre-deposit an amount of ₹ 10 million within three months and on such pre-deposit, stayed the duty till the final disposal of the appeal and by final order (no. 1279/2005 in E/1087/2003) dated August 3, 2005 has set aside the order of the Commissioner of Central Excise, Customs and Service Tax, Visakhapatnam and held that the Commissioner had erred in not applying the Central Board of Excise and Customs circular dated September 29, 1999 which set out the procedure to be followed if the quantity in the stockyard is either more than or less than the quantity cleared by the factory for determining the amount of duty to be paid and remanded the matter for applying boards circular and determine the liability. Our Company has taken credit of the pre-deposit of ₹ 10 million during October 2005. The Commissioner of Central Excise, Customs and Service Tax, Visakhapatnam has preferred an appeal against this order before the High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh.

17. A show cause notice (no. V/15/61/2012-Adj.) dated August 05, 2014 was issued by the Commissioner of Central Excise, Customs and Service Tax, Visakhapatnam against our Company, proposing disallowance of Cenvat credit on the service tax paid on input services worth ₹ 648.530 million under Industrial/Commercial Construction Services & Works Contracts Services, alleging that credit was inappropriately taken without regard to exclusion clause in Explanation 2 of Rule 2(k) of Cenvat Credit Rules, 2004 which was inserted vide Notification No. 16/2009-CE(NT) Dt. 07.07.2009 and further amended by Notification No. 03/2011-CE(NT) Dt. 01.03.2011 for the period from July 2009 to December 2013 and demanded recovery of the same under rule 14 of the Cenvat Credit Rules,2004 read with the proviso to sub-section 11A of the Central Excise Act, 1944 as amended from time to time read with corresponding provisions of Section 73 of the Finance Act 1994. Our Company by its letter dated September 4, 2014 sought extension of time to file its objection/reply to the show cause notice and further requested a personal hearing

Customs Tax cases

There are 175 customs cases pending *inter alia* before various authorities such as the Assistant Commissioner of Customs, CESTAT and High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh with respect to disputes relating to the refund of excess customs duty paid on coking coal, imported limestone, internals of gear box and ferro silicon, for finalization of provisional duty on limestone and coking coal and for differential charge of customs duty. The aggregate amount involved in these cases is approximately ₹ 106.8 million. These cases include one case which involves an amount in excess of ₹ 60 million. A brief description of this case is provided below:

1. Our Company filed an appeal dated December 3, 2007 before the CESTAT, Bengaluru against the order (no. 38/2007(V) CH) dated August 20, 2007 of the Commissioner of Appeals, Central Excise and Customs, Visakhapatnam which confirmed the order (no. 21/2005) of the Assistant Commissioner of Customs, Visakhapatnam dated June 14, 2005. Our Company by a letter dated March 17, 2005 had been asked to submit necessary evidence to show that the incidence of duty paid had not been passed to any other person to examine the unjust enrichment aspect, for a refund of ₹ 129 million to our Company which was the excess customs duty paid against the project imports during the years 1982 to 1993. The appeal was filed on the ground that the impugned order of the Assistant Commissioner of Customs, Visakhapatnam finalized the provisional assessment in respect of project imports by our Company and credited the excess payment of duty of ₹ 129 million to the consumer welfare fund in terms of the section 27 of the Customs Act. The appeal was dismissed by the Commissioner of Appeals, Central Excise and Customs, Visakhapatnam. Thereafter, our Company has filed an appeal before the CESTAT, Bengaluru for which the permission of the Committee on disputes, Cabinet Secretariat, Government of India, has been obtained on August 11, 2010.

Miscellaneous Tax Matters

There are two tax matters pending before the Calcutta High Court and High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh filed against our Company. These cases relate to deduction of TDS from the perks of the employees and imposition of service tax at the rate of 12% on monthly license fee of the tenants/leaseholders of the shops situated in Steel Plant quarters, Ukkunagaram, Visakhapatnam. The amount involved in these cases is unascertainable.

Arbitration Matters

There are 32 arbitration proceedings pending against our Company before various arbitral tribunals. The arbitration matters amongst others are in relation to disputes involving contract for supply of raw material, provision of services, construction of structural steel works, transportation and stevedoring, handling, cleaning and forwarding of imported coking coal, etc. The aggregate amount involved in these cases is approximately ₹ 1,268.68 million and the matters are currently pending. These cases include seven cases which involve amounts in excess of ₹ 60 million. A brief description of these cases is provided below:

1. Valency International Trading Private Limited ("**VITPL")** has initiated an arbitration proceeding (18753/VYK) against our Company before the International of Chamber of Commerce ("**ICC**"), Asia Office, in relation to two Free On Board (FOB) contracts (014/2010-2011) and (017/2010-2012) dated August 26, 2010 and October 4, 2010, respectively. As per the terms of each of the above mentioned contracts VITPL agreed to buy 10,000 mt of wire rod coils and 3000 mt of re-bars. Further, VITPL had

agreed to furnish a bank guarantee of USD 78,000 for both the contracts and make financial arrangements in the form of letter of credit. However, our Company terminated the contract on grounds of breach of the terms and conditions by VITPL and did not supply, 6750 mt of wire rod coil as per the contract (014/2010-2011) dated August 26, 2010 and 13,000 mt of wire rod coil and re-bars as per the contract (017/2010-2012) dated October 4, 2010. Our Company stated that the grounds for terminating the contract was the fact that two letters of credit for 2,800 mt and 2,200 mt respectively, issued by VITPL were not received by our Company in due time and they did not confirm to the standard format as per the contract. It was also stated that the nominating vessel sent by VITPL was very old and did not confirm to contractual terms. Thereafter, VITPL claimed that our Company had wrongfully terminated both the contracts and had failed to deliver 6,750 mt and 13,000 mt of cargo by the latest shipment date. With respect to both the contracts, VITPL in its claim statement dated June 8, 2012 stated that our Company had made a wrongful demand on the bank guarantee of ₹ 3.90 million for each of the above mentioned contracts and claimed a sum of ₹ 101.11 million under both the contracts along with interest and cost and others reliefs as the tribunal deem fit.

2. Monnet Ispat and Energy Limited ("**MIEL**") has filed an arbitration proceeding (ICA no. 1644/2008) against our Company before the Indian Council of Arbitration, New Delhi by letter dated April 29, 2008 in relation to the acceptance to tender (A/T no. Pur.7.66.0008/4044) dated May 27, 2007 for supply of silicon manganese. As per the terms of the said acceptance to tender, MIEL was required to supply 10,000 mt of silicon manganese at the rate of 1,667 mt per month from June 2007 till completion. However, MIEL failed to adhere to the supply schedule and supplied a total of 2634.30 mt only. As a consequence, our Company had to resort to risk purchases in order to make up for the short supply and thereby incurred additional costs. Our Company withheld the payment of ₹ 105.95 million that was to be made to MIEL as adjustment for the risk purchases and liquidated damages. Subsequently, MIEL filed an application (A.O.P. no. 1213/2007) under section 9 of the Arbitration and Conciliation Act, 1996 seeking for the grant of an ex parte interim injunction restraining our Company and its officials from encashing the bank guarantee issued by MIEL in favour of our Company and from invoking the risk purchase clause for the purchase of the remaining 5,027 mt of silicon manganese, which was to be supplied by MIEL to our Company, at the cost and risk of MIEL, before the IV Additional District Court, Visakhapatnam. The said application was dismissed by order dated May 6, 2008 and the court ordered MIEL to approach the arbitral tribunal for relief. In the meanwhile, MIEL filed the claim statement dated April 29, 2008 alleging that the risk purchase action of our Company was not valid and claiming an amount of ₹ 156.52 million. Further, along with the claim statement MIEL also filed an interim application before the tribunal seeking for the grant of an ex parte interim injunction restraining our Company and its officials from encashing the bank guarantee and from invoking the risk purchase clause for the purchase of the remaining 5,027 mt of silicon manganese at the cost and risk of MIEL. Our Company filed its counter claim dated May 18, 2009 and claimed liquidated damages of ₹ 15.21 million along with interest for delayed supply of the material as per the terms of the above mentioned acceptance to tender.

3. Balaji Coke Industry Private Limited ("**BCIPL**") filed an arbitration application (no. AC/1578/2008) dated July 11, 2007 before Indian Council of Arbitration, New Delhi in relation to a contract (no. PUR.6.17.013/0051) dated June 21, 2006 for the supply of low metallurgical ash coke ("**LAM coke**") to our Company. As per the terms of the contract, BCIPL was required to supply 30,000 mt of LAM coke and was also required to nominate a vessel for the shipment of the LAM coke as per the specifications provided. However, BCIPL failed to nominate a vessel which satisfied the said criteria and the shipment continued to incur heavy plot rent and demurrage and due to this our Company had to resort to risk purchases from alternate sources in order to make up for the short fall in the supply of LAM coke and incurred additional costs. Our Company also invoked the bank guarantee of ₹ 6.96 million on April 9, 2007. Subsequently, BCIPL filed a claims statement dated July 11, 2007 and made a claim of ₹ 145 million besides seeking for the refund of the bank guarantee enchased by our Company. Our Company filed a counter claim dated October 30, 2007 praying for the rejection of the claims made by BCIPL and also claimed a sum of ₹ 77.82 million together with interest for the additional cost incurred by it.

4. Minerals and Metal Trading Corporation Limited ("**MMTC**") has referred the dispute against our Company to the Permanent Machinery of Arbitration ("**PMA**") in the Department of Public Enterprises, in connection with Agreement dated February 6, 2004 for sale and purchase of Low Ash Metallurgical Coke. Accordingly, MMTC has filed claim statement for an amount of ₹ 240 million. MMTC has alleged that our Company erroneously applied the conversion factor for price calculation and it illegally withheld payment for supply of LAM coke from October, 2004 till December, 2004. In the PMA, the competent authority dealing with the arbitration had appointed Mr. Raman Yadav (ILS), Joint Secretary of Department of Public Enterprises as Sole Arbitrator to adjudicate the said referred disputes of the parties by order dated August 14, 2013. Our

Company filed its counter claim on October 18, 2013 denying all the allegations raised by the MMTC and thereafter MMTC has filed its rejoinder to the counter claim filed by our Company on February 4, 2014.

5. Tata Projects Limited was awarded the contracts VSP/CONT/EXPN/C-43/2008-09 and VSP/CONT/EXPN/C-44/2008-09 dated December 29, 2008 for supply of items for Piping and associated works for plant makeup water, drinking water and treated waste water and for erection, fabrication, civil work for plant make-up water, drinking water and treated waste water, respectively for our Company. Pursuant to letters dated October 23, 2012, Tata Projects Limited invoked arbitration proceedings, in respect of the aforementioned contracts, alleging reasons for failing to release the agreed scope for supply of materials and certain amounts being unpaid and delay in handing over the site, providing work fronts, issue of drawings against the agreed scope, extension of stipulated completion period. According to the letters, their principal claim is about ₹ 189.54 towards the balance value of supply bills of contracted quantity, towards the supply of additional quantities of contracted items, release of retention money, release of contract performance bank guarantee, amount towards loss of profit for the balance portion of the contract value, etc. in respect of contract no. VSP/CONT/EXPN/C-43/2008-09 and the principal claim is about ₹ 136.09 million towards earth work, painting, wrapping and coating, compensation for extended period of contract, release of retention money, release of contract performance guarantee and other claims of loss of profit, interest, etc in relation to contract no. VSP/CONT/EXPN/C-44/2008-09. In respect to the contract no. VSP/CONT/EXPN/C-44/2008-09, Tata Projects Limited by its letter dated June 29, 2013 filed an interim claim statement for an interim award of ₹ 104.6 million. Our Company filed its counter dated December 14, 2013. However, Tata Project Limited has not yet filed its claim statement since the date of invocation of arbitration clause in respect of contract no. VSP/CONT/EXPN/C-43/2008-09.

6. Sew Infrastructure Limited ("**SIL**") by its letter number SEW-Con/RINL/2014-10 dated April 14, 2014 issued notice for resolution of disputes through arbitration and also requested to treat the letter as a notice of commencement of arbitral proceedings in respect of the agreement number VSP/CONT/EXPN/C-91/2006-2007 dated March 16, 2007 thereby raising demand of ₹ 85.9 million. SIL was awarded the contract of civil work for power distribution system (Zone-12) under the aforesaid agreement. Upon completion of work, SIL raised certain claims for work done beyond the scope of contract. However, our Company had approved a claim only upto ₹ 3.5 million in its claims committee meeting held on February 3, 2014. Being aggrieved with the claim amount approved by the committee, SIL by its letter dated April 14, 2014 invoked arbitration proceedings against our Company.

7. SIL by its letter number SEW-Con/RINL/2014-11 dated April 14, 2014 issued notice for resolution of disputes through arbitration and also requested to treat the letter as a notice of commencement of arbitral proceedings in respect of the agreement number VSP/CONT/EXPN/C-22/ 2007-2008 dated May 30, 2007 thereby raising demand of ₹ 62.8 million. SIL was awarded the contract of civil work for steel melt shop-II (Zone-4) area 2 under the aforesaid agreement. Upon completion of work, SIL had raised certain claims for work done beyond the scope of contract.

Civil Cases

There are 165 civil cases pending against our Company, before the Supreme Court of India, High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh, Allahabad High Court, Gujarat High Court, Calcutta High Court, Madras High Court, Bhubaneswar High Court and various lower courts in Agra, Patna, Baroda, Kanpur, Vadodara, Ahmedabad, and Vizag *inter alia* relating to various subject matters including disputes in relation to tenders issued for the execution of civil and structural works, recovery of death benefits and recovery of salaries. The aggregate amount involved in these cases ₹ 1,211.22 million. These cases include seven cases which involve amounts in excess of ₹ 60 million and one material case of indeterminate value. A brief description of these cases is provided below:

1. Sarat Chatterjee and Company (Visakhapatnam) Private Limited ("**SCCVPL**") filed a petition (A.O.P. no. 1433/2011) before the IV Additional District Judge, Visakhapatnam challenging the arbitration award dated July 27, 2011 in relation to a contract (no. T&S/07/005/ICC/SCC/002) dated June 7, 2007 for stevedoring, handling, clearing and forwarding of imported coking coal received from the shipping process, for a period of one year, entered between our Company and SCCVPL. As per the terms of the contract SCCVPL was required to handle an approximate quantity of 500,000 tonnes of coking coal on negotiated rates as provided in the letter of acceptance dated May 28, 2007. A dispute arose between our Company and SCCVPL as our Company rejected certain claims made by SCCVPL in the letter dated May 8, 2008 for handling of excess quantity of coking coal in short period. SCCVPL invoked the arbitration clause under

the contract and filed an arbitration claim statement dated November 22, 2008 claiming ₹ 207.20 million and an additional claims statement dated January 29, 2009 claiming an additional amount of ₹ 49.76 million for the services rendered. Our Company filed a counter statement dated July 17, 2009 for the dismissal of the claim. The arbitrator by award dated July 27, 2011 rejected the original claim and allowed the additional claim of ₹ 49.76 million of SCCVPL. SCCVPL has challenged the arbitral award dated July 27, 2011 seeking setting aside of the arbitral award and praying for a direction to our Company to pay an amount of ₹ 193.57 million with interest at the rate of 12.0 % till the date of the award and the rate of 18.0 % till the date of payment of the claim to SCCVPL.

2. ISN Raju Infrastructures Private Limited ("**ISN Raju**") filed a petition (A.O.P. no. 1198/2007) dated May 10, 2007 before the II Additional District Judge, Visakhapatnam challenging the arbitration award dated January 10, 2007 in relation to a contract (no. VSP/CONT/C-03/1999-2000) dated April 7, 2000 entered into between our Company and ISN Raju for raising of ash pond embankment, allied civil engineering and piping work of ash pond. As certain claims made by ISN Raju in relation to the contract such as claims relating to extra mobilization, extra claim for works, claims for lifting of items done above ground level and claim for devaluation of quantities were rejected by our Company, ISN Raju invoked the arbitration clause and filed a claim statement dated January 31, 2004 seeking a claim of ₹ 266.65 million from our Company. Our Company filed its counter dated June 26, 2004 for the dismissal of the claim made by ISN Raju. The arbitral tribunal by its award dated January 10, 2007 directed our Company to pay ₹ 13.01 million to ISN Raju. This award was challenged by ISN Raju in the present petition. This case has been transferred to the court of the XIII Additional District Judge, Gajuwaka, Visakhapatnam.

3. China National Mineral Company Limited ("**CNMCL**") filed a petition (bearing no. A.O.P no. 1473/2012) before the Principal District Judge, Visakhapatnam dated September 15, 2011 challenging the arbitration award dated May 20, 2011 in relation to a contract dated June 14, 2006 entered into between our Company and CNCML for the supply of LAM coke. As per the terms of the contract, CNMCL was required to supply to our Company a total quantity of 30,000 mt +/- 5.0% shipping tolerance of LAM coke within the shipping schedule as decided between them. CNMCL failed to supply the coke to our Company. Pursuant to this, our Company resorted to risk purchases from other sources and incurred additional costs of USD 1.94 million and also encashed the bank guarantee of USD 0.15 million. Subsequently, our Company invoked the arbitration clause in the contract and filed an arbitration claim dated December 15, 2009 before the International Court of Arbitration. Our Company claimed that it was entitled to receive an amount of USD 1.79 million from CNMCL as outstanding after the encashment of the bank guarantee payable with an interest of 12.0 % per annum till the date of realization. CNMCL by its counter claim dated March 19, 2010 claimed that it was entitled to receive a claim of USD 0.22 million from our Company under various heads and at an interest rate of 18.0 % from October 15, 2006 to January 7, 2007 since it was the delay on part of our Company in finalising the lay time that prevented CNMCL from fulfilling its contractual obligations. The arbitrator passed an award dated May 20, 2011 directing CNMCL to pay to our Company a sum of USD 1.60 million and USD 0.21 million towards interest. In addition CNMCL was also directed to reimburse our Company for the costs of the arbitration amounting to USD 0.05 million and the legal costs incurred amounting to ₹ 0.09 million. Our Company filed its counter on April 18, 2014.

4. Vishakha Machinery Private Limited ("**VMPL**") filed a petition (A.O.P no. 253/2007) dated February 14, 2007 before the Principal District Judge, Visakhapatnam challenging the arbitral award dated November 10, 2006 in relation to a contract (no. VSP/CONT/M-367/1994-95) dated January 18, 1995, for the supply, fabrication, erection, commissioning and testing of the yard piping of underground cooling water system of turbo generator no. 4, entered into between our Company and VMPL. A dispute arose between our Company and VMPL in relation to the settlement of the final bill and the price escalation bill submitted by VMPL upon the completion of the work. Subsequently, VMPL invoked the arbitration clause under the contract and filed an arbitration claim dated December 12, 2003 before the Indian Council of Arbitration, New Delhi. VMPL claimed that it was entitled to receive a total amount of ₹ 125.82 million along with interest. Our Company filed a counter statement dated April 24, 2004 for the dismissal of the claim made by VMPL. The arbitral tribunal by award dated November 10, 2006 directed our Company to pay a sum of ₹ 2.72 million along with interest to VMPL. This award has been challenged in the present petition and VMPL has sought for the setting aside of the arbitral award to the extent of claims disallowed to them as per their claim statement dated December 12, 2003.

5. Hindustan Zinc Limited ("**HZL**") filed a petition (A.O.P. no. 687/2012) dated May 10, 2012 before the II Additional District Judge, Visakhapatnam challenging the arbitral award dated February 28, 2012 in relation to a contract (A/T no. Pur.6.13.0095/04/P/2540) dated April 17, 2007 for supply of 36,000 mt of

sulphuric acid at the unit rate of ₹ 1,975 to our Company. As HZL failed to supply the above stated quantity of sulphuric acid and perform its obligations as per the terms and conditions of the contract, our Company had to make risk purchases from different agencies for the total quantity of 6,497 mt of sulphuric acid to meet our Company's operational needs at an additional cost incurred amounted ₹ 58.37 million. A demand was raised by our Company for HZL to pay additional costs which HZL refused. A claim statement dated May 13, 2010 was filed by our Company before the Indian Council of Arbitration ("**ICA**"), New Delhi for an amount of ₹ 72.58 million to be recovered from HZL along with other costs. Thereafter, the arbitral tribunal passed the award dated February 28, 2012 in favor of our Company for an amount of ₹ 68.42 million. HZL by filing the petition has challenged the award dated February 28, 2012 and our Company has filed its counter on June 1, 2013. This case has been transferred to the court of the XIII Additional District Judge, Gajuwaka, Visakhapatnam.

6. Blue Star Limited ("**BSL**") has filed a writ petition (W.P. no. 27208 of 2012) dated August 29, 2012 against our Company, and others before the High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh alleging that the Company's action of issuance of the notice (no. VSP/EDCP/19) dated August 22, 2012 and the notice inviting tender (no. VSP/EDCP/19) dated August 23, 2012 in relation to the contract dated December 12, 2008 entered into between our Company and BSL for design, engineering and supply of all plant, machinery and equipment for site and for storage at site, and assembling, handling, erection, testing and commissioning of plant, machinery and equipment for nitrogen, oxygen and argon pressure reducing station (PRS), is illegal, arbitrary, unjust and bad in law being violative of Articles 14, 19, and 21 of the Constitution of India. It has been alleged by BSL that the action of our Company in issuing the above mentioned notices has resulted in a deemed termination of the contract entered into between our Company and BSL without providing any opportunity of hearing or serving a formal termination notice to BSL in accordance of the contractual terms thereby violating the principles of natural justice and causing inroads into the rights of BSL. BSL has submitted that it was not dealing with the technicalities of the operations of the PRS unit or the probable causes which lead to the fire accident or any other liability. It was also submitted that as per clause 26.1 of the general conditions of contract our Company can only terminate the contract after giving 15 days' notice in writing to the BSL. BSL has prayed before the High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh for interim suspension of the impugned notices as it would be subjected to irreparable harm if the contract is awarded to another party. On September 3, 2012 the High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh passed an interim order directing that any contract to be awarded shall be subject to further orders to be passed in this writ petition. Our Company filed its counter affidavit dated February 14, 2013.

7. The Andhra Pradesh State Electricity Regulatory Commission has filed two separate civil appeals (C.A. no. 1945 of 2004) and (C.A. no. 1946 of 2004) before the Supreme Court of India dated February 6, 2004 and February 20, 2004, respectively, against the order of the High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh dated August 1, 2003 allowing the appeal filed by our Company against the order (in OP no. 1 of 1999) of the Andhra Pradesh State Electricity Regulatory Commission dated February 8, 2002 approving the proposal of Andhra Pradesh Transmission Corporation Limited to levy certain grid support charges on our Company.

8. S.M.V. Colony, Aganampudi, Donkada residents welfare filed a writ petition bearing W.P. No. 20035 of 2014 before the High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh dated July 6, 2014 against the Government of India and others, wherein our Company has been impleaded as the fourth respondent. The writ petition has been filed challenging the acquisition of certain lands for our Company (acres 60-08 cents of land in Aganampudi village, Visakhapatnam by award No. 13/84 dated July 26, 1984 and acres 33-61cents of land in Donkada village by award no. 18/80/1980). The petitioners have alleged that no compensation has been paid for the acquisition of the specified lands. It is also alleged that there was no urgency which could justify the acquisition of the lands since the land remains unused to date. The petitioners have alleged that the acquisition process is illegal, arbitrary and unjustifiable. The petitioners have prayed for the restoration of the lands.

Contempt Case

Mr. V. Sudhakar Rao and Mr. M. Chinna Rao have filed two contempt cases (CC. no.1791 of 2011) and (CC. no.1792 of 2011) before the High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh both dated December 19, 2011 against our Chairman-cum-Managing Director and three other officials, contending that the Chairman and three other officials have committed contempt of court because of wilful disobedience of the common order passed by the High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh on September 2, 2011 directing our Company to consider the case of Mr. V. Sudhakar Rao and Mr. M. Chinna Rao for selection to the post of assistant store keeper along with other candidates. Mr. V. Sudhakar Rao and Mr. M. Chinna Rao also contended that our Company intentionally and deliberately violated their rights by denying them opportunity of employment. Our Chairman and other officials have filed a common counter affidavit dated February 20, 2012 denying the above mentioned allegations. The High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh by interim order dated April 10, 2012 held that the Chairman and the three other officials are *prima facie* guilty of contempt of court, and were directed to be present before the High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh on April 20, 2012. The Chairman and the three officials of our Company have filed two contempt appeals (no.5/2012 and 6/2012) on April 13, 2012 against the interim order dated April 10, 2012. These appeals were heard on April 18, 2012 and stay has been granted against the impugned interim order dated April 10, 2012. The two contempt cases (CC no. 1791 of 2011) and (CC no. 1792 of 2011) which stood posted to April 20, 2012 were posted for hearing on June 4, 2012. The matter was further adjourned to be heard on July 3, 2012. The High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh heard the matter on July 3, 2012 and indicated the same to be clubbed with the above mentioned contempt appeal.

Competition Law Case

The erstwhile MRTP Commission took cognizance of a matter on the basis of a newspaper report published in the Financial Express on March 11, 2008 wherein *inter alia* it has been reported that steel companies like our Company and SAIL have raised the prices of steel more speedily than the rise in prices of iron ore and coking coal without any justification and that the impact of the price rise was felt by the construction and automobile sector. Thereafter, a complaint dated March 18, 2008 was filed by the Engineering Export Promotion Council (a body sponsored by Ministry of Commerce, GoI) before the Director General of the then MRTP Commission alleging that the Indian engineering industry has been hit hard due to the sudden rise in steel prices in India which was much higher in comparison to the steel prices in other parts of the world. After the repeal of the Monopolies and Restrictive Trade Practice Act, 1969, the CCI investigated into the matter (no. RTPE Case no. 09/2008) and a notice (1W/1/32/DGCCI-2010/01/2525) dated September 1, 2010 was issued under section 36(2) read with section 41(2) of the Competition Act stating that our Company had raised the steel prices without any justification. Further the notice demanded our Company to explain/furnish/submit the desired information/evidence relating to the details of our managing director and managing personnel, raw materials and inputs used during the manufacture of semi-finished/flat/long products, details of various costs incurred amongst others. Our Company replied to the notice by letter dated September 15, 2010. The Competition Commission of India heard the oral submissions made by the parties on September 29, 2011 and requested for further information from our Company. Subsequently, our Company received another letter from the CCI dated June 14, 2011 (no. DGIR/2008/IP/09) informing our Company that the aforesaid matter was referred to the Director General for investigation, subsequent to which a report dated May 31, 2011, has been filed by the Director General. The letter directed our Company to file its reply to the said report within two weeks. Our Company filed its reply to the report by its letter dated July 28, 2011. The CCI sent another communication to our Company dated October 21, 2011 whereby our Company was directed to furnish additional information. Our Company has filed an additional response before the CCI by its letters dated November 11, 2011. The CCI by order dated February 29, 2012 directed the Director General to submit a fresh report.

Labour and Service Matters

There are 146 labour and service matters pending against our Company before the various Courts including *inter alia* the High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh and the Jharkhand High Court and the CGIT cum Labour Courts at Hyderabad and Vizag, with respect to disputes relating to amongst others, continuation of service, enhance subsistence allowance, failure to provide retirement benefits, failure to determine the correct seniority position, illegal and wrongful suspension, denial of promotion and discrimination in matters of determining promotion, allegations against our Company for not having cancelled tests for recruitment after the questionnaire was leaked, arbitrary reduction in time scale without assigning proper reasons, irregularities in payment of pension, denial of voluntary retirement scheme and denial of suitable employment under the rehabilitation scheme. The aggregate amount involved in the above matters is ₹ 8.58 million.

Consumer cases

There are 3 consumer cases filed by certain individuals against our Company pending before the District Consumer Forum, Visakhapatnam, with respect to disputes relating to rejection of a claim and delay in settlement of a claim by an insurance company for the group insurance policy taken through our Company. The aggregate amount involved in the above matters is ₹ 2.54 million.

Other miscellaneous cases

There are 56 other miscellaneous cases against our Company pending *inter alia* before the High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh and various district courts in Visakhapatnam. These cases relate, amongst others, to disputes over release of death benefits of the deceased employees, cancellation of employment by the State Government, share in terminal benefits of ex-employees, disputes in relation to unauthorized encroachment of land, acquisition of unauthorized pieces of land and the grant of succession certificates. The aggregate amount involved in these cases is ₹ 12.41 million. A brief description of the material case amongst these is provided below.

1. Mr. Patchala Koteswara Rao has filed a complaint bearing No. 2107/2014/B1 before the Institution of the Lokayukta of Andhra Pradesh at Hyderabad on June 18, 2014. The complaint states that two engineers belonging to M/s Siemens Limited, Visakhapatnam died in an accident in Visakhapatnam Steel Plant. It is alleged that the engineers died due to suffocation caused by leakage of gas in the container laboratory on department platform. The complaint prays that those responsible for the deaths should be severely punished and removed from service.

Cases filed by our Company

Criminal Cases

There are 14 criminal cases filed by our Company, and pending before the Metropolitan Magistrate, Kolkata, the District Court, Indore, the Chief Judicial Magistrate Patna and the II Additional Chief Metropolitan Magistrate, Visakhapatnam. These criminal cases have been filed by our Company in relation to dishonor of cheque under the Negotiable Instrument Act, 1881, custody of stolen material and fraud relating to bank guarantees. The aggregate amount involved in these 14 matters is approximately ₹ 64.89 million.

Arbitration Matters

There are 27 arbitration proceedings initiated by our Company that are pending before various arbitral tribunals with respect to disputes *inter alia* relating to contracts and tenders for supply of various raw materials and equipment's. The aggregate amount involved in these cases is ₹ 295.55 million. These include one case which involves an amount in excess of ₹ 60 million. Brief description of the material case is provided below:

1. Our Company has initiated an arbitration proceeding by letter dated September 26, 2013 against Real Fab India Private Limited ("**Real Fab**") in relation to the contract no. VSP/CONT/EXPN/221/2006-2007/6819 dated April 12, 2007 awarded for structural steel and cladding work for raw material handling system (Zone-1, Area-3) conveyor system of feeding raw materials to new burning furnace, steel plant, steel metal shop and calcining and refractory material plant. Our Company has alleged that Real Fab had failed to adhere to the program of execution and failed to mobilize the requisite resources from time to time thereby failing to achieve the project targets. Our Company has served a notice dated November 25, 2010 on Real Fab invoking the arbitration proceedings and claimed compensation towards risk and costs amounting to ₹ 98.86 million.

Civil Cases

There are 97 civil cases filed by our Company, pending *inter alia* before the High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh, Bombay High Court, Calcutta High Court and various lower courts in Patna, Agra Kolkata, Ghaziabad, Ahmedabad and Visakhapatnam with respect to, amongst others, disputes in relation to payment of electricity duty, recovery of amounts towards payment of property and vacant land taxes, suits for recovery of money in the cheque bouncing cases, contempt appeals and suits filed for recovery of amount from the sale of pig iron. The aggregate amount involved in these cases is approximately ₹ 9,458.35 million. These cases include six cases which involve amounts in excess of ₹ 60 million. A brief description of these cases is provided below:

1. Our Company has filed a petition (A.O.P. no. 1443/2011) dated November 2, 2011 before the I Additional District Judge, Visakhapatnam to set aside the arbitral award dated July 16, 2011 in relation to the contract dated June 10, 2007 between our Company and Sharp Ferro Alloys Limited ("**SFA**") for the supply of silicon manganese. As per the terms of the said contract, SFA was required to supply 6600 mt of silicon manganese at the rate of ₹ 0.04 million per unit by May 31, 2008. However, SFA failed to supply the said quantities of silicon manganese, pursuant to which, our Company resorted to risk purchases from alternate sources and incurred additional costs of ₹ 85.93 million. Thereafter, our Company encashed the bank guarantee dated April 19, 2007 for an amount of ₹ 2.60 million which had been issued by SFA. Subsequently, SFA invoked the arbitration clause under the Contract and filed an arbitration claim dated September 29, 2008 before the Indian Council of Arbitration, New Delhi alleging that our Company had wrongfully invoked a bank guarantee of ₹ 2.60 million under a contract which was not concluded as SFA had not accepted Company's request to revise its offer. Our Company filed a counter claim dated August 21, 2009 refuting the claims made by SFA and claimed that it was entitled to receive an amount of ₹ 77.97 million from SFA as outstanding after the encashment of the bank guarantee payable with an interest of 12.0 % per annum till the date of realization. Thereafter, the arbitration tribunal by award dated July 16, 2011 dismissed the claims of SFA and our Company and granted a nil award. Aggrieved by the award, our Company filed the present petition praying that the award dated July 16, 2011 be set aside. This case has been transferred to the court of XIII Additional District Judge, Gajuwaka, Visakhapatnam.

2. Our Company filed a writ petition (W.P. no. 15088 of 2007) dated July 10, 2007 before the High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh challenging the order of the Commissioner, Greater Visakhapatnam Municipal Corporation ("**Commissioner"**) dated June 1, 2007. The Commissioner in the impugned order upheld the notices dated October 26, 2006 and October 18, 2006 which required our Company to pay vacant land tax from April 1, 2006 at the rate of ₹ 155.24 million per annum and property tax from April 1, 2006 at the rate of ₹ 136.59 million per annum under section 220 of the Hyderabad Municipal Corporation Act, 1955. Pursuant to the impugned order, our Company received two demand notices dated June 20, 2007 and June 21, 2007 demanding property tax and vacant land tax respectively making a demand of ₹ 204.88 million and ₹ 310.49 million. The High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh had passed an interim order dated July 23, 2007 granting an interim stay of operation of the impugned order on the payment of 50.0 % of the property tax on buildings by our Company. This interim order was made absolute by the High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh in its subsequent order dated December 10, 2007. Subsequently, the court passed another interim order dated February 18, 2009 holding that during the pendency of the petition our Company shall go on paying 50.0 % of the property tax on buildings every year.

3. The Chief Electrical Inspector, Government of Andhra Pradesh has issued a notice (no. CEIG/AO (Duty)/D. no.558/2004) dated March 1, 2004 asking our Company to furnish details of its power generation plants and pay electricity duty at the rate of ₹ 0.25 per unit of energy generated and used for captive consumption, excluding the energy utilized for auxiliaries of the generating plant with effect from July 17, 2003. This notice was issued pursuant to the amendment of the Andhra Pradesh Electricity Duty Act, 1939 dated October 13, 2003 whereby every electricity generating company which generates energy and uses it for its own purpose is liable to pay to the State Government, every month, a duty calculated at the rate of ₹ 0.25 per unit of energy on and in respect of such energy consumed during the previous month. Our Company has filed a writ petition (W.P. no. 8215/2004) dated April 23, 2004 praying for the issue of the writ of mandamus declaring section 3B of the Andhra Pradesh Electricity Duty Act, 1939 as ultra vires. The writ petition also prayed that the levy of electricity duty at the rate of ₹ 0.25 per unit only on the captive consumption is discriminatory and is an arbitrary exercise of power by the State Government and is in violation of Article 14, Article 19(1) (g) and Article 300A of the Constitution of India, 1950 and should therefore be struck down. Our Company has also filed a miscellaneous petition (W.P.M.P 10667/2004) dated April 23, 2004 praying that all further proceedings pursuant to the above mentioned notice be stayed. The State Government has filed a common counter affidavit dated October 16, 2006. The High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh has passed an interim order dated April 28, 2004 directing that insofar as the impugned amendment is concerned, the State Government will not enforce the recovery of the amount demanded from our Company towards generation and consumption of electricity power during the pendency of the writ petition, but our Company will continue to submit the details of its electricity consumption..

4. The Company received a show cause notice (no. F9 (31)05/CRC/DDA/North) dated December 17, 2007 from the Estate Officer, DDA to show cause as to why the damages of ₹ 62.57 million shall not be levied

against our Company for the unauthorized use and occupation of the commercial premises measuring 22 bighas and 10 biswas in Barwala village, Delhi for a period from October 6, 2005 to December 31, 2006. Our Company filed its reply to the show cause notice by letter (no. RINL/VSP/DEL/08/09/210) dated April 19, 2008, requesting the DDA to withdraw the show cause notice since the stockyard was in the possession of the company's consignment agent and that any liability pertaining to the stockyard was to be borne by the consignment agency as per the terms of the contract dated June 27, 2000 entered into by our Company and the agency. Subsequently, the estate officer by an order dated April 6, 2010 directed the Company to pay the amount of ₹ 62.57 million. Against this order, the Company filed an appeal (P. P. Appeal no. 1/ 2010) dated April 17, 2010 before the VIII District Court, Rohini, Delhi and the same was dismissed by the said court by order dated November 15, 2010. Thereafter, our Company filed a review petition (M/124 of 2010) before the VIII District Court, Rohini, Delhi, which was dismissed by order dated January 17, 2012. Thereafter, our Company filed a writ petition (W.P. (C) no. 645/2012) dated January 28, 2012 before the Delhi High Court, challenging the order dated November 15, 2010 passed by the district court directing our Company to pay the damages levied by DDA. The said appeal was dismissed by order dated January 31, 2012 which set aside the order dated November 15, 2010 and the order dated January 17, 2010 passed by the district court and the order of the estate officer dated April 6, 2010. Further the said order directed both the parties to appear before the estate officer for a fresh assessment of damages, however holding that the liability to pay the damages thus fixed shall squarely lie upon our Company and not the consignment agency. Our Company filed an appeal (LPA no. 167 of 2012) before the Division Bench of the Delhi High Court, challenging only that part of the order dated January 31, 2012 which imposes the liability to pay the damages assessed on our Company alone. The same was dismissed by order dated February 28, 2012. Thereafter, our Company filed a special leave petition (bearing no. 17697 of 2012) dated April 17, 2012 before the Supreme Court of India challenging the order dated February 28, 2012. The matter came up for hearing on July 5, 2012 before the Supreme Court of India. The Supreme Court admitted the special leave petition filed by our Company and issued a notice and further directed the stay of proceedings before the Estate Officer, DDA by order dated July 5, 2012. The Hon'ble Supreme Court by its order dated November 29, 2013 referred the matter to the Mediation Center of the Supreme Court and the parties were further directed to appear before the Co-ordinator, Supreme Court Mediation Center on January 8, 2014. The mediator was directed to submit its report within six weeks from the date of appearance. Our Company appeared before the mediator on January 8, 2014 and the subsequent hearings and made its offers for settlement. However on 10.07.2014, DDA did not agree for the final offer made by our Company. A report on the mediation proceedings is to be filed by the mediator before the Supreme Court.

5. Our Company had initiated arbitration proceedings against MMTC by its letter dated September 15, 2009 to the Secretary, Department of Public Enterprises and has filed its claim statement dated February 1, 2011 before the arbitral tribunal as per the directions dated January 6, 2011 in relation to a letter of intent dated March 24, 2007 issued by our Company to MMTC for supply of 160,000 mt of low ash metallurgical coke from March, 2007 to April, 2008. As MMTC failed to supply the entire material requested for, our Company had to incur an additional cost of ₹ 954.48 million for procurement of the defaulted quantity of coke. In its claims statement dated February 1, 2011, our Company has claimed that it is entitled to receive an amount of ₹ 954.48 million along with interest at the rate of 12 % per annum till the date of payment. In its counter claim dated June 29, 2011, MMTC prayed for rejection of our Company's claim. Thereafter an award dated June 11, 2012 was passed by the arbitral tribunal wherein our Company's claims were dismissed. On July 20, 2012, a request for filing a revision petition was placed before the Law Secretary, Department of Legal Affairs, Ministry of Law and Justice, GoI by our Company challenging the award dated June 11, 2012. The Law Secretary has nominated Dr. S. S. Chahar, Additional Secretary, Department of Legal Affairs, Ministry of Law and Justice to decide the appeal. The decision of the Law Secretary, Department of Legal Affairs, Ministry of Law and Justice Government of India is awaited.

6. Our Company filed a writ petition (W.P. no. 13745/2013) dated March 28, 2013 before the High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh against Andhra Pradesh State Electricity Regulatory Commission ("**APERC**") and Eastern Power Distribution Company of Andhra Pradesh Limited ("**APEPDCL**") challenging order dated December 22, 2012 passed by the APERC in proceedings no. APERC/Secy/20/2012-2013 rejecting the request to exempt our Company from the operation of restriction and control measures issued by the APERC by its order dated November 1, 2012. APEPDCL raised a demand of ₹ 1052.3 million from our Company alleging violation or restriction and control measures. Our Company has prayed for direction to be issued declaring proceedings no. APERC/secy/20/2012-2013 dated December 22, 2012 as illegal, arbitrary, unjust and unreasonable and also to suspend the operation of restriction and control measures imposed by APERC. Our Company has also sought a direction against APEPDCL not to demand any penal charges from our Company. The High Court

of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh by its order dated July 5, 2013 has directed APEPDCL not to take any coercive measures against our Company in respect of the penal charges pending further orders. The APERC had filed its counter affidavit on September 27, 2013.

Railway Cases

There are 212 railway related cases filed by our Company including among others against the Central Railways, South Eastern Railways and East Coast Railways amongst others, pending *inter alia* before the Delhi High Court, Gujarat High Court, Bombay High Court and Railway Claims Tribunal at Secunderabad and Ahmedabad. These cases relate to disputes over shortage of goods supplied, unfair charge of excess freight, supply of unfit wagons, non-delivery of consignment goods collection of freight under wagon load rate instead of train load rate facility, non-compliance of advice for load ability of weight for charge of "BOY" wagons and non-implementation of modifications in the rationalization scheme. The aggregate amount involved in these cases is ₹ 176.89 Million.

Labour Cases

There are two pending labour related cases filed by our Company before High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh. The aggregate amount involved in these cases is unascertainable.

Tax Case

There is one tax related case pending before High Court of Gujarat filed by our Company against the Ahmedabad Municipal Corporation and Deputy Commissioner (Octroi). The aggregate amount involved in these cases is ₹ 4.30 million.

Other Miscellaneous Cases

There are seven other miscellaneous cases filed by our Company against various individuals pending *inter alia* before the High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh, Additional Senior Civil Judge Court and Junior Civil Judge Court in Visakhapatnam and Gajuwaka. These cases relate to disputes over recovery of released money, refund of advances and disputes relating to declaring our Company's area an industrial township. The aggregate amount involved in these cases ₹ 1.26 million.

Mining Cases

Our Company has filed a revision petition dated August 4, 2014 before the Minister of Industries and Commerce, Government of Andhra Pradesh against the Assistant Director of Mines and Geology (Vigilance) for the issuance of a demand notice bearing no. 67/V&E/Vig/VSP/2013-14 dated May 12, 2014 regarding payment of seigniorage fees by contractors of civil works for the expansion of Visakhapatnam Steel Plant. The demand notice has alleged that the contractors have evaded seigniorage fees for certain excavations carried out. Therefore a demand, inclusive of penalties, has been raised under the Andhra Pradesh Minor Mineral Concession Rules, 1966. Our Company has filed the revision petition challenging this notice on the basis that there was no intention to mine with regard to the excavations, no mining work was carried out and therefore, no seigniorage fees are applicable. Our Company has also assailed the procedure followed by the authorities in imposing the seigniorage fees.

Potential Litigation/Notices Received

1. A first information report (no. 91/2012) dated May 2, 2012 was filed by Saiyed Gufran Pervaze under section 154 and section 157 read with section 174 of the Code of Criminal Procedure, 1973 ("**CrPC**") before the Inspector of Police, Steel Plant Police Station, Visakhapatnam against our Company on account of the recent accident in the VSP that occurred at blast furnace 3, slagpit-2, VSP and resulted in the death of two individuals who worked as the operator and the supervisor respectively.

2. A first information report (no. 128/2012) dated June 13, 2012 was filed by Chenna Sudhakar under section 154 and section 157 read with section 174 of the CrPC before the Inspector of Police, Steel Plant Police Station, Visakhapatnam, reporting the fire accident that occurred at VSP due to a massive explosion in the oxygen filter near the oxygen control station during the hot commissioning trial of the steel melting shop-2,

the pipeline hit the control room and the personnel present there caught fire and resulted in the death of nine individuals and caused injury to 10 individuals who worked in VSP. Thereafter, the 10 individuals who were injured also succumbed to their injuries. The investigation is ongoing.

3. Mr. B. K. Mahapatra has issued a letter dated May 13, 2012 to our Company, alleging the commission of certain irregular activities by the officials of BSLC and OMDC, including (a) the making of contradictory statements in the annual report of BSLC for the year ended January 31, 2011 *vis-à-vis* certain presentations made for the grant of environmental clearance from the MoEF, GoI on January 24, 2012 pertaining to the total acreage of the land involved and coverage of forest land; (b) non-finalizations of tenders at appropriate time intervals to avoid any discontinuance of essential jobs; (c) large scale pilferage of stock and store items in BSLC; and (d) appointments of executives in OMDC without following norms and procedure. The letter further states that the aforementioned irregularities have caused damage to the respective companies permanently.

4. Mr. E.A.S. Sarma has sent a legal notice to the Andhra Pradesh State Pollution Control Board ("**APPCB**") on June 5, 2012 stating that our Company is responsible for toxic pollution through release of heavy metals such as lead, arsenic and mercury and other solid pollutants such as chromium, nickel and copper into the sea through the Appikonda channel. The pollution has also impacted the fish in the sea adjacent to the plant. The complaint alleged that our waste treatment plant is ineffective and that our Company has not been monitoring the quality of effluents discharged into the sea. The complainant has requested the APPCB to investigate this matter and ensure that urgent measures are taken by our Company to contain the pollution. The complaint has also referred to previous correspondence to the APPCB dated February 1, 2011, February 15, 2011 and February 18, 2011 on the same issue. In addition, the complainant has also referred to the report of the Centre for Science and Environment ("**CSE**") which has given a poor environmental rating to the Steel Industry in general and to our Company in particular based on their findings and sought immediate action from the APPCB. The complainant has also stated that if APPCB fails to respond to this notice, he will be constrained to seek judicial intervention to direct APPCB to discharge its statutory responsibility. Our Company has also been sent a copy of this legal notice. Our Company replied to the legal notice by its letter dated October 5, 2012 appreciating the concern raised and informing that number of proactive steps have been taken to ensure that the discharge through Appikonda channel does not harm the environment or the villagers and in order to prevent any discharge of harmful pollutants, our Company has installed reverse osmosis water treatment plant.

5. Justice M.B. Shah Commission (the "**Commission**") by its letter (JBMS/COI/542) dated August 30, 2011 has requested our Company for certain details regarding the mining of minerals for iron-ore and manganese-ore in Andhra Pradesh. The letter states that the Commission had been appointed by the Central Government to inquire into large scale illegal mining of iron-ore and manganese-ore without lawful authority in several states of the country by notification dated November 22, 2010. Under the said letter, certain information was sought from the mines department of our Company as our Company is the lessee of iron-ore and manganese-ore mines in the state of Andhra Pradesh. Our Company filed its affidavit dated September 12, 2011 to the Commission in response to the notice issued.

6. Surya Alloy Industries Limited ("**Surya Alloy**") has sent our Company and the Railway Board a legal notice (SA: 6/403) dated March 22, 2012 stating that the price of the spring steel rounds used in the manufacture of elastic rail clips, utilized by the railways does not reflect the actual rise or fall of the price of steel in the market. As the price maintained by our Company is considered as the base price by the Railways it hurts the business of the complainant who is solely dependent on the railway tenders for the sale of the spring steel rounds manufactured by them. The notice further states that the base price of our Company is unrealistic and has been kept at an unfairly low price and accordingly amounts to an abuse of the dominant position enjoyed by our Company as well as the Railways, in violation of the section 4 of the Competition Act. The notice also requested the Railways to remove the price of our Company from all existing and future tenders for the purchase of the spring steel rounds. Our Company had replied to the said notice by reply dated May 16, 2014. However, Surya Alloy issued another notice thereby calling upon our Company to revise the rate of spring steel rounds of 20.64 mm to bring the rates with par with rate offered by others manufactures in the country. Our Company is in process of replying to the notice dated May 27, 2014.

7. Mr. P.K. Singhania, Director of P.K. Wire Products (Private) Limited, a small scale industrial unit situated at Bamunari, West Bengal, has written a complaint dated July 9, 2012 to our Company, SEBI, the BRLMs and the Registrar to the Offer in relation to non-payment of certain outstanding dues by our Company on

refund of excise duty improperly realised by our Company for the supply of certain steel rods in 1994. Mr. P.K. Singhania has alleged that our Company owes P.K. Wire Products (Private) Limited ₹ 168,650 together with interest at the rate of 18% per annum since 1994. The complainant has further alleged that they have suffered a loss of ₹ 6.60 million as a result of our Company's fraudulent conduct. The complainant has also alleged that these outstanding dues owed by our Company have not been disclosed intentionally by our Company, in the DRHP filed with SEBI, with a view to suppress material facts from the public. The complainant further has stated that if corrective measures are not taken by our Company and/or the BRLMs and/or the Registrar within a period of seven days from receipt of the complaint, they shall initiate appropriate legal proceedings to ensure that this Offer is delayed or suspended. Our Company has replied to this notice by letter dated September 21, 2012.

8. In addition, there are certain legal notices issued against our Company by various individuals. The outstanding notices relate *inter alia* to demand for repayment of outstanding loan, payment for compensation for death of an employee, payment of arrears of wages under the Interstate Migrant Workmen Act, 1972, denial of a job opportunity to an employee, compensation under section 28 of the Land Acquisition Act, 1894 demand of an outstanding amount with respect to a purchase order, claim for payment of arrears for usufructs of fruit bearing trees, requesting our Company not to disburse death benefits to persons other than the legal heir of the deceased, misuse of dominant position, failure to supply copper cables as per contractual terms, payment with interest due to non-supply of ammonium sulphate as per contractual terms, payment of outstanding amounts with respect to contracts entered into by our Company, requests for the appointment of arbitrator and a request before our Company to take action against a person who has unlawfully secured employment in our Company and made false representations.

Material Developments since the Date of the Last Balance Sheet

Except as disclosed in the section titled "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on page 302 of this Draft Red Herring Prospectus, 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 total assets or ability to pay our material liabilities within the next 12 months.

Cases against other companies whose outcome could have an effect on our Company

There are no cases against other companies whose outcome could have an effect on our Company.

Other Confirmation

Other than an arbitration award passed against our Company under which our Company owes approximately ₹ 6.5 million to Indo Engineering Works, and except in the ordinary course of business, our Company does not owe any sum exceeding ₹ 0.1 million to any small scale undertaking which is due for more than 30 days.

Outstanding Litigation/Proceedings involving the Subsidiaries

Except as mentioned below, there are no outstanding litigation/proceedings involving the Subsidiaries.

1. EIL

Outstanding Litigation/Proceedings Involving EIL

Cases Filed against EIL

Nil

Cases Filed by EIL

Nil

2. OMDC

Outstanding Litigation/Proceedings Involving OMDC

Cases Filed against OMDC

Criminal Case

There are 10 criminal cases filed against OMDC, and are pending before the Judicial Magistrate, I class, Barbil, Odisha. These criminal cases have been in relation to dishonor of cheques under the Negotiable Instrument Act, 1881, theft of iron ore from mines, dismantling and shifting of reserved forests under the Forest Conservation Act and violations under the Environment Act. The aggregate amount involved in these 10 matters is unascertainable. Brief description of the material cases are provided below:

1. The Forest Department of Odisha, Keonjhar Division filed an FIR (No 543135/1503) dated July 24, 1999 against the general manager of OMDC and certain other officials for violation of the Forest Conservation Act, 1972 ("**Forest Conservation Act**") and the Orissa Forest Act, 1972 ("**Orissa Forest Act**"). Pursuant to the FIR, the Forest department of Odisha filed a complaint (no. 1035) dated March 3, 2001 before the Judicial Magistrate, I Class, Barbil stating that the above mentioned officials of OMDC were liable to be punished under the provisions of the Forest Conservation Act and the Orissa Forest Act for dismantling and shifting the reserved forest boundaries of Ulliburu reserve forest by over 550 meters length and for damaging, cutting and clearing uprooted sal and non-sal saplings and brush wood from the above mentioned patch.

2. An FIR (no. 306 (24)) dated December 29, 2006 was filed was filed with the Inspector-in-Charge, Barbil police station against four personnel of OMDC in relation to theft of iron ore at Thakurani Mines. Pursuant to the bail petition (GR no. 538/2006) filed before the Judicial Magistrate I Class, Barbil, praying that the above mentioned personnel of OMDC be prosecuted under section 120 (B) and section 34 of the Indian Penal Code, read with section 21 of the Mines and Minerals Development Regulation Act, 1957 and lawful action be taken against such organized crime. Thereafter the Judicial Magistrate I Class, Barbil granted bail to all the four personnel by order dated January 17, 2007 on the ground that the above mentioned accused persons are capable of furnishing good securities amounting to ₹ 20,000 for each of the accused persons and there is no chance of them absconding in the event of their release on bail. The above mentioned bail petition was allowed on the grounds that the above mentioned accused shall not commit similar offence while on bail, they shall not tamper with the prosecution evidence in any manner, they shall cooperate with the investigation of this case and they shall attend court in person on each date of posting of this case until further orders.

3. Barbil Municipality has filed an application (no. 3(a) cc1/2003) dated January 31, 2003 before the Judicial Magistrate I Class, Barbil under section 273-A and section 385-A of the Odisha Municipal Act, 1950 against OMDC alleging that OMDC had commenced construction of a screening plant and a house for office purpose in Plot no. 131, Khata no. 4 in Barbil without obtaining any prior permission from Barbil Municipality. Previously the Barbil Municipality had issued notices (no. 7207 and no. 7203) dated December 10, 2002 to OMDC, directing them to demolish the illegal and unauthorized construction. Despite receiving the above mentioned notices, OMDC continued the illegal constructions. Thereafter, Barbil Municipality filed an application dated January 31, 2003 praying that the Judicial Magistrate I Class, Barbil, impose and realize the cost of the litigation and impose a daily fine on OMDC till the date of demolition and remit the cost/fine/tax.

4. The Government of Odisha, Forest and Environment Department by its letter (no. 18631/F&E) dated October 15, 2011, forwarded an application to take legal action against BPME to the Collector and District Magistrate, Keonjhar under section 19 of the Environment Act since it had come to the notice of the GoI, MoEF, that BPME had enhanced the production capacity of its mine located at Bhadrasahi village, Barbil tehsil, Keonjhar district ("**Mining Project**"), without obtaining the requisite prior environmental clearance under the EIA Notification 2006, which resulted in violations punishable under section 15 of the Environment Act. The Collector and the District Magistrate, Keonjhar by his order (Misc. Case no. 35/2011) dated March 7, 2012 directed the initiation of a criminal case against the Mining Project and requested the Public Prosecutor, Keonjhar to prepare the prosecution report for filing the said criminal case. Subsequently, the Public Prosecutor, Keonjhar served a notice (no. 32/PP to BPME) dated March 21, 2012 directing them to furnish the name of the person who is in-charge of operating the Mining Project, which is currently being handled by OMDC. Thereafter, a criminal case bearing no. 2(C) C.C. no. 27 of 2012 has been initiated before the Judicial Magistrate, First Class (Barbil) against BPME and Mr. Mrutyunjay Sahoo. OMDC is currently in charge of operations of BPME since BPME is in the process of liquidation.

5. The Forest Department Odisha, Keonjhar Division filed a complaint (no. OR-146BL/2011-12) dated September 13, 2011 before the Judicial Magistrate, First Class, Barbil stating that Mr. S.C. Mahapatra, Manager, Belkundi iron-ore mines was liable to be punished under section 2 of the Forest Conservation Act and section 27 (3) of the Orissa Forest Act for dismantling and shifting the reserved forest boundaries of Ulliburu reserve forest by over 510 meters length and for damaging, cutting and clearing uprooted sal and non-sal saplings and brush wood from the above mentioned patch without obtaining environmental clearance. A complaint bearing case no. 2(b) C.C. no. 12 of 2012 has been filed against Mr. S.C. Mahapatra manager of OMDC. The Judicial Magistrate, First class, Barbil by its order dated June 20, 2012 issued a non- bailable warrant against Mr. S.C. Mahapatra.

6. The Ministry of Environment and Forest by its letter no. J-11015/283/2008-A.II(M) dated March 3, 2012 intimated the Secretary, Department of Environment and Forest, Odisha that the BPEML project without having the requisite prior environment clearance with respect to certain mines including mines at Dalki required under the EIA Notification has undertaken production of manganese ore and further instructed to take action against the project. Thereafter, the Forest and Environment Department, Government of Odisha by its letter no. 11103/F&E dated June 20, 2012 requested the Collector, Keonjhar to initiate action against the project for the violation. The Sub-Divisional Magistrate filed a criminal complaint bearing no. 2(C) C.C. no. 121 of 2012 before Judicial Magistrate, First Class, Barbil against BPME and Mr. Mrutyunjay Sahoo praying that the cognizance of the offence under section 15 of the Environment (Protection) Act, 1986 and summons be issued against the BPEML. The court of Judicial Magistrate by its order dated October 1, 2012 issued summons.

7. The Forest and Environment Department, Government of Odisha requested the Collector, Keonjhar by its letter no. 20117/F&E dated October 30, 2012 to take legal action against the accused Mr. Mrutyunjay Sahoo, DGM (Mines), Bhadrasahi iron and manganese mines and S.K.H. Khadry Business Head, Bhadrasahi iron and manganese mines and further stating that accused produced iron ore beyond he permissive quantity from April 1, 2000 to March 3, 2001 without having environmental clearance certificate as per EIA Notification. A criminal complaint bearing case no. 2(C) C.C. 98 of 2013 was then filed by Sub-Divisional Magistrate, Champua before the Judicial Magistrate, First Class, Barbil against BPME and Mr. Mrutyunjay Sahoo praying that the cognizance of the offence under section 15 of the Environment (Protection) Act, 1986 and summons be against the accused. The court of Judicial Magistrate by its order dated July 31, 2013 issued summons.

8. The Forest and Environment Department, Government of Odisha requested the Collector, Keonjhar by its letter no. 19761/F&E dated October 20, 2012 to take legal action against the accused Mr. Mrutyunjay Sahoo, DGM (Mines), Belkundi iron and manganese mines and S.K.H. Khadry Business Head, Belkundi iron and manganese mines and further stating that accused produced iron ore beyond the permissive quantity from April 1, 2000 to March 3, 2001 without having environmental clearance certificate as per EIA Notification. A criminal complaint bearing no. 2(C) C.C. 114 of 2013 was then filed by Sub-Divisional Magistrate, Champua before the Judicial Magistrate, First Class, Barbil against Mr. S.K.H. Khadry and Mr. Mrutyunjay Sahoo praying that the cognizance of the offence under section 15 of the Environment (Protection) Act, 1986 and summons be issued against the accused. The court of Judicial Magistrate by its order dated July 31, 2013 issued summons.

9. The Forest and Environment Department, Government of Odisha requested the Collector, Keonjhar by its letter no. 20301/F&E dated November 1, 2012 to take legal action against the accused Mr. Mrutyunjay Sahoo, DGM (Mines), Bhagiaburu iron and manganese mines and S.K.H. Khadry Business Head, Bhagiaburu iron and manganese mines and further stating that accused produced iron ore beyond he permissive quantity from April 1, 2000 to March 3, 2009 without having environmental clearance certificate as per EIA Notification. A criminal complaint bearing no. 2(C) C.C. 115 of 2013 was then filed by Sub-Divisional Magistrate, Champua before the Judicial Magistrate, First Class, Barbil against Mr. S.K.H. Khadry and Mr. Mrutyunjay Sahoo praying that the cognizance of the offence under section 15 of the Environment (Protection) Act, 1986 and summons be issued against the accused. The court of Judicial Magistrate by its order dated July 31, 2013 issued summons.

10. The Forest and Environment Department, Government of Odisha requested the Collector, Keonjhar by its letter no. 20117/F&E dated October 31, 2012 to take legal action against the accused Mr. Mrutyunjay Sahoo, DGM (Mines), Thakurani iron and manganese mines and S.K.H. Khadry Business Head, Thakurani iron and manganese mines and further stating that accused produced iron ore beyond the permissive

quantity from April 1, 2000 to March 3, 2010 without having environmental clearance certificate as per EIA Notification. A criminal complaint bearing no. 2(C) C.C. 113 of 2013 was then filed by Sub-Divisional Magistrate, Champua before the Judicial Magistrate, First Class, Barbil against Mr. S.K.H. Khadry and Mr. Mrutyunjay Sahoo praying that the cognizance of the offence under section 15 of the Environment (Protection) Act, 1986 and summons be issued against the accused. The court of Judicial Magistrate by its order dated July 31, 2013 issued summons.

Civil Cases

OMDC is involved in 10 civil cases pending before the Odisha High Court, Calcutta High Court, and various lower courts in Barasat and Champua relating to various subject matters including disputes in relation to execution of arbitral awards, application for stay of operation, failure to fulfill contractual obligations, against notices to vacate land and against the cancellation of a tender notice. The aggregate amount involved in these cases is not ascertainable. These cases include two material cases. A brief description of these cases is provided below:

1. The Sub-collector, Champua initiated a suo moto case under Orissa Regulation 2 of 1956 against OMDC alleging that OMDC had unauthorized possession of certain land belonging to Mr. Surendra Naik, a member of a scheduled tribe. The Sub-collector by order dated August 16, 1997, directed restoration of the disputed land in favour of Mr. Surendra Naik. OMDC filed an application before the Additional District Magistrate, against this order. The application was rejected by order dated March 22, 1999 on the ground that the appeal was barred by limitation. Aggrieved by this order, OMDC filed petition before the Odisha High Court. The Odisha High Court by its order dated July 26, 2000, remanded the matter to the Sub-Collector for final disposal. The Sub-Collector by its order dated March 16, 2001 rejected the claim of OMDC. OMDC thereafter filed an appeal against the order of the Sub-Collector before the Additional District Magistrate (Revenue), Keonjhar. This appeal was set aside by the order dated September 19, 2001 and the case was remanded for fresh disposal to the Sub-Collector.

2. State Government of Odisha filed a writ petition bearing W.P.(C) no. 1852 of 2010 before the Odisha High Court praying that the order bearing no. 17/2009 dated February 2, 2009 passed by the Revisional Authority, Ministry of Mines, GoI under section 30 of the MMDR Act be set aside. The aforementioned order quashed the order of the State Government of Odisha bearing no. 16733/III (A) SM-14/03-16733 dated November 16, 2006 whereunder the State Government of Odisha rejected OMDC’s application for renewal of mining lease for iron and manganese ore over an area of 254.952 hectares in Kolha-Roida village, Keonjhar district, Odisha on the grounds that the area exceeds the maximum area prescribed under the MMDR Act.

Arbitration

There are six arbitration proceedings pending against OMDC before various arbitral tribunals. The arbitration matters amongst others are in relation to disputes involving a contract for shortage of supply of iron ore, refund of earnest money deposit, claim for loss of production due to non-issuance of transit passes, etc. The aggregate amount involved in these cases is approximately ₹ 2,394.40 million. These cases include three cases which involve amounts in excess of ₹ 60 million. Brief description of these cases is provided below:

1. Orissa Stevedores Limited (“**OSL**”) filed a claim statement (no. 120 of 2008) dated February 26, 2009 before a sole arbitrator in relation to a contract dated April 6, 2005 entered into between OMDC and OSL for port handling, stacking and stevedoring operation at the Haldia and Paradip ports. As per the terms of the contract, OSL was, *inter alia*, required to provide a developed plot inside the port prohibited area at the Paradip port and utilize OMDC’s plot at the Haldia dock complex for stacking of iron ore fines, as specified under the contract. The contract made OSL expressly liable for the losses incurred by OMDC, in case of any failure on part of OSL to meet its targets, as specified under the contract. According to an assessment and survey report of OMDC’s plot at the Haldia port dated November 24, 2005, OMDC’s plot was found to be over stacked by OSL which resulted in depression, water logging and loss of iron ore fines amounting to ₹ 17.58 million. This amount of ₹ 17.58 million was deducted by OMDC from the bills of OSL. OSL thereafter filed this claim statement stating that it had discharged its contractual obligations as per the above mentioned contract and claimed a total sum of ₹ 394.23 million from OMDC consisting of, *inter alia*, the amount deducted from its bill compensation for certain non-gratuitous services rendered by it and compensation at the agreed rates for the shortfall of minimum export amounts, as specified under the contract. OMDC filed a counter statement and counter claim dated April 24, 2009 denying the claim and

allegations made by OSL and prayed for recovery of the value of the left over stock worth ₹ 83. 33 million and the quantum of rebate offered by OSL for using OMDC's plot at Haldia, thus praying for a total sum of ₹ 83.32 million and an additional claim of ₹ 3.94 million as counter claim. OSL filed a rejoinder dated July, 2009 stating that OMDC had sold the left over stock and released the consideration to that effect and that OMDC's counter claim was beyond the terms of the above stated contract. Thereafter, OMDC replied to the counter claim on August, 2009 stating that the left over materials from Haldia port had not been sold and the loss had not been yet recovered and that the counter claim was not beyond the terms and conditions of the contract. OMDC also prayed that the counter claim for the left over stocks be allowed together with interest from April 1, 2007.

2. East India Minerals Limited ("**EIML**") filed a claim statement dated August 21, 2007 before the arbitral tribunal in relation to a contract dated October 4, 1993 entered into between EIML and OMDC for a period of 20 years. EIML, a company engaged in the mining of iron ore is a joint venture company formed on August 18, 1992 pursuant to a memorandum of understanding dated April 24, 1992 between Usha Rectifier Corporation India Limited ("**URCIL**") and OMDC. The dispute arose due to losses incurred by EIML amounting to ₹ 30.21 million on account of non-issue of transit passes by OMDC to EIML for the period from September 1, 2006 until September 28, 2006. EIML alleged that failure of OMDC to issue such transit passes was a breach of the above mentioned contract dated October 4, 1993 and that further, OMDC had failed to hand over certain land to EIML for carrying on mining operations, as agreed upon under the contract, on account of not obtaining the necessary environmental clearance in respect of such land. EIML prayed for specific performance of the contract by requiring OMDC to obtain the necessary environmental clearance under the Forest Conservation Act in respect of such land and also prayed for a perpetual injunction restraining OMDC from acting in any manner in breach of its obligations under the contract and for refusing to issue transit passes. Thereafter, EIML amended its claim statement in August, 2007 claiming that EIML was not liable to pay minimum guarantee charges, as specified under the contract, for the period when mining operations were suspended and claimed a refund of ₹ 12.9 million paid by them to OMDC as per the contract. EIML also claimed reimbursement of salaries and other expenses, and prayed that directions be issued to OMDC for getting statutory clearances for removal of stocks/material lying at Barbil and to permit EIML to sell lump ores from the mine since the crushing plant was not permitted to function. OMDC filed a counter claim dated July 23, 2010 stating that the contract dated October 4, 1993 and the memorandum of understanding dated April 24, 1992 should be treated as *non-est* and also prayed that EIML return the iron ore mines to OMDC with immediate effect. OMDC also alleged that EIML's claim of ₹ 30.21 million was not a valid claim and stated that as EIML's plant capacity was reduced from two mt to one mt therefore EIML was not entitled to get any area for mining purposes as per the claim statement. OMDC had claimed a sum of ₹ 112.7 million due to business losses suffered by it for transport blockade by EIML workers along with an interest at the rate of 18 % per annum. On February 23, 2011, EIML filed an amendment to the claim statement and stated that the allegations in the counter claim were untrue and that the agreement dated October 4, 1993 was valid until August 31, 2019. On July 28, 2011, EIML made an application for interim relief before the arbitral tribunal praying that an injunction order be passed restraining OMDC from taking any steps pursuant to the demands made by them as per their letters dated July 8, 2011 and July 13, 2011 and to stay the demand of ₹ 1.25 million on account of salaries till the disposal of the arbitration proceedings. The arbitrator through an interim order dated January 31, 2012 disposed of the interim application in respect of non-payment of establishment charges and reimbursement of salaries and directed EIML to furnish security of ₹ 5 million by way of bank guarantee and upon such security being furnished there will be no coercive measure taken on the part of OMDC until further orders.

3. Visa Steel Limited ("**VSL**") filed a claim statement dated March 11, 2008 before the sole arbitrator in relation to a contract dated December 21, 2004 between VSL and OMDC for supply of iron ore by OMDC for a period of 55 months, in certain quantities and specifications laid down under the agreement for running of a blast furnace plant by VSL at an initial basic price of ₹ 512 per mt In March 2006, OMDC revised the price and increased it to ₹ 672 per mt which was not accepted by VSL. Thereafter, a direction was issued by OMDC to its officials on May 5, 2006 to stop supply of iron ore until the outstanding dues were settled. Following this, VSL filed the claim statement before the arbitrator stating that it had suffered losses due to non-supply of iron ore which was a breach of the above mentioned contract. VSL prayed that the revised price or ₹ 1,001 per mt demanded by OMDC is arbitrary, unreasonable and should be declared invalid and a direction be issued to OMDC to immediately resume supply of iron ore at the rate of ₹ 672 per mt for 40,000 mt per month or alternatively at a price determined by the arbitrator. VSL also claimed a total sum of ₹ 1,902.10 million along with interest at the rate of 12 % per annum due to losses suffered. OMDC filed a counter statement dated July 18, 2008 denying the allegations made by VSL and stated that it had revised the price to ₹ 1,001 per mt of iron ore pursuant to its letters dated December 27, 2004,

February 9, 2005 and June 25, 2005 which were accepted by VSL by its letter dated June 26, 2005. OMDC further alleged that it had supplied 53,669 mt of iron ore to VSL for which a payment of ₹ 13.50 million, being the differential price between the price paid and price agreed upon by the parties, was not received by OMDC and hence VSL should pay a sum of ₹ 13.50 million along with an interest of 18 % per annum along with costs incidental to the proceedings.

Public Interest Litigation Cases

OMDC is involved in 4 public interest litigation proceedings, details of which are provided below: The amount involved in the above mentioned matters is unascertainable. A brief description of these cases is provided below:

1. Mr. P.K Das has filed an Writ Petition being W.P. (C) no. 1975 of 2003 before the Odisha High Court dated February 22, 2003 against the Union of India, State of Odisha, the Odisha State pollution Control Board, OMDC and certain others, alleging that the illegal construction in certain earmarked residential areas of Barbil Municipality has caused irreparable damage to the environment and that no permission had been obtained from the Orissa State Pollution Control Board before the commencement of the mining activities. The Odisha High Court by order (MC no. 1753 of 2003) dated March 6, 2003 directed the parties to maintain status quo until further orders and no new construction is to be undertaken.

2. Janajagaran and others have filed a Writ Petition being W.P. (C) no. 5484 of 2004 under section 91 of the Civil Procedure Code, 1908, dated May 14, 2004 against OMDC and certain others, before the Odisha High Court alleging that OMDC and other mine owners have increased the price of iron ore fines, as a result of which the cost of steel has increased from ₹ 16,00 per mt to ₹ 30,000 per mt and such illegal and monopolistic activity of OMDC and other mine owners has caused multiple problems such as destruction of roads, economic imbalance in the market, tedious journeys causing unnecessary delays and increased expenses incurred by transporters on account of wear and tear. It has been prayed that the Odisha High Court call upon OMDC and others to show cause as to why the present application should not be allowed and in the event of insufficient cause the present petition be allowed. It has also been prayed that OMDC be directed to safeguard the revenue and control the economic imbalance and to control the price of iron ore and steel on the national highways.

3. Janajagaran and others have filed a Public Interest Litigation (being C.S. No, 683 of 2005) before the Court of Civil Judge (Senior Division) against OMDC and certain other alleging that the sale of iron ore by mine owners within the districts of Keonjhar and Sundargarh, Odisha is illegal and unauthorized. Further, that the sale is being made at a price above the market price and that the sale amount should be declared as property or money belonging to the state of Odisha. They have also prayed that the court should make OMDC and other iron ore mine owners operating within the district of Keonjhar and Sundargarh, Odisha liable to repair and renovate the National Highways (no. 215 and no. 23) out of their own funds and pass a decree for permanent injunction restraining OMDC and other iron ore mine owners from polluting and creating obstructions on National Highways (no. 215 and no. 23). OMDC, in its written statement has stated that a writ petition bearing no. W.P. (C) no. 5484 of 2004 has been filed by Janajagaran on the same facts. Janajagaran and others have filed an interim application (bearing I.A. no. 515 of 2005) arising out of (CS no. 683 of 2005) against OMDC and certain others before the Court of Civil Judge (Senior division), Bhubaneswar against the iron ore mine owners seeking restrictions in the movement of ores.

4. Rabindra Mallick has filed a Writ Petition (being W.P. (C) no. 21922 of 2012) against OMDC and certain others before the Odisha High Court inter alia seeking direction against the opposite parties to terminate/set-aside the MoU with Essar Steel Odisha Limited ("**ESOL**") signed between ESOL and Government of Odisha and further directing the Minister of Environment and Forest to suspend the environmental clearance dated May 14, 2009 issued in favour of ESOL. The public interest litigation has been filed to save and protect the river Baitarani which as per the petitioner is being used by various industries including OMDC.

Labour Cases

There are 25 labour and service matters pending against our OMDC before the various Courts including the Odisha High Court, Central Government Industrial Tribunal, Motor Accident Case Tribunal, Keonjhar and the Commissioner for Workmen Compensation, Keonjhar with respect to disputes relating to amongst others, claim for regularization of service, payment of wages, against termination of service, payment of statutory dues, inaction in granting appointment, pay structure and challenging retirement on superannuation. The amount involved in the above matters cannot be ascertained.

Miscellaneous cases

There is one consumer cases filed by Mr. Prithviraj Singh Kumpawat against OMDC before the District Consumer Forum-Consumer Protection, Jodhpur claiming ₹ 26,000 as travel allowance and compensation at the time of interview for recruitment. The matter is yet to be listed for hearing.

Cases Filed by OMDC

Civil Cases

There are 15 civil cases filed by OMDC, before the Odisha High Court, Calcutta High Court, the Civil Judge at Barasat, North 24 Parganas, the Senior Civil Judge, Champua, and the Court of Sub Collector Champua relating to various subject matters including disputes in relation to evictions and an application challenging the action of the State Government in not complying with the directions of the Central Government for renewal of a mining lease. The amount involved in these cases is not ascertainable. These cases include one case which involves amount in excess of ₹ 60 million. Brief description of two material cases is provided below:

1. OMDC filed a writ petition no. 16874 of 2009 dated November 8, 2009 before the Odisha High Court seeking a direction to the State Government for compliance of the order passed by the Central Government, Revisional Authority under section 30 of the Mines and Minerals Development Act, 1957, challenging the action of the State Government in not complying with the directions of the Central Government Revisional Authority as per the order (no. 17 of 2009) dated February 2, 2009 which rejected OMDC's application for renewal of mining lease for iron and manganese ore over an area of 254.952 hectares in village Kolha Roida, Keonjhar Odisha on the ground that the area exceeds the maximum area prescribed under the Minerals Development Act, 1957. OMDC prayed that the order of the State Government be set aside as previous permission for obtaining leases had been obtained from the Central Government and that necessary permission be granted to OMDC for lifting of iron-ore from Kolha-Roida mines.

2. OMDC filed a Miscellaneous Case (no. 114 of 2012) dated June 1, 2012 before the Court of Chief Judge, Barasat against the arbitration award dated March 2, 2012 passed by a sole arbitrator in relation to a contract by work order (no. OMD/T5/3548) dated November 5, 2007 pursuant to tender notice (no. OMD/49/2007-08) between OMDC and Balbir Sharma. The contract had been entered into for raising and transporting iron ore at the North Iron Ore section, Bhadrasahi mines, Keonjhar district for the period between November 1, 2007 to October 3, 2008. Mr. Balbir Sharma filed a claim statement before the arbitral tribunal alleging that OMDC breached the terms of the contract and the contract was not completed in the stipulated time owing to the reasons of (i) labour unrest; (ii) violation of Rule-37 of the Mines Concession Rules ("**MCR**") by OMDC as the mining lease was granted to M/s. B.P.M.E Limited and not to OMDC; (iii) OMDC's failure to obtain the transit permit under Orissa Mineral (Prevention of Theft, Smuggling, and Illegal Mining and Regulation of Possession, Storage, Trading and Transportation) Rules 2007 and (iv) OMDC's failure to contain the labour unrest, among others. OMDC had countered the same that the contractor is in breach of the terms of the contract. After considering the claims of both the parties the arbitrator came to the conclusion that the state government of Odisha had not renewed the mining lease, therefore neither OMDC nor M/s. B.P.M.E Limited have any right over the mines, and identified that OMDC is in violation of section 4 of the Mines and Minerals (Regulation and Development Act), 1957. Therefore the contract entered into between OMDC and Balbir Sharma was illegal and void ab initio. The award of the arbitrator held that OMDC has no legal right to work the mines and allowed the ten separate claims of the contractor cumulatively amounting to ₹ 78.51 million payable by OMDC. Aggrieved by the award of the arbitrator, OMDC had filed the aforementioned case for setting aside of the award under section 34 of the Arbitration and Conciliation Act 1996.

Criminal Case

There is one criminal case filed by OMDC. A Brief description of the same has been provided below:

1. OMDC has filed an Application for leave to appeal (being CRLLP no. 4 of 2004) dated April 1, 2004 under section 378 of the Cr.P.C read with Chapter 6, Rule 27 of the Odisha High Court Rules, 1948, before the Odisha High Court seeking leave to appeal against the order of the Judicial Magistrate I Class, Barbil dated

November 22, 2003 wherein Mr. Amit Kumar Mishra, Mines Manager, OMDC had been acquitted under section 630 of the Companies Act and under section 255 (1) of the Cr.P.C. The dispute arose as Mr. Amit Kumar Mishra, Mines Manager, OMDC refused to vacate the quarters situated in plot no. 636 which belonged to OMDC, despite being transferred from OMDC to BSLC even after various letters had been issued by OMDC asking him to vacate the plot. Thereafter, the application dated April 1, 2004 was filed by OMDC. It was prayed before the Odisha High Court that Mr. Amit Kumar Mishra be directed to pay rent for the unauthorized occupation of the quarter of OMDC or alternatively deliver the property as mandated under section 452 of the Cr.P.C and pass such further orders as deem fit in the interest of justice. The Odisha high Court disposed of the case in favour of Mr. Amit Kumar Mishra by January 24, 2007. Thereafter, OMDC filed a Criminal Appeal judgment/sentence (being CRLA no. 62 of 2007) before the High Court of Odisha against the judgement dated January 24, 2007.

Debt Recovery Cases

OMDC has filed five appeals before Debt Recovery Appellate Tribunal-I, Kolkata (bearing tender nos. 105 of 2014, 106 of 2014, 107 of 2014, 108 of 2014 and 109 of 2014) directed against the proceedings namely an order no. 37 dated June 15, 2010 passed by the Presiding Officer, Debts Recovery Tribunal-I, Kolkata in connection with T.A. no. 216 of 1994, continuance of recovery proceedings in connection with T.A. no. 216 of 1994 being R.P. 142 of 2003 before the Debts Recovery Tribunal-I, Kolkata and consequently all subsequent orders passed in respect of R.P. no. 142 of 2003 seeking quashing and setting aside being premised on a void and unlawful agreement executed between UCO Bank and TPG Equity Management Private Limited namely order no. 44 of April 21, 2010, order no. 48 of June 8, 2010, order no. 37 of June 15, 2010, order no. 16 of February 23, 2012 and order no. 57 of March 23, 2011. The amount involved in the matters is unascertainable.

Mining Cases

The Deputy Director of Mines ("**DDM**"), Joda, Odisha had issued three show cause notices ("**SCN**") on November 1, 2012 bearing SCN nos. 6793, 6445 and 6818 to OMDC and three SCN's on November 23, 2012 bearing SCN nos. 7145, 7070 and 7085 to BPEML under section 21(5) of MMDR Act, 1957 towards cost price of excess ores alleging being produced/raised illegally/unlawfully involving total amount of ₹ 1,04,425.99 million. OMDC submitted its reply to SCN's issued to OMDC on November 23, 2012 and on March 6, 2013 with respect to the SCN's issued to BPEML. Thereafter, DDM by its letter dated September 5, 2013 issued another notice to OMDC and BPEML for personal hearing to be conducted on September 19, 2013 in respect of SCN's. OMDC appeared before DDM, Joda on September 19, 2013 and submitted an application to the DDM praying inter alia for supply for documents relied in the SCN's to enable OMDC to submit an effective reply to the SCN's. Thereafter, DDM Joda without providing any documents as prayed by OMDC issued the demand notices on February 15, 2014 bearing nos. 868, 919, 910 in respect of BPEML and bearing nos. 805 and 790 in respect of OMDC and on February 21, 2014 DDM, Joda issued another demand notice bearing no. 1070 to OMDC claiming total amount of ₹ 53,953.92 million. Being aggrieved by the demand notices, OMDC has filed six revision applications dated March 13, 2014 (bearing nos. 22/(51)/2014/RC-1, 22/(49)/2014/RC-1, 22/(47)/2014/RC-1, 22/(48)/2014/RC-1, 22/(46)/2014/RC-1 and 22/(50)/2014/RC-1) before the Revisional Authority, Ministry of Mines, Government of India, New Delhi challenging the demand notices with respect to six mining leases of OMDC as well as BPMEL. Subsequently, Ministry of Mines, Government of India has directed the Secretary, Department of Steel and Mines, Government of Odisha by its letter dated April 15, 2014 to provide para-wise comments to the revision applications filed by OMDC within three months.

3. BSLC

Outstanding Litigation/Proceedings Involving BSLC

Cases Filed against BSLC

Criminal Case

A criminal complaint (2(C) C.C. case no. 31/2014) has been filed on behalf of Government of India, Ministry of Environment and Forest against Mr. Umesh Chandra, director of BSLC pending before the court of Sub Divisional Magistrate, Rourkela alleging violation of Environment (Protection) Act, 1986 and claiming that BSLC had undertaken Limestone and Dolamite production from 2006-2007 to 2008-2009 without obtaining the requisite prior environmental clearance from the Ministry as was required under the Environment Impact Assessment Notification, 2006 which is a mandatory provision to operate the mines. It was further alleged that the work being taken out at the mines without complying with the procedural safeguard is hazardous to the environment for which the general public of the area is being affected at large as well as government loses huge revenue. The complainant seeks indulgence of the court by taking cognizance of the offence against the accused as per section 200(a) of the CrPC.

Arbitration Case

An arbitration case has been filed by M/s. Prakash Road Lines against BSLC which is pending before sole arbitrator Hon'ble Justice S.P. Talukdar (retd.) disputing the contract for loading and transporting of sized ores from mines to railway wagons at BSLC mines, Birmitrapur, Odisha and claiming ₹ 300 million. Our Company filed its counter claim to the claim filed by the M/s/ Prakash Roads Lines claiming an award of ₹ 2549.24 million plus interest at the rate of 18% per annum and also measures for security regarding the claim made by our Company.

Civil Case

There are 10 civil cases pending against BSLC, before the Odisha High Court, and various lower courts in Rourkela and Birmitrapur, relating to various subject matters including disputes in relation to execution of arbitral awards, illegal occupation of land, eviction proceedings and payment of life insurance benefits. The total amount involved in these cases is not ascertainable.

Labour Cases

There are 2 labour and service matters pending against BSLC before the Central Government Industrial Tribunal-cum- Labour Court, Bhubaneshwar with respect to disputes relating to demand for ex-gratia payment and payment of sick leave wages. The amount involved in the above matters is not ascertainable.

Cases Filed by BSLC

Civil Cases

There are 21 civil cases filed by BSLC, before the Odisha High Court, the Additional District Judge, Rourkela, District Judge, Sundargarh, Civil Judge, Senior Division Sundargarh, Additional District Magistrate and various other lower courts relating to various matters including disputes in relation to eviction proceedings, trespass of land, challenge of government awards, application for transfer of land, stamp duty and applications challenging the validity of government notifications. The total amount involved in these cases is not ascertainable.

Tax Case

There is one tax case filed by BSLC before the Odisha High Court. The amount involved in the case is below ₹ 60 million.

Stamp Duty

A writ petition (bearing no. 15307 of 2013) dated July 8, 2103 was filed by BSLC before the High Court of Odisha, Cuttack challenging the provisions of the Indian Stamp (Odisha) Amendment Act, 2013 and rule 11C of the Orissa Stamp Rules, 1952 inserted through Indian Stamp (Odisha Amendment) Rules, 2013 along with the executive instructions passed pursuant to circulars dated May 25, 2013 and July 3, 2013 issued by the Government of Odisha directing the collectors of all districts to implement the amendment. BSLC also received a demand notice dated July 8, 2013 issued by the Office of the Collector and District Magistrate, Sundargarh, Odisha demanding approximately ₹ 1,000 million in view of the aforesaid amendment. BSLC has prayed that the provisions of the amendment and the circulars dated May 25, 2013 and July 3, 2013 be quashed and held as unconstitutional. BSLC also sought an ad-interim ex-parte order restraining the Government of Odisha and other parties to the writ petition from taking any coercive steps against BSLC. The restraining order was granted by the High Court of Orissa, Cuttack by its order dated July 9, 2013.

Proceedings Initiated against the Subsidiaries for economic offences

There are no proceedings initiated against the Subsidiaries for any economic offences.

Details of Past Penalties imposed on the Subsidiaries

There are no past penalties imposed on the Subsidiaries.

Outstanding Litigation/Proceedings involving the Directors of our Company

There is no pending adjudicatory, regulatory, criminal or arbitral proceedings involving any of our Directors as on date of this Draft Red Herring Prospectus. Further, neither our Company nor our Directors have received any notices from any regulatory body or any other person with respect to any threatened or potential litigation or regulatory proceedings or investigation against them. However, incidental to the business of our Company and our Subsidiaries, parties may from time to time file suits/cases impleading our Company and our Subsidiaries through or along with their respective officers and Directors in their official capacity.

Proceedings Initiated against the Directors for economic offences

There are no proceedings initiated against our Directors for economic offences.

Details of Past Penalties Imposed on the Directors

There are no past penalties imposed on any of our Directors.

Proceedings Initiated by SEBI

There are no proceedings initiated by SEBI against our Directors or any entity in which our Directors are involved as promoters or directors.

Material Frauds

There have been no acts of material frauds committed against the Company in the last three years.

Inquiries, inspections or investigations under Companies Act

There are no inquiries, inspections or investigations initiated or conducted against our Company and our Subsidiaries under the Companies Act, 2013 or any previous company law in the last three years. Further, there are no prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years involving our Company and our Subsidiaries.

GOVERNMENT AND OTHER APPROVALS

Our Company has received the necessary consents, licenses, permissions, registrations and approvals from the Government, various governmental agencies and other statutory and/or regulatory authorities, required for carrying out its present business and except as mentioned below, no further material approvals are required for carrying on our Company's present business. The object clause and objects incidental to the main objects of the Memorandum of Association enable our Company to undertake its existing activities.

In view of the approvals listed below, we can undertake this Offer and our current business activities and no further major approvals from any Government authority are required to continue these activities. Unless otherwise stated, these approvals are all valid as of the date of this Draft Red Herring Prospectus. Certain approvals may have elapsed in their normal course and our Company is in the process of making applications for renewal of such approvals.

A. Approvals in relation to our Company's incorporation, change of name and registered office

Certificate of incorporation issued by the RoC on February 18, 1982, under the Companies Act, 1956.

Fresh certificate of incorporation issued by the RoC dated May 10, 2012 consequent upon the change in the status of our Company from a private limited company to a public company.

B. Approvals in relation to the Offer

Corporate approvals

The Board of Directors have, pursuant to resolution dated July 3, 2014 authorized this Offer.

Approvals from GoI

The MoS through its letter no 5(5)2010-VSP(Vol.I) dated September 17, 2014 conveyed the approval granted by the GoI to authorize this Offer.

The MoS pursuant to its letter 5(5)2010-VSP(Vol.I) dated September 17, 2014 granted consent to include 977,969,240 Equity Shares held by the President of India as Promoter's Contribution and have agreed not to sell, transfer, charge, pledge or otherwise encumber or dispose off in any manner, the Promoter's Contribution from the date of transfer in this Offer, for a period of three years, or for such other time as required under the ICDR Regulations.

Approvals from stock exchanges

1. In-principle approval from the NSE dated [●]; and

2. In-principle approval from the BSE dated [●].

Our Company has also obtained necessary contractual approvals required for this Offer.

C. General approvals

PAN: AABCR0435L
IEC: 2688000551

(a) Approvals for our Company's business

Our Company requires various approvals to carry on its steel manufacturing business in India. Some of the significant approvals required by our Company are as follows:

1. Licences issued under the Factories Act and the rules thereof.

2. Central excise registration under the CE Rules for manufacturing and operating as a dealer of excisable goods issued by the relevant state governments.

3. Certificate of registration issued by the sales tax department of the relevant state under the Central Sales Tax (Registration and Turnover) Rules, 1957.

4. Certificate of registration for registration as a dealer under the CST Act issued by the Superintendent of Sales Tax of the relevant state governments.

5. Consents under the Air Act and Water Act issued by the relevant state pollution control board.

6. Authorization under the Hazardous Wastes Rules issued by the relevant state pollution control board.

7. Various licences to import and store compressed gas, liquid petroleum gas and propane gas in pressure vessels or vessels issued by the Chief Controller of Explosives under the Explosives Act.

8. Licence to import and store petroleum issued by the Department of Explosives under the Petroleum Act, 1934.

9. Certificate for the use of boilers under the Indian Boilers Act, 1927 issued by the Directorate of Steam Boiler of the relevant state.

10. Authorization to import and handle radioactive material under Atomic Energy Act, 1962 issued by Radiological Safety Division, GoI.

11. Certificate of verification from the Controller of Legal Metrology under the Legal Metrology Act, 2009 and the Andhra Pradesh Standards of Weights and Measures Enforcement Rules, 1986.

12. Certificate of registration under Shops and Establishments Act issued by the Shops and Establishments Department/Municipal Corporation/Labour Department of the relevant state.

13. Certificate of registration under Contract Labour Act issued by the Assistant Labour Commissioner, Ministry of Labour, GoI.

14. Licences issued by the Wireless Planning and Coordination Wing, Ministry of Communications and Information Technology, for radio frequency communications.

Some of these approvals expired in the ordinary course of business and renewal applications for these are submitted from time to time.

(b) Major factory approvals

Some of the key approvals obtained by our Company for VSP:

S. No.	Description	Registration/Reference no.	Date of issue/renewal	Expiry date
1.	Licence to work as a factory under the Factories Act issued by the Factories Department, Government of Andhra Pradesh	43927	December 13, 2000	The licence shall be valid until it has been duly cancelled.
2.	Acknowledgment for manufacturing /expansion to manufacturing iron and steel issued by the Secretariat for Industrial Assistance, Ministry of Commerce and Industry, GoI	185/SIA/IMO/2009	January 22, 2009	NA
3.	Approval for expansion of the liquid steel capacity from 3 MT to 6.3 MT issued by the MoS	6 (1/05)VSP	October 28, 2005	NA
4.	Revised plan for VSP issued by the Factories Department, Government of Andhra Pradesh	D.Dis.D3/VSP-II/1473/2008	May 4, 2009	NA
5.	Renewal consent order to operate the industrial plant, existing and expanded capacity, under the Water Act, the Air Act and the Hazardous Wastes Management Rules issued by the APPCB	APPCB/VSP/VSP/108/CFO/HO/2013	August 7, 2013	April 30, 2014*
6.	Environmental clearance for VSP issued by the Department of Environment, Forests and Wildlife	11011/1/87-IA	January 4, 1988	NA

S. No.	Description	Registration/Reference no.	Date of issue/renewal	Expiry date
7.	Environmental clearance for the expansion of hot metal (steel plant) issued by the MoEF	J-11011/196/2005- IA II (I)	August 11, 2005	NA

* *Our Company has made an application (Ref no. VSP/W/EnMD) dated January 28, 2014 to the Environmental Engineer, APPCB for the renewal of the consent order bearing no.* APPCB/VSP/VSP/108/CFO/HO/2013-2853 *dated August 7, 2013 for a period of one year i.e., upto April 30, 2015.*

(c) Mining leases

We are required to obtain certain approvals from various central and state government departments and other authorities for undertaking mining activities. We apply for approvals, permits, licences, clearances, consents and registrations at the appropriate stage of development of a mine and when granted, such approvals, permits, licences, clearances, consents and registrations contain certain conditions for continuous compliance. We are currently in possession of seven mines of which four mines are in operation.

1. Limestone mine

The Government of Andhra Pradesh has issued a mining lease dated July 31, 2002 in favour of our Company for land bearing R.S. no. 376 admeasuring a total area of 1,295 hectares situated at K. Agraharam, Muktheswarapuram village, Jaggayyapet mandal, Krishna district, Andhra Pradesh for a period of 20 years. The lease is valid till August 8, 2020. The licences and approvals obtained by us in relation to this mine are provided below:

S. No.	Name of approval/clearance	Reference number	Date of issue/renewal	Date of expiry
1.	Environmental clearance issued by the MoEF	J-11015/13/93-IA.II (M)	October 21, 1993	NA
2.	Renewal of consent to operate order under the Air Act and the Water Act and Hazardous Wastes Management Rules issued by the APPCB	APPCB/VJA/VJA/439/HO/CFO/2011-2666	November 18, 2011	June 30, 2013**
3.	Forest clearance issued by the Environment, Forest, Science and Technology Department, Government of Andhra Pradesh	G.O. MS No. 52	May 9, 2000	May 8, 2021
4.	Terms of reference issued by the MoEF for expansion in production capacity	J-11015/28/2010-IA.II (M)	March 9, 2010	NA

*** Our Company has made an online application (Ref No.3665) dated March 11, 2013 to the Environmental Engineer, APPCB for the renewal of the consent order bearing no. APPCB/VJA/VJA/439/HO/CFO/2011-2666 dated November 18, 2011.*

2. Dolomite mine

The Government of Andhra Pradesh has issued a mining lease dated from September 30, 2002 in favour of our Company for land bearing survey no. 179 (part), 180, 181, 182/P and 183/P of Madharam village, survey no. 71/P, 72/P, 75/P of Seripuram village, survey no. 74, 75/P, 76/P, 79/P, 80/P, 81 to 86, 87/P of Pocharam village and survey no. 407 part of Karepally village admeasuring a total area of 384.46 hectares situated at Singareni and Garla mandals, Khammam district, Andhra Pradesh for a period of 20 years. The lease is valid till July 13, 2020. The licences and approvals obtained by us in relation to this mine are provided below:

S. No.	Name of approval/clearance	Reference number	Date of issue	Date of expiry
1.	Environmental clearance for expansion of production capacity issued by the MoEF*	J-11015/184/2007-IA.II (M)	December 10, 2009	NA
3.	Consent to operate existing capacity of 1500 tonnes per day, under the Air Act, the Water Act and the Hazardous Wastes Management Rules issued by the APPCB	APPCB/VJA/KTM/15634/HO/CFO/2014	May 16, 2014	October 31, 2015

* *The environmental clearance and the consent for establishment for the expansion of production are subject to the outcome of the writ petition (W.P. No. 23744/2002) filed before the Andhra Pradesh High Court. The matter has been transferred to National Green Tribunal for fresh proceedings. For details see the section titled "**Outstanding Litigation and Material Developments**" on page 339 of this Draft Red Herring Prospectus.*

3. Manganese ore mine

The Government of Andhra Pradesh has issued a mining lease dated November 6, 2008 in favour of our Company for land bearing survey no. 251, 253, 254, 255 and 257 (P) and 87 to 107, 109 to 120 admeasuring a total area of 264.54 hectares situated at Garbham village, Merakamudidam mandal, Vizianagaram district, Andhra Pradesh for a period of 20 years. The lease is valid till October 6, 2022. The licences and approvals obtained by us in relation to this mine are provided below:

S. No.	Name of approval/clearance	Reference number	Date of issue	Date of expiry
1.	Environmental clearance issued by the MoEF	J-11015/375/2005-IA.II (M)	October 4, 2006	NA
2.	Consent to operate under the Air Act, the Water Act and Hazardous Wastes Management Rules issued by the APPCB	9059/APPCB/ZO-VSP/Tech./2013-1302	March 20, 2014	December 31, 2016

4. Quartz mine

i. The Government of Andhra Pradesh has issued a mining lease dated from November 1, 2001 in favour of our Company for land bearing survey 153, admeasuring a total area of 3.240 hectares situated at Kinthada village, K. Kotapadu mandal, Visakhapatnam district, Andhra Pradesh for a period of 20 years. The lease is valid till October 31, 2021. Our Company has filed an application for consent for establishment with the APPCB by an application (no. Mines/HQ/KQM/2-03/2007/1272) dated May 3, 2007. We have received the approval for scheme of mining dated May 31, 2014 from the Joint Director, Directorate of Mines and Geology, Hyderabad which is valid for a period from 2014-2015 to 2015-2016 subject to certain conditions as mentioned in the approval.

ii. The Government of Andhra Pradesh has issued an in-principal approval by its memo (no. 9132/M.III(2)/2007-3) dated January 27, 2009 for grant of mining lease in favour of our Company for land admeasuring 20.64 hectares in survey no. 1 Marrivalasa village, K. Kotapadu mandal, Visakhapatnam district, Andhra Pradesh for a period of 30 years. Additionally, the Government of Andhra Pradesh has also issued an in-principal approval by memo (no. 9133/M.III(2)/2007) dated January 27, 2009 for grant of mining lease in favour of our Company for land admeasuring 40.47 hectares in survey no. 268 Pindrangi village, K. Kotapadu mandal, Visakhapatnam district, Andhra Pradesh for a period of 30 years. The Government of Andhra Pradesh by memo (no. 13205/M.III(2)/2009-1) dated December 14, 2009 has accorded permission to our Company to submit a combined mining plan for both the above mentioned mines within a period of six months from the date of receipt of the said memo. The combined mining plan was approved by the Zonal Joint Director of Mines and Geology, Visakhapatnam on June 23, 2010. The MoEF has prescribed terms of reference for undertaking detailed EIA study for the purpose of obtaining environmental clearance, by letter (no. J-11015/282/2010-IA.II(M)) dated March 28, 2011.

5. Silica Sand Mine

The Government of Andhra Pradesh has issued a mining lease dated April 23, 2003 in favour of our Company for land bearing survey no. 61 & 78 of Saripalli village, survey no. 6 of Neelamrajupeta village, and survey no. 265 of Nellimarla village admeasuring a total area of 64.67 hectares situated at Nellimarla mandal, Vizianagaram district, Andhra Pradesh for a period of 20 years. The lease is valid till April 22, 2023. The licences and approvals obtained by us in relation to this mine are provided below:

S. No.	Name of approval/clearance	Reference number	Date of issue	Date of expiry
1.	Environmental clearance issued by the MoEF	J-11015/830/2007-IA.II (M)	December 12, 2008	NA
2.	Consent to operate under the Air Act, the Water Act and Hazardous Wastes Management Rules issued by the APPCB	9195/APPCB/ZO-VSP/Tech./2012-804	December 17, 2012	November 30, 2015

6. The Government of Andhra Pradesh has issued a mining lease dated from March 29, 2003 in favour of our Company for land bearing survey no. 110, admeasuring a total area of 7.50 hectares situated at

Kharajada village, Srikakulam mandal, Srikakulam district, Andhra Pradesh for a period of 20 years. The lease is valid till March 28, 2023. Currently, our Company is not conducting any mining operations in this mine.

7. The Government of Andhra Pradesh has issued a mining lease dated from March 2, 2000 in favour of our Company for land bearing survey nos. 1 & 27, admeasuring a total area of 31.161 hectares situated at Nellimarla village, Nellimarla mandal, Vizianagram district, Andhra Pradesh for a period of 20 years. The lease is valid till March 1, 2020. Our Company has filed a notice of intention for temporary discontinuance of the mine by its letter dated April 12, 2005.

(d) Applications for the grant of mining leases and prospecting licences

Our Company has made the following applications for the grant of mining leases and prospecting licences:

S. No.	Area/Mine	Particulars of application
Iron ore in Andhra Pradesh		
1.	Reserve forest of Obulapuram, Kalayandurg range, Bellary block, Anantapur district, Andhra Pradesh	Application dated October 11, 2011 for grant of prospecting licence for iron ore covering an area of 1,752.11 hectares filed before the Assistant Director of Mines and Geology, Anantapur division, Anantapur district, Andhra Pradesh.
2.	Kothapalli, Damera and Yerraballi villages, Bheemadevarapalli mandal, Karimnagar district, Andhra Pradesh	Application dated July 8, 2011 for grant of prospecting licence for iron ore covering an area of 341.93 hectares filed before the Assistant Director of Mines and Geology, Karimnagar division, Karimnagar district, Andhra Pradesh.
3.	Gudur reserve forest of Gudur range, Warangal district, Andhra Pradesh	Application dated November 3, 2010 for grant of prospecting licence for iron ore covering an area of 2,500 hectares filed before the Assistant Director of Mines and Geology, Warangal division, Warangal district, Andhra Pradesh.
4.	Bayyaram reserve forest and Motlatimmapuram reserve forest, Bayyaram range, Kothagudem division, Khammam district, Andhra Pradesh	Application dated October 29, 2010 for grant of prospecting licence for iron ore covering an area of 2,500 hectares filed before the Assistant Director of Mines and Geology, Kothagudem division, Khammam district, Andhra Pradesh.
5.	Raidurg section Obulapuram village, Kalyandurg range, Anantapur district, Andhra Pradesh	Application dated October 30, 2006 for grant of the prospecting licence for iron ore covering an area 309.19 hectares filed before the Assistant Director of Mines and Geology, Anantapur district, Andhra Pradesh.
Iron ore mine in Odisha		
6.	Khajuridihi reserve forest, Bonai division, Sundargarh district, Odisha	Application dated November 19, 2003 for grant of mining lease for iron ore covering an area of 569.56 hectares filed before the Collector, Sundargarh district.
7.	Khajuridihi village, Bonai division, Sundargarh district, Odisha	Application dated November 19, 2003 for grant of mining lease for iron ore covering an area of 939.1427 hectares filed before the Collector, Sundargarh district.
Iron ore mine in Jharkhand		
8.	Henua protected forest, Kantakaduar Hoburu, Timra, and Solol villages, Chaibasa division, West Singhbhum district, Jharkhand	Application dated March 11, 2011 for grant of the prospecting licence for iron ore/manganese ore covering an area of 690 hectares filed before the District Mining Officer, Department of Mines and Geology, Chaibasa, West Singhbhum district, Jharkhand.
9.	Karampada reserve forest, Kumdi, Sasangarhi and Papaita Buru villages, Chaibasa division, West Singhbhum district, Jharkhand	Application dated March 11, 2011 for grant of the prospecting licence for iron ore/manganese ore covering an area of 575 hectares filed before the District Mining Officer, Department of Mines and Geology, Chaibasa, West Singhbhum district, Jharkhand.
10.	Raika protected forest, Charsaburu, Bameburu, Bururaika and Donadaburu villages, Chaibasa division, West Singhbhum district, Jharkhand	Application dated December 7, 2010 for grant of the prospecting licence for iron ore/manganese ore covering an area of 1,498.50 hectares filed before the District Mining Officer, Department of Mines and Geology, Chaibasa, West Singhbhum district, Jharkhand.
11.	Raika protected forest, Banaburu protected forest Chaibasa division, West Singhbhum district, Jharkhand	Application dated December 7, 2010 for grant of the prospecting licence for iron ore/manganese ore covering an area of 875 hectares filed before the District Mining Officer, Department of Mines and Geology, Chaibasa, West Singhbhum district, Jharkhand.

S. No.	Area/Mine	Particulars of application
12.	Bondburu protected forest, Chaibasa division, West Singhbhum district, Jharkhand	Application dated November 22, 2010 for grant of the prospecting licence for iron ore/manganese ore covering an area of 20.07 hectares filed before the District Mining Officer, Department of Mines and Geology, Chaibasa, West Singhbhum district, Jharkhand.
13.	Ghatkuri reserve forest, Lutu Buru, Pansira Buru and Lambara villages, Chaibasa region, West Singhbhum district, Jharkhand	Application dated July 15, 2010 for grant of the prospecting licence for iron ore/manganese ore covering an area of 727.50 hectares filed before the District Mining Officer, Department of Mines and Geology, Chaibasa, West Singhbhum district, Jharkhand.
14.	Ankua reserve forest, Gumphu, Bhuru, Timra and Ankua villages, Chaibasa region, West Singhbhum district, Jharkhand	Application dated July 15, 2010 for grant of the prospecting licence for iron ore/manganese ore covering an area of 1,162.75 hectares filed before the District Mining Officer, Department of Mines and Geology, Chaibasa, Singhbhum district, Jharkhand.
Iron ore mine in Rajasthan		
15.	Tunda, Bijetha, Biletha, Tola and Nathun villages, Jhahazpur Taluqa, Bhilwara district, Rajasthan	Application dated February 26, 2012 for grant of mining lease for iron ore and associated mineral covering an area of 5,200 hectares filed before the Mining Engineer, Department of Mines and Geology, Bhilwara, Rajasthan. The Government of Rajasthan has recommended to the Ministry of Mines, Government of India to grant mining licence to the Company over an area of 4866.2319 hectares on July 5, 2013 subject to : (a) No application is being submitted by an undertaking of the state government with respect to the said area; (b) The Units – benefaction, magnetic separation, palletisation, and steel processing will be established by our Company in the state of Rajasthan; (c) Our company should make an investment of about ₹ 100 billion in the state of Rajasthan and should provide opportunities of employment; (d) The pricing of the iron-ore will be rectified in the state of Rajasthan; and (e) Our Company should establish a steel processing unit in the state of Rajasthan within a period of four years from the date of benefaction, magnetic separation, palletisation, and execution of the contract.
16.	Tonda, Rampura, Badalwal, Mehra, Bansayal protected forest villages, of Khetri tehsil, Khetri division, Jhunjhunu district, Rajasthan	Application dated July 12, 2011 for grant of the prospecting licence for iron ore/associated minerals covering an area of 770 hectares filed before the Mining Engineer, Department of Mines and Geology, Sikar district, Rajasthan.
17.	Tonda, Rampura, Badalwal, Mehra, Bansayal protected forest villages, of Khetri tehsil, Khetri division, Jhunjhunu district, Rajasthan	Application dated July 12, 2011 for grant of the prospecting licence for iron ore/associated minerals covering an area of 2,640 hectares filed before the Mining Engineer, Department of Mines and Geology, Sikar district, Rajasthan.
18.	Sultangarh, Irarikiara, Baran, Banera, Daragarh and other villages, Bhilwara and Banera division, Bhilwara district, Rajasthan	Application dated January 29, 2010 for the grant of mining lease for iron ore covering an area of 2,948.50 hectares filed before the Mining Engineer, Department of Mines and Geology, Bhilwara district, Rajasthan.
19.	25 villages in Banera and Bhilwara divisions, Bhilwara district, Rajasthan	Application dated April 28, 2010 for the grant of mining lease for iron ore covering an area of 2,948.50 hectares filed before the Mining Engineer, Department of Mines and Geology, Bhilwara district, Rajasthan. Our Company has received a letter of intent no. P.6 (B) Mines/Group-2/2012 dated May 31, 2013*, for mining lease over an area of 945.8575 hectares in 4 blocks. The details of the letter of intent are as follows: (a) The area applied for measuring 132.7365 hectares is the grazing land and no objection certificate of the revenue department should be produced for facilitating sanction of the mining lease; (b) The area applied for is covered under the periphery of 500 metres of limit of forest as per the circular of forest department. Therefore no objection certificate is to be sought from the forest department; (c) The mining plan to be approved by competent authority and a progressive mine closure plan to be approved by competent officer under the Mine and Minerals (Regulation and Development) Act;1957 and (d) An environment clearance certificate to be obtained from forest department and ministry of environment.
20.	Pur-Banera village, Bhilwara tehsil, Bhilwara district, Rajasthan	Application dated September 2, 2009 for the grant of mining lease for iron ore covering an area of 2,303.75 hectares filed before the Mining Engineer, Department of Mines and Geology, Bhilwara district, Rajasthan.
Iron ore mine in Uttar Pradesh		
21.	Girar, Barwar reserve forest, Barwar, Girar, Dhansakera villages, Girar division, Lalitpur district, Uttar Pradesh	Application dated April 21, 2011 for grant of the prospecting licence for iron ore/associated minerals covering an area of 1,060 hectares filed before the District Mining Officer, Department of Mines and Geology, Lalitpur district, Uttar Pradesh.
Iron ore mine in Karnataka		

S. No.	Area/Mine	Particulars of application
22.	Belgal, Honnahalli, Halakundi, Tummati, Vittalapura, Avinamadugu, Vittalapura (Metriki reserve forest) villages, Bellary division, Bellary district, Karnataka	Application dated January 19, 2012 for grant of prospecting licence for iron ore covering an area of 2,379.55 hectares filed before the Commissioner of Mines and Geology, Government of Karnataka, Bengaluru. Government of Karnataka is planning an e-Auction of 51 Iron ore mines. However, the e-auction process has not yet started.
Thermal coal mine in Odisha		
23.	Karadabahal Block, Talcher Coal Field, district Angul, Odisha	Application dated January 7, 2014 for allotment of non-coking block comprising of 4.4 square kilometers filed before the Director, Ministry of Coal, GoI, New Delhi.
24.	Brahmanbil Block, Talcher Coal Field, district Angul, Odisha	Application dated January 7, 2014 for allotment of non-coking block comprising of 5.4 square kilometers filed before the Director, Ministry of Coal, GoI, New Delhi.
25.	Phulajhari West Block, Talcher Coal Field, district Angul, Odisha	Application dated January 7, 2014 for allotment of non-coking block comprising of 4.6 square kilometers filed before the Director, Ministry of Coal, GoI, New Delhi.
26.	Phulajhari East Block, Talcher Coal Field, district Angul, Odisha	Application dated January 7, 2014 for allotment of non-coking block comprising of 4.6 square kilometers filed before the Director, Ministry of Coal, GoI, New Delhi.
Dolomite mine in Andhra Pradesh		
27.	Dharmapuram village, Bayyaram mandal, Kothagudem division, Khammam district, Andhra Pradesh	Application dated November 2, 2009 for grant of mining lease for dolomite covering an area of 319.14 hectares filed before the Director of Mines and Geology, Government of Andhra Pradesh.
Manganese ore mine in Andhra Pradesh		
28.	Garbham village, Merakamudidam mandal, Vizianagaram district, Andhra Pradesh	Application dated December 26, 1995 for grant of mining lease for manganese ore covering an area of 13.262 hectares filed before Director of Mines and Geology, Hyderabad, Andhra Pradesh.

**Our Company has sought an extension upto November 30, 2014 to comply with the conditions of the letter of intent.*

(e) Mining leases of our Subsidiaries

Our Subsidiaries are required to obtain certain approvals from various central and state government departments and other authorities for undertaking mining activities. Our Subsidiaries are currently in possession of seven mines, however, all the mining leases in relation to these mines have expired. The details of these mining leases and the renewal applications filed by our Subsidiaries are as below.

<u>*OMDC*</u>

1. Iron and Manganese ore mine at Thakurani

The Government of Odisha has issued a mining lease for iron ore dated November 14, 1962 in favour of Bird and Company Private Limited ("**BCPL**") for land admeasuring a total area of 1,600.94 hectares situated at Barbil village, Chamakapur pargana, Barbil thana, Champua sub-district, Keonjhar district, Odisha for a period of 30 years from October 1, 1954. Subsequently, the Mining and Geology Department, Government of Odisha by its proceeding no. III(A)MG-125/83-9901/MG/Bhubaneswar dated September 4, 1981 granted permission for the inclusion of manganese ore in the aforementioned mining lease for iron ore, retrospectively. The lease was valid till September 30, 1984. The mining lease was transferred to Bharat Process and Mechanical Engineers Limited ("**BPME**") following the nationalization of BCPL in 1980. Thereafter, BPME made an application for the grant of a renewal of the mining lease from October 1, 1984 to September 30, 2004 which is under process. The following application has been filed for the second renewal of the mining lease:

S. No.	Particulars of application	Application/ Acknowledgment no.	Date
1.	BPME has filed an application for renewal of mining lease for iron and manganese ore covering an area of 778.762 hectares situated at Sading, Dalki, Karakolha, etc., Chapua subdivision, Keonjhar district, Odisha, for a period of 20 years with effect from October 1, 2004 to September 30, 2024, before the Secretary to Government of Odisha, Department of Steel and Mines.* ^#	963	September 27, 2003

**The Department of Steel and Mines, Government of Odisha has issued a notice (no. III(A)SM-03/2010/3610) dated June 10, 2010 stating that the application no. 963 dated September 27, 2003 for renewal of mining lease is deficient in certain documents and has sought clarification from OMDC as to why it has not been able to set up a mineral based industry in Odisha and shift its registered office to Odisha as per the understanding with the Government of Odisha based on which the mining leases were issued to OMDC and BPME. OMDC filed a reply to the same on January 27, 2014 clarifying various questions raised in the notice and submitting requisite supporting documents.*

*^The mining operations was being done under deemed renewal clause as per clause 24(A)(6) of the Mining Concession Rules, 1960 ("**Deemed Renewal**") for the period from October 1, 2004 till December 9, 2009.*
*#The Deputy Director of Mines, Joda, Odisha had issued the demand notice no. 868 dated February 15, 2014 to BPME for alleged cost price of excess ore raised illegally/unlawfully under Section 21(5) of MMDR Act claiming ₹ 21.63 billion. For details see the section titled "**Outstanding Litigation and Material Developments**" on page 339 of this Draft Red Herring Prospectus.*

Out of the total area of 778.762 hectares, BPME has surface right over 640.592 hectares for mining and other ancillary activities. BPME plans to commission a sponge iron plant of 30,000 tonnes per annum capacity within the applied area of 778.762 hectares and the ore produced from the mines will cater the requirement of the plant. BPME requires certain statutory clearances to execute its Thakurani mine. The mining scheme of the Thakurani mine has been approved by Controller of Mines by the letter no. 314(3)/97 MCCM(CZ)/MP/Scheme-4 dated July 1, 1998. It has also applied for approval of the forest diversion proposal under the Forest Conservation Act, 1980 ("**FC Act**") for a period of 20 years on November 7, 2003 to the Conservator of Forests, Bhubaneswar. BPME has received the 'terms of reference' issued by the MoEF pursuant to the approval of mining plan of the Thakurani mine which was accepted on October 22, 2010 which was valid for a period of 2 years that had to be complied with for effectively running the mine. BPME has applied for environmental clearance before the Director, MoEF dated September 23, 2011. BPME has applied for approval of site specific wildlife conservation plan to the Divisional Forest Officer, Keonjhar on June 6, 2013 for approval. Further, BPME has applied for a 'no objection certificate' to establish and from the State Pollution Control Board, Odisha ("**OSPCB**") on November 16, 2011. An application for consent to operate will be filed on receiving environmental clearance for this application.

2. Manganese ore mines at Dalki

The Government of Odisha has issued a mining lease for manganese ore dated November 16, 1962 in favour of BCPL for land admeasuring a total area of 534.19 hectares situated at Dalki village, Chamakapur pargana, Barbil thana, Champua sub-district, Keonjhar district, Odisha for a period of 20 years from October 1, 1954. The mining lease was transferred to BPME when nationalization of BCPL happened in 1980. The lease was valid till September 30, 1974 and was further renewed upto September 30, 1994. The following application has been filed for the second renewal of mining lease:

S. No.	Particulars of application	Application/ Acknowledgment no.	Date
1.	BPME has filed an application for renewal of mining lease for manganese ore covering an area of 266.77 hectares situated at Dalki village, Keonjhar district, Odisha, for a period of 20 years with effect from October 1, 2014 to September 30, 2034, before the Secretary to Government of Odisha, Department of Steel and Mines.*#	1776	September 5, 2013

**The mining operation was being conducted under Deemed Renewal for a period from October 1, 1994 till August 24, 2006.*
*#The Deputy Director of Mines, Joda, Odisha had issued the demand notice no. 910 dated February 15, 2014 to BPME for alleged cost price of excess ore raised illegally/unlawfully under Section 21(5) of MMDR Act claiming ₹ 295.6 million. For further details see the section titled "**Outstanding Litigation and Material Developments**" on page 339 of this Draft Red Herring Prospectus.*

BPME was granted working permission in respect of Dalki mine during the pendency of its second renewal application on July 16, 1984. BPME requires certain statutory clearances to execute its Dalki mine. BPME has received approval of scheme of mine along with progressive mine closure plan no SM/OTF.MECH/07-ORI/BHU/2011-2012 from the office of Regional Controller of Mines, Bhubaneswar valid for a period of 2011-2012 to 2014-2015. Further, OMDC has applied for approval of a revised mining plan to be valid for a period of 5 years from 2014-2015 to 2018-2019. It has also received approval for diversion of forest land under the FC Act which is valid till September 30, 2014. The environmental clearance has been received by BPME from the MoEF for Dalki mine on September 11, 2013 pursuant to the approval of its scheme of mining vide letter no. SM/OTF. MECH/07-ORI/BHU/2011-2012. BPME has received a letter dated April 13, 2011 from the office of Divisional Forest Officer, Keonjhar for approval of site specific wildlife conservation plan on payment of requisite fee. Further, BPME has obtained consent to establish dated April 30, 2012, valid for five years and consent to operate dated December 28, 2013 valid upto September 30, 2014, from the OSPCB.

3. Iron and Manganese ore mines at Kolha-Roida

The Government of Odisha has issued a mining lease for manganese ore dated September 20, 1986 in favour of BPME for land admeasuring a total area of 254.952 hectares situated at Kolha Roida village, Chamakapur pargana, Barbil thana, Champua sub-district, Keonjhar district, Odisha for a period of 20 years from August 15, 1976. Subsequently, a supplementary mining lease for iron ore was executed on April 2, 1987 over the same area of 254.952 hectares, which was co-terminus with the principal mining lease for manganese ore. The lease was valid till August 14, 1996. The following application has been filed for the renewal of mining lease.

S. No.	Particulars of application	Application/ Acknowledgment no.	Date
1.	BPME has filed an application for renewal of mining lease for iron and manganese ore covering an area of 254.952 hectares situated at Kolha-Roida village, Keonjhar district, Odisha, for a period of 20 years with effect from August 16, 1996 to August 15, 2016, before the Secretary to Government of Odisha, Department of Steel and Mines.*^#	-	July 14, 1995

The Director of Mines, Ministry of Mines, GoI by order (no. 17/2009) dated February 2, 2009 ("GoI Order**") has set aside the order of the Government of Odisha (no.16733/III(A)SM-14/03-16733) dated November 16, 2006 rejecting the renewal of mining lease application and directed that the status-quo operating prior to November 16, 2006 be restored. While the State Government of Odisha filed a writ petition bearing W.P.(C) No. 1852 of 2010 before the Odisha High Court seeking for the setting aside of the aforementioned GoI Order, OMDC has also filed a writ petition bearing no. W.P.(C) 16874 of 2009 before the Odisha High Court praying for a direction to the State Government of Odisha to comply with the GoI Order. For details of both these writ petitions, see the section titled "**Outstanding Litigation and Material Developments**" on page 339 of this Draft Red Herring Prospectus.*

^The mining operation was being conducted under Deemed Renewal from a period from August 15, 1996 till November 16, 2006.

*#The Deputy Director of Mines, Joda, Odisha had issued the demand notice no. 919 dated February 15, 2014 to BPME for alleged cost price of excess ore raised illegally/unlawfully under Section 21(5) of MMDR Act claiming ₹ 8.88 billion. For details see the section titled "**Outstanding Litigation and Material Developments**" on page 339 of this Draft Red Herring Prospectus.*

BPME was granted working permission to work in the Kolha Roida mine on February 3, 1983 during the pendency of its third renewal application dated August 15, 1998. It has received approval for its scheme of mining along with progressive mining closure plan vide letter no. 314(3)2010-MCCM(CZ)/MS-42 dated April 20, 2011 from the Controller of Mines, Nagpur which is valid till March 31, 2016. It has also received a letter from the Office of Divisional Forest Officer, Keonjhar for payment of requisite fee for approval of its site specific wildlife conservation plan. BPME received environmental clearance from the MoEF by the letter no. J-11015/284/200g-IA.II (M) dated July 23, 2012. The validity of the clearance is co-terminus with the mining lease. Further, BPME has received consent to establish dated September 25, 2013 for a period of five years and consent to operate dated October 30, 2013 from the OSPCB.

4. Iron and manganese ore mine at Belkundi

The Government of Odisha has issued a mining lease for iron and manganese ore dated November 12, 2002 in favour of OMDC for land admeasuring a total area of 1,276.79 hectares situated at Nalda, Karakolha, Karakhendra, Belkundi, Uliburu, Barbil unit 7 and 8, Uliburu reserved forest, Barbil tehsil, Barbil thana, Champua sub-district, Keonjhar district, Odisha for a period of 20 years from August 16, 1986. The lease was valid till August 15, 2006. The following application has been filed for the renewal of mining lease:

S. No.	Particulars of application	Application/ Acknowledgment no.	Date
1.	OMDC has filed an application for renewal of mining lease for iron and manganese ore covering an area of 1,276.79 hectares situated at Nalda, Belkundi, Karakolha, Karakhendra, Barbil 7 and 8, Uliburu reserve forest, etc., Chapua subdivision, Keonjhar district, Odisha, for a period of 20 years with effect from August 16, 2006 to August 15, 2026, before the Secretary to Government of Odisha, Department of Steel and Mines.*#	1378	Acknowledgement dated August 12, 2005

**The Department of Steel and Mines, Government of Odisha has issued a notice (no. III(A)SM-04/10/5197) dated August 12, 2010 stating that the application no. 1378 dated August 12, 2005 for renewal of mining lease is deficient in certain documents and has asked OMDC to submit the required documents. OMDC replied to the notice on March 4, 2013b before the Special Secretary to Government, Department of Steel and Mines, Government of Odisha with requisite documents required to process the revised mining lease application.*

^The mining operations were being conducted under Deemed Renewal for a period from August 16, 2006 till December 9, 2009.

*#The Deputy Director of Mines, Joda, Odisha had issued the demand notice no. 790 dated February 15, 2014 to BPME for alleged cost price of excess ore raised illegally/unlawfully under Section 21(5) of MMDR Act claiming ₹ 5.23 billion. For details see the section titled "**Outstanding Litigation and Material Developments**" on page 339 of this Draft Red Herring Prospectus.*

Out of the total revised mining lease application for the area of 1,276 hectares, OMDC has got a surface rights over 386.386 hectares for mining and ancillary activities. OMDC has received approval for the scheme of mining along with progressive mining closure plan of the Belkundi mine vide letter no. 314(3)/20110-MCCM(CZ)/MS-32 which is valid till March 31, 2016. In relation to the environmental clearance, OMDC has made requisite application dated June 4, 2008 for issue of terms of reference before the MoEF. OMDC has also applied for environmental clearance dated December 8, 2012 before the MoEF for the aforementioned mining lease application. It has also applied for forest clearance by the letter dated August 13, 2005 to the Chief Conservator of Forests, Bhubaneswar. OMDC has applied for site specific wildlife conservation plan before the

Divisional Forest Officer dated July 8, 2013. It has applied for consent to establish dated November 16, 2011 and consent to operate dated December 28, 2010 before the OSPCB.

5. Iron and Manganese ore mine at Bhadrasahi

The Government of Odisha has issued a mining lease for manganese ore dated April 29, 2000 in favour of OMDC for land admeasuring a total area of 998.70 hectares situated at Kolha Roida village, Bhuyan Roida, Kundrapani, Chatabar, Bichakundi and Sidhamath reserve forest, Barbil tehsil, Champua sub-district, Keonjhar district, Odisha for a period of 20 years from October 1, 1990. The lease was valid till September 30, 2010. The following application has been filed for the renewal of mining lease

S. No.	Particulars of application	Application/ Acknowledgment no.	Date
1.	OMDC has filed an application for renewal of mining lease for iron and manganese ore covering an area of 998.70 hectares situated at Kolha-Roida, Bhuyan Roida, Kundrupani, Chattabar, Bichhakundi and Siddhamath reserve forest, Chapua subdivision, Keonjhar district, Odisha, for a period of 20 years with effect from October 1, 2010 to September 30, 2030, before the Secretary to Government of Odisha, Department of Steel and Mines.*#	1704	August 10, 2009

**The mining operation stopped on October 1, 2010 on expiry of the mine lease.*
*#The Deputy Director of Mines, Joda, Odisha had issued the demand notice no. 1070 dated February 21, 2014 to BPME for alleged cost price of excess ore raised illegally/unlawfully under Section 21(5) of MMDR Act claiming ₹17.3 billion. For further details see the section titled "**Outstanding Litigation and Material Developments**" on page 339 of this Draft Red Herring Prospectus.*

Out of the total revised mining lease application for 998.70 hectares, OMDC has got surface right over 950.05 hectares for mining and ancillary activities. OMDC has received an approval of mining plan along with progressive mine closure plan vide letter no. 314(3)/2010-MCCM(CZ/MP-36) dated April 20, 2011from the Controller of Mines, Nagpur for the Bhadrasahi mine. This mining plan is valid till March 31, 2016. OMDC has also applied for issue of terms of reference dated June 4, 2008. OMDC has applied for environmental clearance before the Director, MoEF on January 24, 2011. It has applied for approval of site specific wildlife conservation plan on July 8, 2013. It has submitted a proposal for forest diversion before the Chief Conservator of Forests dated September 19, 2009. It has received consent to establish dated May 10, 2010 from the OSPCB which is valid for a period of 5 years. OMDC has also made an application for consent to operate dated December 28, 2010 before the OSPCB.

6. Iron ore mine at Bagiaburu

The Government of Odisha has issued a mining lease for iron ore dated April 29, 2000 in favour of OMDC for land admeasuring a total area of 21.52 hectares situated at Uliburu reserve forest, Barbil tehsil, Barbil thana, Champua sub-district, Keonjhar district, Odisha for a period of 20 years from October 1, 1990. The lease was valid till September 30, 2010. The following application has been filed for the renewal of mining lease:

S. No.	Particulars of application	Application/ Acknowledgment no.	Date
1.	OMDC has filed an application for renewal of mining lease for iron ore covering an area of 21.52 hectares situated at Uliburu reserve forest, Chapua subdivision, Keonjhar district, Odisha, for a period of 20 years with effect from October 1, 2010 to September 30, 2030, before the Secretary to Government of Odisha, Department of Steel and Mines.*^#	1703	August10, 2009

**Grant of renewal of mining leases is awaited from Steel & Mines Department, Government of Odisha. Stage-1 forest clearances obtained on November 21, 2013 vide letter no. 5-ORC164/2013-BHU.*
^The mining operation stopped on October 1, 2010 on expiry of the mine lease.
*#The Deputy Director of Mines, Joda, Odisha had issued the demand notice no. 805 dated February 15, 2014 to BPME for alleged cost price of excess ore raised illegally/unlawfully under Section 21(5) of MMDR Act claiming ₹627.6 million. For details see the section titled "**Outstanding Litigation and Material Developments**" on page 339 of this Draft Red Herring Prospectus.*

OMDC has received approval for mining plan along with progressive mine closure plan of Bagiaburu mine vide letter no MP/OTF.MECH/07-ORI/BHU/2010-2011 dated July 20, 2010 from the Regional Controller of Mines, Bhubaneswar and is valid till March 31, 2015. OMDC has also received approval for site specific wildlife conservation plan dated February 5, 2011 subject to payment of requite fee. OMDC has in-principle received approval for forest diversion from the MoEF subject to certain conditions dated November 21, 2013 by the letter no. 5-ORC164/2013-BHU. OMDC has filed an application before the Chairman, State Environment Impact Assessment Authority, Orissa, for obtaining environmental clearance for the abovementioned revised mining lease application on September 10, 2011. Further, OMDC has received consent to establish dated March 26, 2012 from the OSPCB valid for a period of 5 years and has made an application for consent to operate dated December 28, 2010 before the OSPCB.

7. Brahmani coal block in Talcher

The thermal coal block in Brahmani has been allotted to OMDC by Ministry of Coal, GoI by the letter no 13016/26/2004-CA-I(Pt.) (Vol. I) dated November 7, 2013. Subsequently, the Department of Steel & Mines Government of Odisha intimated OMDC regarding allocation of Brahmani coal block and directed OMDC to enter into an agreement with Ministry of Coal, Govt. of India vide letter no: 11337/IV (Coal) SM-44/2013 dated December 18, 2013. OMDC is in the process of entering into an agreement with Ministry of Coal, GoI as advised.

BSLC

1. Limestone and dolomite mine at Birmitrapur

The Government of Odisha has issued a mining lease for limestone and dolomite dated July 11, 1995 in favour of BSLC for land admeasuring a total area of 1099.303 hectares situated at Bandhabahal, Birhira, Talsara, Jarmal, Rajhapara etc. villages, Birmitrapur thana, Sadar, Panposh and Sundargarh sub-districts, Sundargarh district, Odisha for a period of 10 years from March 1, 1990. The lease was valid till February 29, 2000. The following application has been filed for the renewal of mining lease:

S. No.	Particulars of application	Application/ Acknowledgment no.	Date
1.	BSLC has filed an application for renewal of mining lease for limestone and dolomite covering an area of 1099.303 hectares situated at Birmitrapur, Panposh subdivision Sundargarh district, Odisha, for a period of 20 years with effect from March 1, 2000 to February 29, 2020, before the Secretary to Government of Odisha, Department of Mining and Geology.*#	111	February 27, 1999

**The Department of Steel and Mines, Government of Odisha has issued a notice (no. 3900/III(B)SM-14/2005) dated May 26, 2011 stating that the application no. 111 dated February 27, 1999 for renewal of mining lease is deficient in certain documents and has asked BSLC to submit the required documents. Grant of renewal of the mining lease is awaited from Steel & Mines Department, Government of Odisha. BSLC replied to the notice on January 18, 2012 before the Under Secretary to Government, Steel and Mines Department, Government of Odisha, providing requisite documents for processing the revised mining lease application.*

#As per the letter no. 1323(4)/Mines dated August 13, 2014 issued by the office of the Deputy Director, Mines, Rourkela Circle, Rourkela, BSLC has been directed to stop all mining operations from the aforementioned date pursuant to the notification no. G. S. R. 510(E)-closure of mines dated July 18, 2014.

(f) Intellectual property registrations

1. Our Company has the trademark registration for its brand name "VIZAGUKKU" (registration no. 1290291) dated January 21, 2006 "VIZAGTMT" (LABEL) (registration no. 1249507) dated March 20, 2009 and "VIZAGSTEEL" (registration no. 621157) dated March 3, 2008.
2. Our Company has a design registration (no. 193838) dated November 20, 2003 for the design of a metal rod. This registration is valid upto November 20, 2018.
3. Our Company has a copyright registration (no. L-25218/2005) dated October 28, 2005 for "computerized ready reckoner on worldwide material".
4. Our Company has a patent registration (no. 249661) dated November 1, 2011 for its invention titled "Rotary union for water application in a top cone water cooling system". This patent is valid for a period of 20 years from May 27, 2005.

(g) Intellectual property applications:

1. Our Company has applied for the registration of the trademark "VSP" by an application dated November 3, 2011.This application has been '*objected*' as on July 23, 2014.
2. Our Company has applied for the registration of the trademark "VIZAGUKKU" in Hindi, by an application dated March 3, 2009. This application is in the stage of "*Advertised before acceptance*" as on July 23, 2014.
3. Our Company has applied for the registration of the trademark "I" (logo), by an application dated January 4, 2007. This application is in the stage of "*Advertised before acceptance*" as on July 23, 2014.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Approvals from the Selling Shareholder

The MoS through its letter no. 5(5)2010-VSP(Vol.I) dated September 17, 2014 has approved the sale of a proportion of its shareholding in our Company by way of an offer for sale. Pursuant to this decision, the MoS acting on behalf of the President of India has been authorized to offer for sale 488,984,620 Equity Shares of par value ₹ 10 each, comprising 10% of the total paid-up equity share capital of our Company.

The Selling Shareholder has confirmed that it has held the Equity Shares proposed to be offered and sold in the Offer for Sale for at least one year prior to the date of filing this Draft Red Herring Prospectus with SEBI and that it has not been prohibited from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory authority and the Equity Shares offered and sold by it are free from any charge, encumbrance or contractual restrictions. The Selling Shareholder has also confirmed that it is the legal and beneficial owner of the Equity Shares being offered under the Offer for Sale.

Corporate Approvals

Our Board has, pursuant to resolution passed at its meeting held on July 3, 2014, authorized the Offer.

Approval for Lock-in

The Promoter through its letter dated 5(5)2010-VSP(Vol.I) dated September 17, 2014 granted approval for the lock-in of 977,969,240 Equity Shares representing 20% of the post-Offer Equity Share capital of our Company for three years from the date of Allotment in the Offer and the lock-in of the remaining pre-Offer shareholding, less the Equity Shares being offered in this Offer, i.e., lock-in of 3,422,892,340 Equity Shares for a period of one year from the date of Allotment in the Offer.

Approval from the Stock Exchanges

We have received in-principle approvals from the NSE and the BSE for the listing of our Equity Shares pursuant to letters dated [●] and [●], respectively. BSE is the Designated Stock Exchange.

Prohibition by the SEBI, the RBI or other governmental authorities

Our Company, our Promoter being the Selling Shareholder and our Directors have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or government authorities. Neither our Promoter nor any of our Directors have been or is a promoter, director or person in control of any other company which is debarred, or prohibited from accessing in capital market under any order or directions made by SEBI or any other regulatory or governmental authorities.

Our Directors are not in any manner associated with the securities market and there has been no action taken by the SEBI against any Director or any entity in which our Directors are involved as promoters or directors or trustees.

Neither our Company, our Promoter nor the Directors have been named or detained as willful defaulters by the RBI or any other government authorities. There are no violations of securities laws committed by any of them in the past or pending against them.

Eligibility for the Offer

This Offer is in compliance with Regulation 4(2) and Regulation 26(1) of the ICDR Regulations:

Our Company is in compliance with the following conditions specified under Regulation 4(2) of the ICDR Regulations:

(a) Our Company, our Directors, our Promoter, the persons in control of our Company, and the companies with which our Directors, our Promoter or persons in control are associated as directors or promoters or persons in control have not been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI;

(b) Our Company has applied to the NSE and the BSE for obtaining their in-principle listing approval for listing of the Equity Shares under this Offer through its applications dated [●] and has received the in-principle approvals from the NSE and the BSE pursuant to their letters dated [●] and [●], respectively. For the purposes of this Offer, BSE shall be the Designated Stock Exchange;

(c) Our Company has entered into agreements dated July 10, 2012 and July 5, 2012 with NSDL, CDSL and Registrar to the Offer for dematerialization of the Equity Shares;

(d) The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing this Draft Red Herring Prospectus.

As this is an Offer for Sale of Equity Shares, the condition specified in Regulation 4(2) (c) and (g) does not apply.

Our Company is eligible for the Offer in accordance with Regulation 26(1) of the ICDR Regulations, which states as follows:

(a) The Company has net tangible assets of at least ₹ 30 million in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;

(b) The Company has a minimum average pre-tax operating profit of ₹ 150 million, calculated on a restated and consolidated basis, during the three most profitable years out of the immediately preceding five years;

(c) The Company has a net worth of at least ₹ 10 million in each of the three preceding full years (of 12 months each);

(d) The aggregate of the proposed Offer and all previous issues made in the same Financial Year in terms of Offer size is not expected to exceed five times the pre-Offer net worth of the Company as per the audited balance sheet of the preceding Financial Year; and

(e) The Company has not changed its name within the last one year.

Our Company's net tangible assets, monetary assets, distributable profits and net worth derived from the Auditor's report on our Company's restated consolidated financial statements as at, and for the three months ended June 30, 2014 and the last five years ended March 31, 2014 are set forth below:

(₹ in million unless otherwise stated)

Particulars	**June 30, 2014**	**March 31, 2014**	**March 31, 2013**	**March 31, 2012**	**March 31, 2011**	**March 31, 2010**
Net tangible assets(1)	156224.1	152360.1	137888.8	124090.7	108766.3	83484.1
Monetary assets(2)	7869.3	9225.8	23105.3	27902.7	27264.7	54155.4
Monetary assets as a percentage of the net tangible assets	5.04%	6.06%	16.76%	22.49%	25.07%	64.87%
Distributable profits(3)	1223.7	2869.7	1249.9	10300.0	6557.1	9265.6
Net worth(4)	121853.6	121410.2	125490.5	139590.3	132525.2	129201.7

(1) 'Net tangible assets' means the sum of all net assets of our Company including capital work in progress and excluding intangible assets as defined in Accounting Standard 26 issued by the Institute of Chartered Accountants of India Intangible Assets, notified by the Companies (Accounting Standards) Rules, 2006.
(2) Monetary assets comprise of cash and bank balances and public deposit accounts with the Government.
(3) 'Distributable profits' have been derived based on Restated Net Profit after Extraordinary Items for each of the Financial Years.
(4) 'Net worth' means the aggregate of the paid up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of statement of profit and loss.

For further details of our financial statements see the section titled "***Financial Statements***" on page 181 of this Draft Red Herring Prospectus.

Hence, we are eligible for the Offer as per Regulation 26(1) of the ICDR Regulations. Further, in accordance with Regulation 26(4) of the ICDR Regulations, our Company shall ensure that the number of Allottees under the Offer shall be not less than 1,000, otherwise, the entire application money will be refunded forthwith. If the Company does not allot Equity Shares pursuant to the Offer within 12 Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by SEBI, it shall repay without interest all moneys received from bidders, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period.

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 OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING UBS SECURITIES INDIA PRIVATE LIMITED AND DEUTSCHE EQUITIES (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 AS IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY AND THE SELLING SHAREHOLDER ARE 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 HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED [●] WHICH READS AS FOLLOWS:

"WE, THE BOOK RUNNING LEAD MANAGERS TO THE ABOVE MENTIONED OFFER, STATE AND CONFIRM 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 FINALIZATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID OFFER;**

2) **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH OUR COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY OUR COMPANY, WE CONFIRM THAT:**

    a) **THE DRAFT RED HERRING PROSPECTUS FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;**

    b) **ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

    c) **THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE**

COMPANIES ACT, 2013, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.

3) **WE CONFIRM THAT BESIDES OURSELVES ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.**

4) **WHEN UNDERWRITTEN, WE WILL SATISFY OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS – NOTED FOR COMPLIANCE.**

5) **WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF ITS EQUITY SHARES AS PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK IN SHALL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.**

6) **WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTER'S CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS – NOT APPLICABLE.**

7) **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC OFFER – NOT APPLICABLE.**

8) **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF OUR COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE OFFER FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF OUR COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION – NOT APPLICABLE AS IT IS AN OFFER FOR SALE.**

9) **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE OFFER 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 OFFER AND OUR COMPANY SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE. ALL MONIES RECEIVED OUT OF THE OFFER SHALL BE CREDITED/TRANSFERRED TO A SEPARATE BANK ACCOUNT AS REFERRED TO IN SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013.**

10) **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. – NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, EQUITY SHARES IN THE OFFER HAVE TO BE ISSUED IN DEMATERIALISED FORM ONLY.**

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 OUR COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF OUR COMPANY; AND**

    (B) **AN UNDERTAKING FROM OUR COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.**

13) **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE OFFER. – NOTED FOR COMPLIANCE.**

14) **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF OUR 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.**

16) **WE ENCLOSE THE STATEMENT OF "PRICE INFORMATION ON PAST ISSUES HANDLED BY MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THE OFFER)", AS PER THE FORMAT SPECIFIED BY THE BOARD THROUGH THEIR CIRCULAR.**

17) **WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS – COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED, IN ACCORDANCE WITH ACCOUNTING STANDARD 18, IN THE FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THE DRAFT RED HERRING PROSPECTUS.**

The filing of this Draft Red Herring Prospectus does not, however, absolve our Company from any liabilities under Section 34 and Section 36 of the Companies Act, 2013 or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the proposed offer. SEBI further reserves the right to take up at any point of time, with the Book Running Lead Managers, any irregularities or lapses in the Draft Red Herring Prospectus.

All legal requirements pertaining to the Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26 and 30 of the Companies Act, 2013.

Caution disclaimer from our Company, the Selling Shareholder, the Directors and the Book Running Lead Managers

Our Company, the Selling Shareholder, the Directors and the Book Running Lead Managers accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our web site www.vizagsteel.com or the website of any Subsidiary, or of any affiliate or associate of our Company or its Subsidiaries, would be doing so at his or her own risk. The Selling Shareholder accepts no responsibility for any statements made other than those made in relation to the Equity Shares offered through the Offer.

The Book Running Lead Managers accept no responsibility, save to the limited extent as provided in the Offer Agreement entered into among the Book Running Lead Managers, our Company and the Selling Shareholder and the Underwriting Agreement to be entered into among the Underwriters, the Registrar to the Offer, our Company and the Selling Shareholder.

All information shall be made available by our Company, the Selling Shareholder and the Book Running Lead Managers to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at bidding centers or elsewhere.

Neither our Company, our Directors, the Selling Shareholder nor any member of the Syndicate is liable to the Bidders for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Each of the Book Running Lead Managers and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, Subsidiaries, Joint Ventures, affiliates, associates or 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, Subsidiaries, Joint Ventures, affiliates or associates for which they have received, and may in future receive, compensation.

Investors that Bid in the Offer 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.

Price Information of Past Issues handled by Book Running Lead Managers

1. Past issues handled by UBS Securities

(a) Price information of past issues handled by UBS Securities

Issue Name	Issue size (₹ Million)	Issue price (₹)	Listing date	Opening price on listing date	Closing price on listing date	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10th calendar day from listing day	Benchmark index as on 10th calendar day from listing day (Closing)	Closing price as on 20th calendar day from listing day	Benchmark index as on 20th calendar day from listing day (Closing)	Closing price as on 30th calendar day from listing day	Benchmark index as on 30th calendar day from listing day (Closing)
Bharati Infratel Limited[1]	41,727.6	220.00	December 28, 2012	200.00	191.65	-12.89%	5908.35	207.4	5988.4	204.65	6039.2	208.8	6055.75

Source: www.nseindia.com

[1] Price for retail individual bidder was₹ 210.00 per equity share and for anchor investors was ₹ 230.00

Notes:

a. The S&P CNX NIFTY is considered as the Benchmark Index.

b. Price on NSE is considered for all of the above calculations.

c. In case 10^{th}/ 20^{th}/ 30^{th} day is not a trading day, closing price on NSE of the next trading day has been considered.

(b) Summary statement of price information of past issues handled by UBS Securities

Fiscal Year	Total No. of IPOs	Total Funds Raised (₹ Million.)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30th calendar day from listing day			No. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2014-2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2013-2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2012-2013	1	41,727.6	0	0	1	0	0	0	0	0	1	0	0	0

Source: www.nseindia.com
Note: *In the event any day falls on a holiday, the price/ index of the immediately preceding working day has been considered.*
This information for each of the Financial Years is based on issues listed during such Financial Year.

2. Past issues handled by DEIPL

(a) Price information of past issues handled by DEIPL

Issue Name	Issue size (₹ Cr.)	Issue price [(a)](₹)	Listing date	Opening price on listing date	Closing price on listing date	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date [(b)] (Closing)	Closing price as on 10th calendar day from listing day	Benchmark index as on 10th calendar day from listing day[(b)] (Closing)	Closing price as on 20th calendar day from listing day	Benchmark index as on 20th calendar day from listing day[(b)] (Closing)	Closing price as on 30th calendar day from listing day	Benchmark index as on 30th calendar day from listing day[(b)] (Closing)
Bharti Infratel Limited	4,172.3	220.00	28-Dec-12	200.00	191.65	(12.89)%	5,908.35	207.40	5,988.40	204.40	6,001.85	210.30	6,074.80

(a) Excluding any employee/retail discount
(b) Benchmark index being the index of the designated stock exchange for the respective transaction (i.e. Nifty in case of Bharti Infratel Limited)
Source: www.nseindia.com, www.bseindia.com

(b) Summary statement of price information of past issues handled by DEIPL

Fiscal Year	Total No. of IPOs	Total Funds Raised (₹ Cr.)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30th calendar day from listing day			No. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2012-2013	1	4,172.3	-	-	1	-	-	-	-	-	1	-	-	-
2013-2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2014-2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Source: www.nseindia.com, www.bseindia.com

Note: *In the event any day falls on a holiday, the price/ index of the immediately preceding working day has been considered.*

Track Record of Past Issues Handled by the Book Running Lead Managers

For details regarding the track record of the Book Running Lead Managers as specified in circular no.CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please refer to the websites of the Book Running Lead Managers at www.ubs.com/indianoffers and www.db.com/india.

Disclaimer in respect of Jurisdiction

This Offer is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, permitted insurance companies and pension funds, insurance funds set up and managed by the army and navy and insurance funds set up and managed by the Department of Posts, India) and to FIIs, Eligible NRIs, QFIs and FPIs. This Draft Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Visakhapatnam, India only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its 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 invitation, offer or sale hereunder shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

Accordingly, the Equity Shares are being offered and sold (i) in the United States only to "qualified institutional buyers" (as defined in Rule 144A and referred to in this Draft Red Herring Prospectus as "U.S. QIBs", which, for the avoidance of doubt, does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in the Red Herring Prospectus as "QIBs"), in reliance on the exemption from registration under the U.S. Securities Act provided by Rule 144A or another available exemption and (ii) outside the United States in reliance on Regulation S.

Each purchaser of Equity Shares inside the United States 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 pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

Each purchaser of Equity Shares outside the United States will be required to represent and agree, among other things, that such purchaser is acquiring the Equity Shares in an "offshore transaction" in accordance with 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.

Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

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.

Disclaimer clause of the BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Disclaimer clause of the NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Filing

A copy of the Draft Red Herring Prospectus will be 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, Maharashtra, India.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration with RoC at the Office of the Registrar of Companies situated at 2nd Floor, CPWD Building, Kendriya Sadan, Sultan Bazar, Koti, Hyderabad – 500 195, Andhra Pradesh & Telangana, India.

Listing

In connection with the Offer and in accordance with Regulation 7(a) of the ICDR Regulations, only the Company will make applications to the BSE and NSE for obtaining final listing and trading approvals for the Equity Shares. BSE will be the Designated Stock Exchange with which the Basis of Allotment will be finalized for the Offer.

If the permissions to deal in and for an official quotation of the Equity Shares (final listing and trading approvals) are not granted by any of the Stock Exchanges mentioned above, the Selling Shareholder will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within the prescribed time, then the Selling Shareholder and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law.

Our Company and the Selling Shareholder shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at all the Stock Exchanges mentioned above are taken within 12 Working Days from the Offer Closing Date.

Consents

Consents in writing of: (a) the Selling Shareholder, the Directors, our Company Secretary and Compliance Officer, the Joint Auditors; and (b) the Book Running Lead Managers, Syndicate Members, Bankers to the Offer, Bankers to our Company, Lenders to our Company, Escrow Collection Bankers, Registrar to the Offer, the domestic legal advisors to our Company and the Selling Shareholder, the domestic legal advisors to the Book Running Lead Managers, the international legal advisors to our Company and the Behre Dolbear International Limited to act in their respective capacities, have been obtained and have been filed along with a copy of the Red Herring Prospectus with the RoC, as required under the Companies Act and such consents will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

In accordance with the Companies Act and the ICDR Regulations, M/s. Rao & Kumar, Chartered Accountants, and M/s. Tej Raj & Pal, Chartered Accountants, the Joint Auditors of our Company, have given their written consent to the inclusion of their report dated September 9, 2014 in the form and context in which it appears in the section titled "***Financial Statements***" on page 181 and of their report dated September 17, 2014 relating to tax benefits accruing to our Company and its shareholders in the form and context in which it appears in the section titled "***Statement of Possible Tax Benefits Available to our Company and Shareholders***" on page 87 and such consent and reports will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

Expert Opinion

Except for the report dated September 17, 2014 of the Joint Auditors in the "***Statement of Possible Tax Benefits Available to our Company and Shareholders***" on page 87 of this Draft Red Herring Prospectus, the unconsolidated and consolidated financial statements of the Company in the "***Financial Statements***" on page 181 of this Draft Red Herring Prospectus and consent to include their name as expert under the provisions of the Companies Act in this Draft Red Herring Prospectus and report provided by Behre Dolbear International Limited dated May 17, 2012, our Company has not obtained any other expert opinions.

Offer Related Expenses

The expenses of the Offer are estimated to be approximately ₹ [●] million. The expenses of this Offer include, among others, underwriting and management fees, selling commissions, SCSBs' commissions/fees, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees and listing fees.

The estimated Offer expenses are as under:

Offer Related Expenses Activity	Total Expense*	As a % of Total Estimated Offer Expenses*	As a % of Offer*
Book Running Lead Managers' fee	[●]	[●]	[●]
Underwriting brokerage and selling commissions	[●]	[●]	[●]
Brokerage and selling commission payable to Registered Brokers	[●]	[●]	[●]
Processing fees to SCSBs for ASBA Applications procured by the members of the Syndicate or Registered Brokers and submitted with the SCSBs**	[●]	[●]	[●]
Registrar to the Offer fees	[●]	[●]	[●]
Advisors to the Offer fees	[●]	[●]	[●]
Fees to Bankers to the Offer	[●]	[●]	[●]
Other (auditor's fees, advertising and marketing expenses, fees for depositories *etc.*)	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

**** To be completed after finalization of Offer Price***
***** Disclosure of commission and processing fees will be incorporated at the time of filing the Red Herring Prospectus.***

All expenses with respect to the fees payable to the Book Running Lead Managers, Registrar to the Offer, legal advisors, brokerage and selling commission and expenses towards the publication of offer related advertisements in connection with the Offer would be paid by the Selling Shareholder through the Department of Disinvestment, Ministry of Finance, GoI.

Fees, Brokerage and Selling Commission Payable to the Book Running Lead Managers and the Syndicate

The total fees payable to the Book Running Lead Managers and the Syndicate (including underwriting commission and selling commission) will be as stated in the engagement letter with the Book Running Lead Managers dated September 20, 2011, issued by the Selling Shareholder, a copy of which will be made available for inspection at our Registered and Corporate Office from 10.00 am to 4.00 pm on Working Days from the date of the Red Herring Prospectus until the Offer Closing Date.

Commission payable to the Registered Brokers

For details of the commission payable to the Registered Brokers, see the section titled "***Objects of the Issue***" on page 82 of this Draft Red Herring Prospectus.

Fees Payable to the Registrar to the Offer

The fees payable to the Registrar to the Offer by the Selling Shareholder for processing of application, data entry, printing of Allotment Advice/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the MoU dated [●] signed with our Company, the Selling Shareholder and the Registrar to the Offer, a copy of which will be made available for inspection at our Registered Office from 10.00 am to 4.00 pm on Working Days from the date of the Red Herring Prospectus until the Offer Closing Date.

The Registrar to the Offer 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 Offer to enable it to send refund orders or Allotment Advice by registered post/speed post (subject to postal rules).

Particulars regarding public or rights issues during the last five years

Our Company and its Subsidiaries have not made any previous rights or public issues in India or abroad during the five years preceding the date of this Draft Red Herring Prospectus.

Previous issues of Equity Shares otherwise than for cash

Our Company has not issued any Equity Shares for consideration other than for cash, except as disclosed in the section titled "***Capital Structure – Share Capital History of our Company***" on page 73 of this Draft Red Herring Prospectus.

Commission, Brokerage and Selling Commission on Previous Issues

There has been no public issue of the Equity Shares in the past. Thus, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's incorporation.

Capital Issues in the Last Three Years by our Company or Subsidiaries

EIL has made a preferential allotment of 477,035 equity shares in favour of the President of India for consideration other than cash towards acquisition of 85,219 shares of OMDC and 43,449,605 equity shares of BSLC held by the President of India under the terms of a restructuring scheme.

There has been no capital issue by the other Subsidiaries of our Company in the last three years. For details of the capital issue by our Company in the last three years, please see the section titled "***Capital Structure***" on page 73 of this Draft Red Herring Prospectus.

Performance vis-à-vis objects

Our Company has not completed any public or rights issue in the 10 years preceding the date of the Draft Red Herring Prospectus.

Promise v/s performance—Last Issue of Subsidiaries, Associate Companies

None of our Subsidiaries or our associate companies have made any public or rights issues in the 10 years preceding the date of the Draft Red Herring Prospectus.

Outstanding Debentures or Bond Issues or Preference Shares

Except as disclosed in the section titled "***Capital Structure***" on page 73 of this Draft Red Herring Prospectus, our Company has no outstanding debentures or bonds or redeemable preference shares as of the date of this Draft Red Herring Prospectus.

Partly Paid-Up Equity Shares

As of the date of this Draft Red Herring Prospectus, there are no partly paid-up Equity Shares of our Company.

Stock Market Data of the Equity Shares

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange and hence no stock market data is available for our Equity Shares.

Other Disclosures

The Selling Shareholder or our Directors have not purchased or sold or financed any securities of our Company, during a period of six months preceding the date of filing the Draft Red Herring Prospectus with SEBI. SEBI has not initiated any action against any entity related to the securities market, with which our Directors are associated.

Mechanism for Redressal of Investor Grievances

The MoU dated [●] between the Registrar to the Offer, the Selling Shareholder and our Company provides for retention of records with the Registrar to the Offer for a period of at least three years from the last date of dispatch of the Allotment Advice, or refund orders, demat credit or, where refunds are being made electronically, giving of refund instructions to the clearing system, to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

Investors may contact the Book Running Lead Managers for any complaint pertaining to the Offer. All grievances relating to the non-ASBA process must be addressed to the Registrar to the Offer quoting the full name of the sole or first Bidder, Bid-cum-Application Form number, Bidders' depository participant's identification number, client identification number, PAN, number of Equity Shares applied for, date of Bid-cum-Application Form, name and address of the Syndicate Member or the Registered Broker where the Bid was submitted and cheque or draft number and issuing bank thereof.

All grievances relating to the ASBA process may be addressed to the Registrar to the Offer, with a copy to the relevant SCSB or the member of the Syndicate if the Bid was submitted to a member of the Syndicate at any of the Specified Locations, or the Registered Broker if the Bid was submitted to a Registered Broker at any of the Broker Centres, as the case may be, quoting the full name of the sole or first Bidder, Bid-cum-Application Form number, Bidders' depository participant's identification number, client identification number, PAN, number of Equity Shares applied for, date of Bid-cum-Application Form, name and address of the member of the Syndicate or the Designated Branch or the Registered Broker, as the case may be, where the ASBA Bid was submitted and ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

Further, with respect to the Bid-cum-Application Forms submitted with the Registered Brokers, the investor shall also enclose the acknowledgment from the Registered Broker in addition to the documents/information mentioned hereinabove.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Offer for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted a Shareholders'/Investors' Grievance Committee to deal with and monitor the redressal of complaints from shareholders, prior to the filing of this Draft Red Herring Prospectus. For details see the section titled "***Our Management***" on page 155 of this Draft Red Herring Prospectus.

Compliance Officer

Our Company has appointed Mr. P. Mohan Rao as the Compliance Officer and he may be contacted in case of any pre-Offer or post-Offer related grievances. He can be contacted at the following address:

Mr. P. Mohan Rao
Company Secretary
D 12, 2nd Floor, D Block
Administrative Building
Visakhapatnam Steel Plant
Visakhapatnam – 530 031
Andhra Pradesh, India
Telephone: +91 891 251 8015
Facsimile: +91 891 251 8249
Email: csipo@vizagsteel.com

Disposal of investor grievances by listed companies under the same management as our Company

EIL

The board of directors of EIL has constituted a stakeholders relationship committee comprising of Mr. G. N. Murty, member and Mr. S. Chakraborty, member, in accordance with clause 49 of the listing agreement with the stock exchanges and Companies Act to specifically look into the redressal of complaints of investors such as transfers or credit of shares to demat accounts, non-receipt of duplicate share certificates, non-receipt of dividend/interest/annual reports, etc. Ms. M. Roy is the compliance officer. As of August 31, 2014 there are no pending investor complaints.

OMDC

The board of directors of OMDC has constituted a stakeholders relationship committee comprising of Mr. Abdul Kalam, member, Mr. K. J. Singh, member and Mr. S. Chakraborty, member in accordance with clause 49 of the listing agreement with the stock exchanges and Companies Act to specifically look into the redressal of complaints of investors such as transfers or credit of shares to demat accounts, non-receipt of dividend/interest/annual reports, etc. Ms. Sucharita Das, Company Secretary is the Compliance Officer. As of August 31, 2014 there are no pending investor complaints.

BSLC

The board of directors of BSLC has constituted a stakeholders relationship committee comprising of Mr. T. K. Chand, member and Mr. S. Chakraborty, member in accordance with clause 49 of the listing agreement with the stock exchanges and Companies Act to specifically look into the redressal of complaints of investors such as transfers or credit of shares to demat accounts, non-receipt of dividend/interest/annual reports, etc. Ms. M. Roy, Company Secretary is the Compliance Officer. As of August 31, 2014 there are no pending investor complaints.

Changes in Auditors

For Fiscals 2007, 2008 and 2009, M/s Rao & Kumar, Chartered Accountants, were the statutory auditors of our Company. Pursuant to letter dated August 26, 2009 from the Office of the Comptroller and Auditor General of India, New Delhi, M/s. B.V. Rao & Co., for Fiscals 2010, 2011, 2012 and 2013. Pursuant to letters dated July 28, 2014 from the Office of the Comptroller and Auditor General of India, New Delhi, M/s. Rao & Kumar, Chartered Accountants, and M/s. Tej Raj & Pal, Chartered Accountants, were appointed as the Joint Auditors for Fiscal 2014.

Capitalization of reserves or profits

Our Company has not undertaken any capitalization of reserves or profits at any time during last five years.

Revaluation of assets

There has been no revaluation of assets of our Company at any time during last five years.

Tax Implications

Investors that are Allotted Equity Shares in the Offer will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the stock exchanges. For details, see the section titles "***Statement of Possible Tax Benefits Available to our Company and Shareholders***" on page 87 of this Draft Red Herring Prospectus.

SECTION VII – OFFER RELATED INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered are subject to the provisions of the Companies Act, the ICDR Regulations, the SCRR, our Memorandum and Articles of Association, the terms of the Red Herring Prospectus, the Prospectus, the Bid-cum-Application Form, the Revision Form, the Allotment Advice, the Equity Listing Agreements to be entered into with the Stock Exchanges, the abridged prospectus other terms and conditions as may be incorporated in Allotment Advice and other documents or certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the offer and sale of capital and listing and trading of securities issued from time to time by SEBI, the GoI, the Stock Exchanges, the RoC, the RBI and/or other authorities, as in force on the date of this Offer and to the extent applicable.

Ranking of Equity Shares

The Equity Shares being offered and Allotted in this Offer shall be subject to the provisions of the Companies Act and our Memorandum of Association and Articles of Association and shall rank *pari-passu* with the existing Equity Shares of our Company, including rights in respect of dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see the section titled "***Main Provisions of Articles of Association of our Company***" on page 456 of this Draft Red Herring Prospectus.

Mode of Payment of Dividends

Our Company shall pay dividend, if declared, to the equity shareholders as per the provisions of the Companies Act, our Articles of Association, the Equity Listing Agreements entered into with the Stock Exchanges and any guidelines or directives that may be issued by the GoI in this respect. The dividend declared, if any, for fiscal 2014, will be paid to Allottees in the Offer or the subsequent transferees. For a description of our Dividend Policy, see the section titled "***Dividend Policy***" on page 180 of this Draft Red Herring Prospectus.

Face Value, Offer Price and Price Band

The face value of each Equity Shares is ₹ 10. The Floor Price of Equity Shares is ₹ [●] per Equity Share and the cap Price is ₹ [●] per Equity Share. The Offer Price is ₹ [●] per Equity Share. At any given point of time there shall be only one denomination of Equity Shares, subject to applicable law.

The Price Band, the Minimum Bid Lot and the Rupee amount of the Retail Discount and the Employee Discount will be decided by our Company, in consultation with the Selling Shareholder and the Book Running Lead Managers and which shall be published in English and Hindi national newspapers and one Telugu newspaper (telugu being the regional language of Andhra Pradesh where our Registered and Corporate Office is located), (i.e., all editions of [●], [●] and [●]), each with wide circulation, being the newspapers in which the pre-Offer advertisements were published, at least five Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their websites.

Cost of the Offer

The GoI shall bear the cost of making this offer as the Offer involves a disinvestment by the GoI.

Compliance with ICDR Regulations

Our Company shall comply with all the disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholder

Subject to applicable laws, rules, regulations, and guidelines the equity shareholders of our Company shall have the following rights:

- right to receive dividends, if declared, after Allotment;

- 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 any surplus on liquidation subject to any statutory and any preferential claims being satisfied;
- right to free transferability of their Equity Shares, subject to applicable foreign exchange regulations and other applicable law; and
- such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the Equity Listing Agreements 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, transfer and transmission, and lien and/or consolidation/splitting, see the section titled "***Main Provisions of Articles of Association of our Company***" on page 456 of this Draft Red Herring Prospectus.

Market Lot and Trading Lot

Pursuant to Section 29 of the Companies Act, 2013 the Equity Shares shall be allotted only in dematerialised form. As per the ICDR Regulations, the trading of our Equity Shares shall only be in dematerialised form. Since trading of our Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Offer will be only in electronic form in multiples of one Equity Shares, subject to a minimum Allotment of [●] Equity Shares.

Jurisdiction

Exclusive jurisdiction for the purpose of this Offer is with the competent courts in Visakhapatnam, India.

The Equity Shares have not been and will not be registered under the Securities Act, and 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 U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States to persons reasonably believed to be qualified institutional investors (as defined in Rule 144A under the Securities Act) pursuant to Section 4(a) (2) of the Securities Act and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and applicable laws of the jurisdictions where such offers and sales occur.

Joint Holders

Subject to the provisions of our Articles of Association, where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint tenants with benefits of survivorship.

Nomination Facility to Investor

In accordance with Section 72 of the Companies Act, 2013, read with Companies (Share Capital and Debentures) Rules, 2014, the sole or the First Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or

b) 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, interests, bonuses or other moneys 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 Offer will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change the nomination, they are advised to inform their respective Depository Participant.

Minimum Subscription

As per Regulation 14(4) of the ICDR Regulation, the requirement of minimum subscription is not applicable to the Offer. Further, in accordance with Regulation 26(4) of the ICDR Regulations, we shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted will be not less than 1,000, otherwise the entire application money will be refunded. If such money is not repaid within eight days after, then the Selling Shareholder shall, on and from expiry of eight days, be liable to repay the money, with interest at the rate of 15% per annum on application money or penalty thereof, as prescribed under the Companies Act and the ICDR Regulations.

Arrangement for Disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restriction on Transfer of Shares

Except for (a) the lock-in of the pre-Offer capital of our Company and (b) the Promoter's Contribution, as provided in the section titled "***Capital Structure***" on page 73 and otherwise as provided in our Articles, there are no restrictions on transfers and transmission of Equity Shares/debentures and on their consolidation/splitting. For further details, see the section titled "***Main Provisions of Articles of Association of our Company***" on page 456 of this Draft Red Herring Prospectus.

Option to Receive Securities in Dematerialized Form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the Offer shall be Allotted only in dematerialised form. Further, as per the ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form.

OFFER STRUCTURE

This is a public offer of 488,984,620 Equity Shares through an Offer for Sale by the Selling Shareholder, at a price of ₹ [●] per Equity Share for cash including a share premium of [●] aggregating to ₹ [●] million being made through the Book Building Process. The Offer comprises of a Net Offer of 440,086,158 Equity Shares to the public and an Employee Reservation portion of 48,898,462 Equity Shares for subscription by Eligible Employees bidding in the Employee Reservation Portion. The Offer will constitute of 10% of the post Offer equity share capital of our Company and the Net Offer will constitute 9 % of the post Offer equity share capital of our Company.

The Offer is being made through the Book Building Process.

	Eligible Employees	**QIBs***	**Non-Institutional Investors**	**Retail Individual Investors**
Number of Equity Shares*	Reservation of 48,898,462 Equity Shares	220,043,079 Equity Shares or the Net Offer less allocation to Non-Institutional Investors and Retail Individual Investors.	Not less than 66,012,924 Equity Shares available for allocation or Net Offer less allocation to QIBs and Retail Individual Investors.	Not less than 154,030,155 Equity Shares or the Net Offer less allocation to QIBs and Non-Institutional Investors.
Percentage of Net Offer available for Allotment/allocation	Reservation of 10% of the Offer.	50%of the Net Offer shall be available for allocation to QIBs. Such number of Equity Shares representing 5% of the QIB Category shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the QIB Category. The unsubscribed portion in the Mutual Fund Portion will be available to QIBs in the QIB Category.#	Not less than 15% of the Net Offer or the Net Offer less allocation to QIBs and Retail Individual Investors shall be available for allocation.	Not less than 35% of the Net Offer or the Net Offer less allocation to QIBs and Non-Institutional Investors shall be available for allocation.#
Basis of Allotment if respective category is oversubscribed	Proportionate.	In the QIB Category, proportionate as follows: (a) 11,002,154 Equity Shares shall be allocated on a proportionate basis to Mutual Funds; and (b) 209,040,925 Equity Shares shall be allocated on a proportionate basis to all QIBs (including Mutual Funds) receiving allocation as per (a) above.	Proportionate.	Allotment to each Retail Individual Investor shall not be less than the minimum Bid lot, subject to availability of Equity Shares in the Retail Category, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. For more information, see "***Offer Procedure***" on page 407.
Minimum Bid	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	Such number of Equity Shares in multiples of [●] Equity Shares, such that the Bid Amount exceeds ₹ 200,000.	Such number of Equity Shares in multiples of [●] Equity Shares, such that the Bid Amount exceeds ₹ 200,000.	[●] Equity Shares
Maximum Bid	Such number of Equity Shares whereby the Bid Amount does not exceed ₹ 200,000 (net of Employee Discount).	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the size of this Net Offer, subject to applicable limits.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the Net Offer, subject to applicable limits.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 200,000 (net of Retail Discount).
Mode of Allotment	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Share thereafter.	[●] Equity Shares and in multiples of [●] Equity Share thereafter.	[●] Equity Shares and in multiples of [●] Equity Share thereafter.	[●] Equity Shares and in multiples of [●] Equity Share thereafter.
Allotment Lot	[●] Equity Shares and in 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 subject to availability in the Retail Category.

	Eligible Employees	QIBs*	Non-Institutional Investors	Retail Individual Investors
Trading Lot	One Equity Share	One Equity Share.	One Equity Share.	One Equity Share.
Who can Apply* **	Eligible Employees	Public financial institutions as specified in Section 2(72) of the Companies Act, 2013, FPIs (other than Category III FPIs), scheduled commercial banks, mutual fund registered with SEBI, FVCIs, VCFs, AIFs, multilateral and bilateral development financial institutions, state industrial development corporation, insurance companies registered with IRDA, provident fund (subject to applicable law) with minimum corpus of ₹ 250 million, pension fund with minimum corpus of ₹ 250 million, in accordance with applicable law and the National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI, published in the Gazette of India, insurance funds set up and managed by the army, navy, or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India.	Eligible NRIs, Resident Indian individuals, Eligible QFIs, HUFs (in the name of the Karta), companies, corporate bodies, scientific institutions, societies and trusts, Category III FPIs registered with SEBI, which is a foreign corporate or foreign individual for Equity Shares such that Bid Amount exceeds ₹ 200,000 in value.	Resident Indian individuals, HUFs (in the name of the Karta) and Eligible NRIs who are individuals applying for Equity Shares such that the Bid Amount (net of Retail Discount) does not exceed ₹ 200,000 in value.
Terms of Payment**	The entire Bid Amount shall be payable at the time of submission of the Bid-cum-Application In case of ASBA Bidders, the SCSB shall be authorized to block the entire Bid Amount.	The entire Bid Amount will be payable at the time of submission of the Bid-cum-Application Form to the Designated Branch or the member of the Syndicate at the Specified Location or the Registered Broker at the Broker Center, as the case may be. The SCSB will be authorized to block funds equivalent to the Bid Amount in the relevant ASBA Account as detailed in the Bid-cum-Application Form.	The entire Bid Amount will be payable at the time of submission of the Bid-cum-Application Form to the Designated Branch or the member of the Syndicate at the Specified Location or the Registered Broker at the Broker Center, as the case may be. The SCSB will be authorized to block funds equivalent to the Bid Amount in the relevant ASBA Account as detailed in the Bid-cum-Application Form.	The entire Bid Amount will be payable at the time of submission of the Bid-cum-Application Form to the Designated Branch or the member of the Syndicate at the Specified Location or the Registered Broker at the Broker Center, as the case may be. The SCSB will be authorized to block funds equivalent to the Bid Amount in the relevant ASBA Account as detailed in the Bid-cum-Application Form.
Mode of Bidding	ASBA is optional and Bids could be submitted through ASBA or non-ASBA.	ASBA is mandatory.	ASBA is mandatory.	ASBA is optional and Bids could be submitted through ASBA or non-ASBA.

**Subject to valid Bids being received at or above the Offer Price. The Offer is being made under sub-regulation (1) of Regulation 26 of the ICDR Regulations and through a Book Building Process wherein 50% of the Net Offer shall be available for allocation on a proportionate basis to QIBs. Such number of Equity Shares representing 5% of the QIB Category shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIBl Category shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Offer Price. Further not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Net Offer shall be available for allocation on a proportionate basis to Retail Individual Investors, subject to valid Bids being received from them at or above the Offer Price. Under-subscription, if any, in any category would be allowed to be met with spill over from any of the category or combination of categories at the* *discretion of our Company, the Selling Shareholder, the Book Running Lead Managers and the Designated Stock Exchange and in accordance with applicable laws, rules, regulations and guidelines, subject to valid Bids being received at or above the Offer Price.*

*** In case of ASBA Bidders, the SCSBs shall be authorized to block such funds in the bank account that is specified in the Bid-cum-Application Form. It is mandatory for all QIBs and Non-Institutional Investors to participate in the Offer through the ASBA process.*

****In case the Bid-cum-Application Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names. However, the name of the First Bidder shall appear in the Bid-cum-Application Form.*

 # In case of over-subscription in the Retail Category, the Selling Shareholder and our Company, in consultation with the BRLMs, may, at their sole discretion, decide to allocate up to 50% (but in no event less than 35%) of the Net Offer to Retail Individual Investors. In case of such increased allocation to Retail Individual Investors, the allocation in the QIB Category will be proportionately reduced.

Bidders will be required to confirm and will be deemed to have represented to the Selling Shareholder, our Company, the Book Running Lead Managers, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Retail Discount and Employee Discount

The Retail Discount and Employee Discount, if any, will be offered to Retail Individual Investors and Eligible Employees Bidding in the Retail Category and the Employee Reservation Portion, respectively, at the time of making a Bid. Retail Individual Investors and Eligible Employees Bidding in the Employee Reservation Portion at a price within the Price Band can make payment at an amount, which is the Bid Amount less Retail Discount or Employee Discount, as applicable, at the time of making a Bid. Retail Individual Investors and Eligible Employees Bidding in the Retail Category and the Employee Reservation Portion at the Cut-Off Price have to ensure payment at the Cap Price, less Retail Discount or Employee Discount, as applicable, at the time of making a Bid. Retail Individual Investors and Eligible Employees Bidding in the Employee Reservation Portion must ensure that the adjusted Bid Amount does not exceed ₹ 200,000. Please see the section titled "***Offer Procedure – Part– B– Grounds for Technical Rejections***" on page 440 for information on rejection of Bids.

Withdrawal of this Offer

In accordance with the ICDR Regulations, the Selling Shareholder and our Company in consultation with Book Running Lead Managers, reserve the right not to proceed with this Offer at any time after the Bid/Offer Opening Date but before Allotment. If the Selling Shareholder and Company withdraws the Offer, our Company will issue a public notice within two days of such decision, providing reasons for not proceeding with the Offer or such other time as may be directed by SEBI. The Book Running Lead Managers, through the Registrar to the Offer, will instruct the SCSBs to unblock the Bid Amount in the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared and the Stock Exchanges will also be informed promptly.

If our Company and the Selling Shareholder withdraws the Offer after the Offer Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh draft offer document with SEBI and/or the Stock Exchanges, as the case may be, where the Equity Shares may be proposed to be listed.

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

Under the ICDR Regulations, QIBs shall not be allowed to withdraw their Bids after the Offer Closing Date. Since the Bidding Period for QIBs may close one day prior to the Offer Closing Date, QIBs will not be able to withdraw their Bids after [●] i.e., one day prior to the Offer Closing Date.

Offer Period

OFFER OPENS ON	[●]
OFFER CLOSES	[●]
(FOR QIBs)	[●]
(FOR ALL OTHER BIDDERS)	[●]
FINALIZATION OF BASIS OF ALLOTMENT	[●]
INITIATION OF REFUNDS	[●]
CREDIT OF EQUITY SHARES TO DEPOSITORY ACCOUNTS	[●]
COMMECEMENT OF TRADING	[●]

The above timetable, other than Offer Opening and Closing Dates, is indicative in nature and does not constitute any obligation or liability on our Company, Selling Shareholder or the Book Running Lead Managers. Whilst our Company and Selling Shareholder shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within 12 Working Days of the Offer Closing Date, the timetable may change due to various factors, such as extension of the Offer Period by our Company and Selling Shareholder, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable law.

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 Offer Period as mentioned above at the Bidding centers and Designated Branches(a list of such branches is available at the website of the SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries) of SCSBs or with the members of the Syndicate at the Specified Locations or with the Registered Brokers at the Broker Centres (a list of such Broker Centres is available at the websites of the Stock Exchanges), as the case may be, as mentioned in the Bid-cum-Application Form. O**n the Offer Closing Date, Bids and revisions in the Bids shall be accepted only between 10.00 a.m. and 3.00 p.m.** (Indian Standard Time) and shall be uploaded until (i) 4.00 p.m. (Indian Standard Time) in case of Bids by QIBs and Non-Institutional Investors, and (ii) 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Investors and Eligible Employees Bidding under the Employee Reservation Portion, after taking into account the total number of applications received up to the closure of timings and reported by Book Running Lead Managers to the Stock Exchanges within half an hour of such closure. Due to limitation of time available for uploading the Bids on the Offer Closing Date, the Bidders are advised to submit their Bids one day prior to the Offer Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard Time) on the Offer Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Offer Closing Date, as is typically experienced in public issues, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded on the electronic bidding system will not be considered for allocation in the Offer. If such Bids are not uploaded, our Company and the Syndicate shall not be responsible. Bids will be accepted only on Working Days. None among our Company, the Selling Shareholder, and any member of Syndicate, the SCSBs or the Registered Brokers is liable for any failure in uploading Bids due to faults in any software/hardware system or otherwise.

On the Offer Closing Date, extension of time may be granted by the Stock Exchanges only for uploading the Bids received from Retail Individual Investors and Eligible Employees Bidding under the Employee Reservation Portion, after taking into account the total number of Bids received up to the closure of timings for acceptance of Bid-cum-Application Forms as stated herein and reported by the Book Running Lead Managers to the Stock Exchanges within half an hour of such closure.

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid-cum-Application Form, for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

Our Company and Selling Shareholder in consultation with the Book Running Lead Managers, reserves the right to revise the Price Band during the Offer Period in accordance with the ICDR Regulations. The Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. Subject to compliance with the foregoing, 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/Offer Opening Date and the Cap Price will be revised accordingly.

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

OFFER PROCEDURE

*All Bidders should review the General Information Document for Investing in public offers prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (the "**General Information Document**") included below under section "**- Part B – General Information Document**", which highlights the key rules, processes and procedures applicable to public offers in general in accordance with the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the ICDR Regulations. The General Information Document has been updated to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 and certain notified provisions of the Companies Act, 2013 and the rules made thereunder, to the extent applicable to a public offer. The General Information Document is also available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant portions of the General Information Document which are applicable to the Offer.*

Our Company, the Selling Shareholder and the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Bidders are advised to make their independent investigations and ensure that their Bids do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.

Please note that QIBs (other than Anchor Investors) and Non-Institutional Investors can participate in the Offer only through the ASBA process. Retail Individual Investors can participate in the Offer through the ASBA process as well as the non ASBA process. ASBA Bidders should note that the ASBA process involves application procedures that are different from the procedure applicable to non-ASBA Bidders. However, there is a common Bid-cum-Application Form for ASBA Bidders (submitted to SCSBs or to the Syndicate at the Specified Cities or to the Registered Brokers at the Broker Centers) as well as for non-ASBA Bidders. Bidders applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all Bidders are required to make payment of the full Bid Amount along with the Bid-cum-Application Form. In case of ASBA Bidders, an amount equivalent to the full Bid Amount will be blocked by the SCSBs.

ASBA Bidders may submit ASBA Bids to a Designated Branch (a list of such branches is available on the website of the SEBI (www.sebi.gov.in) or to the Syndicate at the Specified Cities or to the Registered Brokers at the Broker Centers. Non-ASBA Bidders are required to submit Bids to the Syndicate, only on a Bid-cum-Application Form bearing the stamp of a member of the Syndicate or the Registered Broker. ASBA Bidders are advised not to submit Bid-cum-Application Forms to Escrow Collection Banks, unless such Escrow Collection Banks are also SCSBs.

All Bidders are required to pay the full Bid Amount or, in case of ASBA Bids, ensure that the ASBA Account has sufficient credit balance such that the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid.

*SEBI by its circular (CIR/CFD/DIL/1/2011) dated April 29, 2011 ("**2011 Circular**") has made it mandatory for the non retail bidders i.e., QIBs (other than Anchor Investors) and Non Institutional Investors to make use of the facility of ASBA for making applications for public issues. Further, the 2011 Circular also provides a mechanism to enable the Syndicate and sub-Syndicate Members to procure Bid-cum-Application Forms submitted under the ASBA process from prospective Bidders. SEBI by its circular (CIR/CFD/14/2012) dated October 4, 2012 ("**2012 Circular**"), has introduced an additional mechanism for prospective Bidders to submit Bid-cum-Application Forms (ASBA and non-ASBA applications) using the stock broker network of Stock Exchanges, who may not be Syndicate Members in the Offer. The 2012 Circular envisages enabling this facility to submit the Bid-cum-Application Forms in more than 1,000 locations which are part of the nationwide broker network of the Stock Exchanges and where there is a presence of the brokers' terminals, by March 1, 2013. Further, SEBI by its circular (CIR/CFD/DIL/ 4 /2013) dated January 23, 2013 ("**2013 Circular**"), in partial modification of the 2011 Circular, mandates that in order to facilitate Syndicate/ sub-Syndicate/ non-Syndicate Members to accept Bid-cum-Application Forms from prospective ASBA Bidders in the locations, all the SCSBs having a branch in the location of Broker Centers, notified in terms of the 2012 Circular are required to name at least one branch before March 1, 2013, where Syndicate/sub-Syndicate/ non-Syndicate Members can submit such Bid-cum-Application Forms.*

Please note that pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2012, certain aspects, such as withdrawal and revision of Bids, manner of allocation to Retail Individual Investors and announcement of Price Band, have been modified. Please note that such modifications have come into effect from October 12, 2012 and all Bidders are advised to read this section carefully before participating in the Offer.

PART A

Book Building Procedure

This Offer is being made pursuant to Rule 19(2) (c) of the SCRR for atleast 10% of the post-Offer paid-up capital of Our Company. This Offer is being made pursuant to Regulation 26(1) of the ICDR Regulations through the Book Building Process, wherein 50% of the Net Offer shall be allocated to QIBs on a proportionate basis*. 5% of the QIB Category shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs subject to valid Bids being received from them at or above the Offer Price. In the event that the demand from Mutual Funds is greater than 5% of the QIB Category then allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Category, after excluding the allocation in the Mutual Fund Portion. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Category, the balance Equity Shares in the Mutual Fund Portion will be added to the QIB Category and allocated to QIBs on a proportionate basis, subject to valid Bids at or above Offer Price.

Further, not less than 15% of the Net Offer will be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Net Offer will be available for allocation on a proportionate basis to Retail Individual Investors*, subject to valid Bids being received at or above the Offer Price.

** In case of over-subscription in the Retail Category, the Selling Shareholder and our Company, in consultation with the BRLMs, may, at their sole discretion, decide to allocate up to 50% (but in no event less than 35%) of the Net Offer to Retail Individual Investors. In case of such increased allocation to Retail Individual Investors, the allocation in the QIB Category will be proportionately reduced.*

Further, 48,898,462 Equity Shares shall be available for allocation on a proportionate basis to Eligible Employees, subject to valid Bids being received at or above the Offer Price. Under subscription, if any, in the Employee Reservation Portion, shall be added to the Net Offer. In the event of under subscription in the Net Offer, spill over to the extent of under subscription shall be allowed to the Employee Reservation Portion.

Under-subscription, if any, in any category, except the QIB Category, would be met with spill-over from any other category or categories, as applicable, on a proportionate basis, subject to applicable laws.

In case of QIBs (other than Anchor Investors) Bidding through the Syndicate ASBA, the Book Running Lead Managers and its affiliate members of the Syndicate, may reject Bids at the time of acceptance of the Bid-cum-Application Form provided that the reasons for such rejection shall be disclosed to such Bidder in writing. Further, Bids from QIBs can also be rejected on technical grounds. In case of Non-Institutional Investors and Retail Individual Investors, our Company has a right to reject Bids based on technical grounds only.

Bidders can Bid at any price within the Price Band. The Price Band and the Bid Lot for the Offer will be decided by our Company and the Selling Shareholder in consultation with the Book Running Lead Managers, and advertised in an English, a Hindi national daily newspaper and Telugu daily newspaper, each with wide circulation at least five Working Days prior to the Bid/Offer Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price. Such information shall also be disclosed to the Stock Exchanges for dissemination through, and shall be pre-filled in the Bid-cum-Application Forms available on, the Stock Exchanges' websites.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid-cum-Application Forms which do not have the details of the Bidders depository account, including DP ID, Client ID and PAN (other than Bids made on behalf of the Central and the State Governments, residents of the state of Sikkim and official appointed by the courts), shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity

Shares in physical form. On Allotment, the Equity Shares will be traded only on the dematerialized segment of the Stock Exchanges.

Bidders are required to ensure that the PAN (of the sole/ first Bidder) provided in the Bid-cum-Application Form is exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held. In case of joint Bids, the Bid-cum-Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid-cum-Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.

Bid-cum-Application Form

Please note that there is a common Bid-cum-Application Form for ASBA Bidders as well as for non-ASBA Bidders. Copies of the Bid-cum-Application Form and the abridged prospectus will be available at the offices of the BRLMs, the Syndicate Members, the Registered Brokers, the SCSBs and the Registered and Corporate Office of our Company. An electronic copy of the Bid-cum-Application Form will also be available for downloading on the websites of the SCSBs, the NSE (www.nseindia.com) and the BSE (www.bseindia.com) and the terminals of the Registered Brokers atleast one day prior to the Bid/Offer Opening Date. The Bid-cum-Application Forms for Eligible Employees will be available only at our Registered and Corporate Office.

Retail Individual Investors and Eligible Employees bidding in the Retail Category and the Employee Reservation Portion, respectively may Bid through the ASBA process at their discretion. However, QIBs and Non-Institutional Investors must compulsorily use the ASBA process to participate in the Offer.

ASBA Bidders must provide bank account details in the relevant space provided in the Bid-cum-Application Form and the Bid-cum-Application Form that does not contain such details are liable to be rejected. In relation to non-ASBA Bidders, the bank account details shall be available from the depository account on the basis of the depository participant identification number, client identification number and PAN provided by the non-ASBA Bidders in their Bid-cum-Application Form.

Bidders shall ensure that the Bids are made on Bid-cum-Application Forms bearing the stamp of a member of the Syndicate or the Registered Broker or the SCSBs, as the case may be, submitted at the Bidding Centres only (except in case of electronic Bid-cum-Application Forms) and the Bid-cum-Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Bid-cum-Application Forms for the various categories is as follows:

S. No.	Category	Colour of Bid-cum-Application Form*
1.	Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
2.	FIIs, FPIs or QFIs applying on a repatriation basis	Blue
3.	Eligible Employees applying under the Employee Reservation Portion	Pink

** Excluding electronic Bid-cum-Application Forms*

Who can Bid?

In addition to the category of Bidders set forth under "*– General Information Document for Investing in Public Issues – Category of Investors Eligible to participate in an Offer*", the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

(i) Mutual Funds registered with SEBI. 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;

(ii) Venture Capital Funds and Alternative Investment Funds registered with SEBI;

(iii) Foreign Venture Capital Investors registered with SEBI;

(iv) Foreign Portfolio Investor registered with SEBI, provided that any QFI or FII who holds a valid certificate of registration shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995;

(v) State Industrial Development Corporations;

(vi) Scientific and/or industrial research organisations in India, authorized to invest in equity shares;

(vii) Insurance companies registered with IRDA;

(viii) Provident funds and pension funds with a minimum corpus of ₹ 250 million and who are authorized under their constitutional documents to hold and invest in equity shares;

(ix) National Investment Fund set up by resolution no. F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI published in the Gazette of India;

(x) Insurance funds set up and managed by the army, navy or air force of the Union of India or by the Department of Posts, India;

(xi) Multilateral and bilateral development financial institutions;

(xii) Eligible Employees; and

(xiii) Any other person eligible to Bid in the Offer under applicable laws.

Bids by Eligible NRIs

Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment.

Eligible NRIs Bidding on repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to the Non-Resident External ("**NRE**") or Foreign Currency Non Resident (Bank) ("**FCNR**") accounts maintained with authorized dealers registered with RBI under the Foreign Exchange Management (Foreign Currency Accounts) Regulations, 2000 ("**Authorised Dealer**"). Eligible NRIs bidding on repatriation basis are advised to use the Bid-cum-Application Form for Non-Residents (Blue in colour), accompanied by a bank certificate confirming that the payment has been made by debiting the NRE or FCNR account, as the case may be.

Eligible NRIs Bidding on non-repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE/FCNR accounts as well as the Non-Resident Ordinary Rupee Account ("**NRO**"). Eligible NRIs bidding on non-repatriation basis are advised to use the Bid-cum-Application Form for Residents (White in colour).

Bids by Foreign Portfolio Investors (including FIIs and QFIs)

On January 7, 2014, SEBI notified the SEBI FPI Regulations pursuant to which the existing classes of portfolio investors namely 'foreign institutional investors' and 'qualified foreign investors' will be subsumed under a new category namely 'foreign portfolio investors' or 'FPIs'. RBI on March 13, 2014 amended the FEMA Regulations and laid down conditions and requirements with respect to investment by FPIs in Indian companies.

In terms of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 (the "**SEBI FPI Regulations**"), investment in the Equity Shares by a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is permitted up to 10% of our post-Offer Equity Share capital. FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time. Any QFI or FII who holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or sub-account may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Offer, until the expiry of its registration as a FII or sub-account, or if it has obtained a certificate of registration as FPI, whichever is earlier. Further, a QFI may participate in the Offer until January 6, 2015 (or such other date as may be specified by SEBI) or if it has obtained a certificate of registration as FPI, whichever is earlier.

In accordance with foreign investment limits applicable to our Company, total foreign investment including FPI investment may be up to 100% through the automatic route. Currently, total foreign investment including FPI investment is not permitted to exceed 24% of our total issued capital.

FPIs who wish to participate in the Offer are advised to use the Bid-cum-Application Form for Non-Residents (blue in colour). FPIs are required to Bid through the ASBA process to participate in the Offer.

Further, the existing individual and aggregate investment limits for QFIs in an Indian company are 5% and 10% of the paid up capital of an Indian company, respectively.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI 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. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

Bids by SEBI registered Venture Capital Funds, Alternative Investment Funds and Foreign Venture Capital Investors

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended ("**SEBI VCF Regulations**"), and the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended, among other things prescribe the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the Securities and Exchange Board of India (Alternative Investment Funds) Regulation, 2012, as amended ("**SEBI AIF Regulations**") prescribe, amongst others, the investment restrictions on AIFs.

Accordingly, the holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A category III AIF cannot invest more than 10% of the corpus in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations.

Further, the existing individual and aggregate investment limits for QFIs in an Indian company are 5% and 10% of the paid up capital of an Indian company, respectively.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI 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. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid-cum-Application Form. Failing this, the Selling Shareholder and the Company reserves the right to reject any Bid without assigning any reason thereof.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid-cum-Application Form. Failing this, our Company and the Selling Shareholder reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 are broadly set forth below:

(a) equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
(b) the entire group of the investee company: the least of 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or reinsurer (25% in case of ULIPs); and
(c) the industry sector in which the investee company operates: 10% of the insurer's total investment exposure to the industry sector (25% in case of ULIPs).

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of Rs. 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid-cum-Application Form. Failing this, our Company and the Selling Shareholder reserve the right to reject any Bid, without assigning any reason thereof.

Bids by Banking Companies

The investment limit for banking companies as per the Banking Regulation Act, 1949 is 30% of the paid-up share capital of the investee company or 30% of the banks' own paid-up share capital and reserves, whichever is less (except in case of certain specified exceptions, such as setting up or investing in a subsidiary company, which requires RBI approval). Additionally, any investment by a bank in equity shares must be approved by such bank's investment committee set up to ensure compliance with the applicable prudential norms for classification, valuation and operation of investment portfolio of banks (currently reflected in the RBI Master Circular of July 1, 2010).

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid-cum-Application Form. Failing this, the Selling Shareholder and the Company reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof. No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible Employees

Bids by Eligible Employees must be for a minimum of 48,898,462 Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Bid Amount does not exceed ₹ 200,000. In case of revision of Bids, Eligible Employees have to ensure that the Bid Amount does not exceed ₹ 200,000. In case the Bid Amount is over ₹ 200,000, due to, among other things, revision of the Bid or revision of the Price Band or on exercise of bidding at Cut-off Price the Bid is liable to be rejected. Eligible Employees have the option to bid at Cut-off Price indicating their agreement to Bid and purchase at the Offer Price. Eligible Employees bidding at the Cut-Off Price have to ensure payment at the Cap Price, less Employee Discount at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion have an option to Bid using either the ASBA process or the non-ASBA process.

In accordance with RBI regulations, OCBs cannot participate in the Offer.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company will, after registering the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the ICDR Regulations, in English and Hindi national newspapers and one Telugu newspaper (i.e., all editions of [●], [●] and [●]), each with wide circulation

Payment instructions

In terms of the RBI circular (No. DPSS.CO.CHD.No./133/04.07.05/2013-14) dated July 16, 2013, non-CTS cheques will be processed in three CTS centers thrice a week until April 30, 2014, twice a week until October 31, 2014 and once a week from November 1, 2014 onwards. In order to enable listing and trading of Equity Shares within 12 Working Days of the Offer Closing Date, investors are advised to use CTS cheques or use the ASBA facility to make payment. Investors are cautioned that Bid-cum-Application Forms accompanied by non-CTS cheques are liable to be rejected due to any delay in clearing beyond six Working Days from the Offer Closing Date.

Payment into Escrow Accounts for Bidders other than ASBA Bidders

In addition to the payment instructions for non-ASBA Bidders as provided in the sub-section titled "***Part B – General Information Document for Investing in Public Issues – Applying in the Issue – Payment Details – Instructions for non-ASBA Applicants***" on page 428 of this Draft Red Herring Prospectus, non-ASBA Bidders are requested to note that the payment instruments for payment into the Escrow Account should be drawn in favour of:

(i) In case of resident Retail Individual Investors: "[●]";
(ii) In case of Non-Resident Retail Individual Investors: "[●]"; and
(iii) In case of Eligible Employees bidding in the Employee Reservation Portion: "[●]".

General Instructions

In addition to the general instructions provided in the sub-section titled "***Part B – General Information Document for Investing in Public Issues***" on page 416 of this Draft Red Herring Prospectus, Bidders are requested to note the additional instructions provided below:

1. Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground;
2. Do not submit Bids on plain paper or on incomplete or illegible Bid-cum-Application Forms, or on Bid-cum-Application Forms in a colour prescribed for another category of Bidder;
3. If you are a Non Institutional Bidder or QIB Bidder, do not submit your Bid after 4.00 p.m. on the Offer Closing Date; and
4. Do not send your physical Bid-cum-Application Form by post. Instead submit the same with a Designated Branch of the SCSBs, Syndicate/ Sub Syndicate the Non Syndicate Registered Brokers, as the case may be.

The Reserve Bank of India has issued standard operating procedure in terms of paragraph 2(a) of RBI circular number DPSS.CO.CHD.No./133/04.07.05/2013-14 dated July 16, 2013, detailing the procedure for processing CTS 2010 and Non-CTS 2010 instruments in the three CTS grid locations. As per this circular, processing of non-CTS cheques shall be done only on three days of the week. SEBI Circular No.CIR/CFD/DIL/3/2010 dated April 22, 2010 fixes the time between issue closure and listing at 12 days. In order to enable compliance with the above timelines, investors are advised to use CTS cheques or use ASBA facility to make payment. Investors using non-CTS cheques are cautioned that applications accompanied by such cheques are liable to be rejected due to any clearing delays beyond 6 working days from the date of the closure of the issue, in terms of the aforesaid SEBI Circular.

Undertakings by our Company

Our Company undertakes the following:

1. That the complaints received in respect of this Offer shall be attended to by our Company expeditiously and satisfactorily;
2. That all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed shall be undertaken within 12 Working Days of the Offer Closing Date;
3. That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 12 Working Days from the Offer Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
4. That no further issue of Equity Shares shall 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.;
5. That adequate arrangements shall be made to collect all Bid-cum-Application Forms in relation to ASBA and to consider them similar to non-ASBA applications while finalizing the Basis of Allotment; and
6. That funds required for making refunds to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company.

Undertakings by the Selling Shareholder

The Selling Shareholder undertakes the following:

1. The Equity Shares available in the Offer for Sale have been held by the Selling Shareholder for a period of more than one year prior to the date of this Draft Red Herring Prospectus, and are free and clear of any liens or encumbrances, and will be transferred to the successful Bidders within the specified time;
2. The Selling Shareholder will not have recourse to the proceeds of the Offer, until approval for trading of the Equity Shares from all Stock Exchanges where listing is sought has been received;
3. The Selling Shareholder will not sell, transfer, dispose of in any manner or create any lien, charge or encumbrance on the Equity Shares;
4. The Selling Shareholder will take all such steps as may be required to ensure that the Equity Shares are available for transfer in the Offer;
5. The funds required for making refunds to unsuccessful Bidders or dispatch of Allotment Advice as per modes prescribed in this Draft Red Herring Prospectus shall be made available to the Registrar to the Offer;
6. That the transfer of Equity Shares shall be made and the refund orders shall be dispatched or refund instructions will be given to the clearing system within 12 Working Days of the Offer Closing Date, as far as possible, and that the Selling Shareholder shall pay interest of 15 % per annum if allotment has not been made and refund orders have not been dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system within the aforesaid period;

7. If the Selling Shareholder does not proceed with the Offer after the Offer Closing Date, the reason thereof shall be given as a public notice within two days of such decision. The public notice shall be issued in the same newspapers where the pre-Offer advertisement had appeared. The Stock Exchanges where the Equity Shares are listed shall also be informed promptly;
8. If the Selling Shareholder withdraws the Offer after the Offer Closing Date, the Company shall be required to file a fresh red herring prospectus with the RoC/SEBI, in the event the Company subsequently decides to proceed with the Offer; and
9. The Selling Shareholder has authorized the Compliance Officer of the Company and the Registrar to the Offer to redress any complaints received from Bidders in respect of the Offer for Sale.

The decisions with respect to the Price Band, the minimum Bid lot, rupee amount of the Retail Discount and Employee Discount, revision of Price Band, Offer Price, will be taken by the Selling Shareholder and our Company, in consultation with the Book Running Lead Managers.

Utilization of Offer Proceeds

The Selling Shareholder along with the Company declare that all monies received out of this Offer shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

PART-B

General Information Document for Investing in Public Issues

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Red Herring Prospectus/Prospectus before investing in the Issue.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building process as well as to the Fixed Price Issues. The purpose of the "General Information Document for Investing in Public Issues" is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("**SEBI ICDR Regulations, 2009**").

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue are set out in the Red Herring Prospectus ("**RHP**")/ Prospectus filed by the Issuer with the Registrar of Companies ("**RoC**"). Bidders/Applicants should carefully read the entire RHP/Prospectus and the Bid-cum-Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the **BRLM(s)** to the Issue and on the website of Securities and Exchange Board of India ("**SEBI**") at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Bidders/Applicants may refer to the section "Glossary and Abbreviations".

SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is inter-alia required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is inter-alia required to comply with the eligibility requirements in terms of Regulation 26/27 of SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act 2013), the Securities Contracts (Regulation) Rules, 1957 (the "**SCRR**"), industry- specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process (**"Book Built Issue**") or undertake a Fixed Price Issue ("**Fixed Price Issue**"). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to the RHP/Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

2.5 ISSUE PERIOD

The Issue may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid-cum-Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Issue Period. Details of Bid/Issue Period are also available on the website of Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at least three Working Days, subject to the total Bid/Issue Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the BRLM(s), and the advertisement in the newspaper(s) issued in this regard.

2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/Applicants may note that this is not applicable for Fast Track FPOs:

- In case of Issue other than Book Build Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:

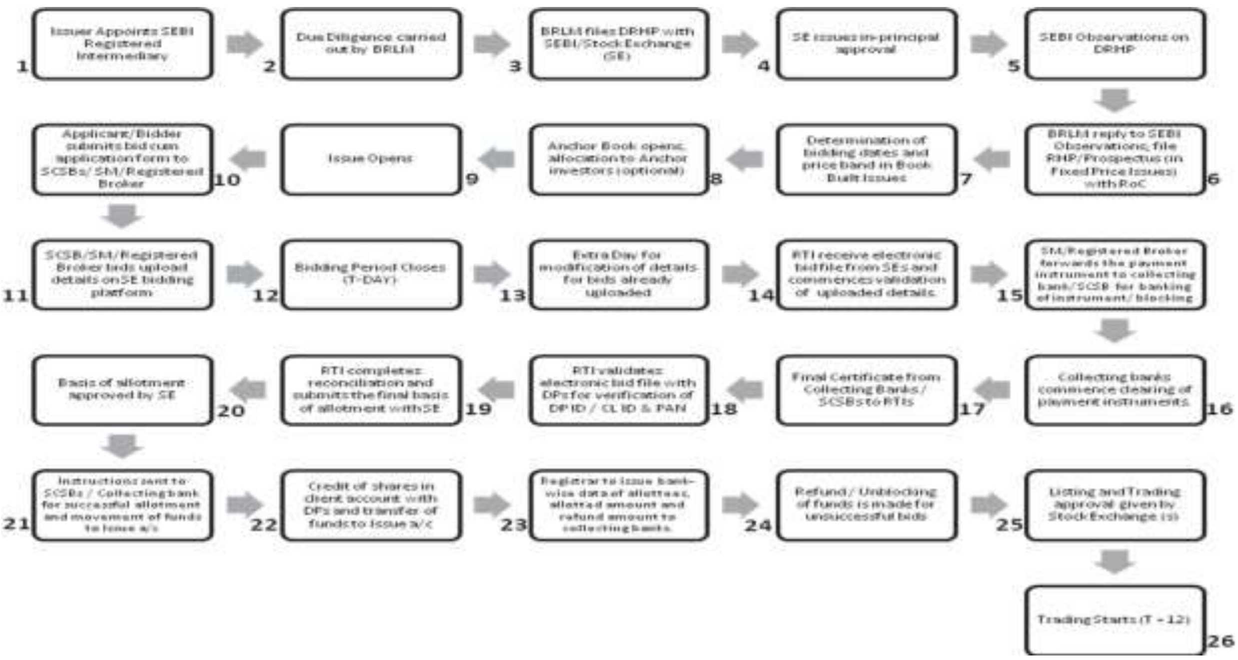
    i. Step 7: Determination of Issue Date and Price
    ii. Step 10: Applicant submits ASBA Application Form with Designated Branch of

SCSB and Non-ASBA forms directly to collection Bank and not to Broker.

iii. Step 11: SCSB uploads ASBA Application details in Stock Exchange Platform

iv. Step 12: Issue period closes

v. Step 15: Not Applicable



SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder/Applicant should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Bidders/Applicants, such as NRIs, FPIs, FIIs, QFIs and FVCIs may not be allowed to Bid/Apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders/Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianships);
- Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid-cum-Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorized to invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- Qualified Foreign Investors subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI Regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, bidding under the QIBs category;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non Institutional Investors (NIIs) category;
- FPIs other than Category III foreign portfolio investors bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, bidding under the NIIs category;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorized under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008; and
- Any other person eligible to Bid/Apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.
- As per the existing regulations, OCBs are not allowed to participate in an Issue.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders should only use the specified Bid-cum-Application Form either bearing the stamp of a member of the Syndicate or bearing a stamp of the Registered Broker or stamp of SCSBs as available or downloaded from the websites of the Stock Exchanges.

Bid-cum-Application Forms are available with the members of the Syndicate, Registered Brokers, Designated Branches of the SCSBs and at the registered office of the Issuer. Electronic Bid-cum-Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date. For further details regarding availability of Bid-cum-Application Forms, Bidders may refer to the RHP/Prospectus.

Fixed Price Issue: Applicants should only use the specified cum Application Form either bearing the stamp of Collection Bank(s) or SCSBs as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Branches of Collection Banks or Designated Branches of the SCSBs and at the registered office of the Issuer. For further details regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed color of the Bid-cum-Application Form for various categories of Bidders/Applicants is as follows:

Category	Color of the Bid-cum-Application Form
Resident Indian, Eligible NRIs applying on a non-repatriation basis	White
NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub- Accounts which are foreign corporate(s) or foreign individuals bidding under the QIB), FPIs, QFIs on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders/Applicants bidding/applying in the reserved category	[As specified by the Issuer]

Securities Issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Bidders/Applicants will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to allotment.

4.1 INSTRUCTIONS FOR FILING THE BID-CUM-APPLICATION FORM / APPLICATION FORM

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid-cum-Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid-cum-Application Form can be found on the reverse side of the Bid-cum-Application Form. Specific instructions for filling various fields of the Resident Bid-cum-Application Form and Non-Resident Bid-cum-Application Form and samples are provided below.

The samples of the Bid-cum-Application Form for resident Bidders and the Bid-cum-Application Form for non-resident Bidders are reproduced below:

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

COMMON BID CUM APPLICATION FORM FOR ASBA / NON-ASBA	XYZ LIMITED - PUBLIC ISSUE - R	FOR RESIDENT INDIAN, QIB, ELIGIBLE NRI's APPLYING ON A NON-REPATRIATION BASIS

Logo

To,
The Board of Directors
XYZ Limited

BOOK BUILDING ISSUE

IN

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER'S/AGENT'S STAMP & CODE
ESCROW BANK / SCSB BRANCH STAMP & CODE	SUB-BROKER'S/SUB-AGENT'S STAMP & CODE
BANK BRANCH SERIAL NO.	REGISTRAR'S / SCSB SERIAL NO.

1. NAME & CONTACT DETAILS of Sole / First Applicant

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST APPLICANT

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS NSDL CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

4. BID OPTIONS (Only Retail Individual Bidders can Bid at "Cut-off")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
		Bid Price	Discount, if any	Net Price	"Cut-off" (Please tick)
	7 | 6 | 5 | 4 | 3 | 2 | 1	4 | 3 | 2 | 1	4 | 3 | 2 | 1	4 | 3 | 2 | 1	
Option 1					
(OR) Option 2					
(OR) Option 3					

5. Category

- Retail Individual
- Non-Institutional
- QIB

6. Investor Status

- Individual(s) - IND
- Hindu Undivided Family* - HUF
- Bodies Corporate - CO
- Banks & Financial Institutions - FI
- Mutual Funds - MF
- Non-Resident Indians - NRI (Non-Repatriation basis)
- National Investment Fund - NIF
- Insurance Funds - IF
- Insurance Companies - IC
- Venture Capital Funds - VC
- Others (Please specify) - OTH

* HUF should apply only through Karta (Application by HUF would be treated on par with Individual)

7. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below) PAYMENT OPTIONS Full Payment Part Payment

Amount Paid (₹ in figures) (₹ in words)

(A) CHEQUE/ DEMAND DRAFT (DD)

Cheque/DD No. Dated D D M M Y Y

Drawn on (Bank Name & Branch)

(B) ASBA

Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED FORM 3A AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/We (on behalf of joint applicants, if any) hereby confirm that I/We have read the Instructions for Filling up the Bid Cum Application Form given overleaf.

8A. SIGNATURE OF SOLE/ FIRST APPLICANT	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS) (For ASBA option ONLY)	BROKER'S / SCSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)
	I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue	
	1)	
	2)	
Date : ____________ 2011	3)	

TEAR HERE

XYZ LIMITED	Acknowledgement Slip for Syndicate Member / SCSB	Bid cum Application Form No.

DPID / CLID

PAN

Amount Paid (₹ in figures) Bank & Branch

Cheque / DD/ASBA Bank A/c No.

Received from Mr./Ms.

Telephone / Mobile Email

Stamp & Signature of Banker

TEAR HERE

TEAR HERE

XYZ LIMITED

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

Cheque / DD/ASBA Bank A/c No.

Bank & Branch

Stamp & Signature of Syndicate Member / SCSB

Name of Sole / First Applicant

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE — PLEASE FILL IN BLOCK LETTERS — TEAR HERE

COMMON BID CUM APPLICATION FORM FOR ASBA / NON-ASBA

XYZ LIMITED - PUBLIC ISSUE - NR

FOR ELIGIBLE NRIs, FIIs, FVCI, ETC., APPLYING ON A REPATRIATION BASIS

Logo

To,
The Board of Directors
XYZ Limited

BOOK BUILDING ISSUE

INE523L01018

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE

BROKER'S/AGENT'S STAMP & CODE

ESCROW BANK / SCSB BRANCH STAMP & CODE

SUB-BROKER'S/SUB-AGENT'S STAMP & CODE

BANK BRANCH SERIAL NO.

REGISTRAR'S / SCSB SERIAL NO.

1. NAME & CONTACT DETAILS of Sole / First Applicant

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST APPLICANT

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS NSDL CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

4. BID OPTIONS (Only Retail Individual Bidders can Bid at "Cut-off")

Bid Options	No. of Equity Shares Bid (in Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (in Figures)			
	7 6 5 4 3 2 1	Bid Price 4 3 2 1	Discount, if any 4 3 2 1	Net Price 4 3 2 1	"Cut-off" (Please ✓)
Option 1					
(OR) Option 2					
(OR) Option 3					

5. Category

Retail Individual

Non-Institutional

QIB

6. Investor Status

NRI Non-Resident Indian (Repatriation basis)

FII Foreign Institutional Investor

FVCI Foreign Venture Capital Investor

FIISA FII Sub Account Corporate / Individual

OTH Others (Please Specify)

7. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below)

PAYMENT OPTIONS ☐ Full Payment ☐ Part Payment

Amount Paid (₹ in figures) (₹ in words)

☐ (A) CHEQUE/ DEMAND DRAFT (DD)

Cheque/DD No. Dated D D M M Y Y

Drawn on (Bank Name & Branch)

☐ (B) ASBA

Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED FORM 2A AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/We (on behalf of joint applicants, if any) hereby confirm that I/We have read the Instructions for Filling up the Bid Cum Application Form given overleaf.

8A. SIGNATURE OF SOLE/ FIRST APPLICANT

Date : ____________, 2011

8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS) (For ASBA option ONLY)

I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue

1)

2)

3)

BROKER'S / SCSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

XYZ LIMITED

Acknowledgement Slip for Syndicate Member / SCSB

Bid cum Application Form No.

DPID / CLID

PAN

Amount Paid (₹ in figures)

Bank & Branch

Stamp & Signature of Banker

Cheque / DD/ASBA Bank A/c No.

Received from Mr./Ms.

Telephone / Mobile

Email

TEAR HERE

XYZ LIMITED

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

Stamp & Signature of Syndicate Member / SCSB

Name of Sole / First Applicant

Acknowledgement Slip for Bidder

Bid cum Application Form No.

Cheque / DD/ASBA Bank A/c No.

Bank & Branch

4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER/APPLICANT

(a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

(b) **Mandatory Fields**: Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid-cum Application Form/Application Form may be used to dispatch communications(including refund orders and letters notifying the unblocking of the bank accounts of ASBA Bidders/Applicants) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid-cum-Application Form may be used by the Issuer, the members of the Syndicate, the Registered Broker and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.

(c) **Joint Bids/Applications**: In the case of Joint Bids/Applications, the Bids /Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/Applicant would be required in the Bid-cum-Application Form/Application Form and such first Bidder/Applicant would be deemed to have signed on behalf of the joint holders All payments may be made out in favor of the Bidder/Applicant whose name appears in the Bid-cum-Application Form/Application Form or the Revision Form and all communications may be addressed to such Bidder/Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

(d) **Impersonation**: Attention of the Bidders/Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who:

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name shall be liable for action under Section 447."

The liability prescribed under section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

(e) **Nomination Facility to Bidder/Applicant**: Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective DP.

4.1.2 FIELD NUMBER 2: PAN NUMBER OF SOLE/FIRST BIDDER/APPLICANT

(a) PAN (of the sole/ first Bidder/Applicant) provided in the Bid-cum-Application Form/Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.

(b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants residing in Sikkim ("PAN Exempted Bidders/Applicants"). Consequently, all Bidders/Applicants, other than the PAN Exempted Bidders/Applicants, are required to disclose their PAN in the Bid-cum-Application Form/Application Form, irrespective of the Bid/Application Amount. A Bid-cum-Application Form/Application Form without PAN, except in case of Exempted Bidders/Applicants, is liable to be rejected. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

(c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

(d) Bid-cum-Application Forms/Application Forms which provide the General Index Register Number instead of PAN may be rejected.

(e) Bids/Applications by Bidders whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and demographic details are not provided by depositories.

4.1.3 FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS

(a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid-cum-Application Form/Application Form. The DP ID and Client ID provided in the Bid-cum-Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid-cum-Application Form/**Application Form **is liable to be rejected**.

(b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid-cum-Application Form/Application Form is active.

(c) Bidders/Applicants should note that on the basis of DP ID and Client ID as provided in the Bid-cum-Application Form/Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving refunds and allocation advice (including through physical refund warrants, direct credit, NECS, NEFT and RTGS), or unblocking of ASBA Account or for other correspondence(s) related to an Issue. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

(d) Bidders/Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants' sole risk.

4.1.4 FIELD NUMBER 4: BID OPTIONS

(a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Issue Opening Date in case of an IPO, and at least one Working Day before Bid/Issue Opening Date in case of an FPO.

(b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs /FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details bidders may refer to (Section 5.6 (e))

(c) **Cut-Off Price**: Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.

(d) **Minimum Application Value and Bid Lot**: The Issuer in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.

(e) **Allotment**: The allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be allotted on a proportionate basis. For details of the Bid Lot, bidders may to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 **Maximum and Minimum Bid Size**

(a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹ 200,000.

In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category, with it not being eligible for Discount then such Bid may be rejected if it is at the Cut-off Price.

(b) For NRIs, a Bid Amount of up to ₹ 200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹ 200,000 may be considered under the Non-Institutional Category for the purposes of allocation.

(c) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid-cum-Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Investors and QIBs are not allowed to Bid at 'Cut-off Price'.

(d) RII may revise their bids till closure of the bidding period or withdraw their bids until finalization of allotment. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after bidding and are required to pay the Bid Amount upon submission of the Bid.

(e) In case the Bid Amount reduces to ₹ 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Investors who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.

(f) For Anchor Investors, if applicable, the Bid Amount shall be least Rs. 10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 30% of the QIBl Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the

Anchor Investor Bid/ Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.

(g) A Bid cannot be submitted for more than the Issue size.

(h) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.

(i) The price and quantity options submitted by the Bidder in the Bid-cum-Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Issue Price, the number of Equity Shares Bid for by a Bidder at or above the Issue Price may be considered for allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of bidders may refer to (Section 5.6 (e))

4.1.4.2 **Multiple Bids**

(a) Bidder should submit only one Bid-cum-Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid-cum-Application Form and such options are not considered as multiple Bids.

Submission of a second Bid-cum-Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid-cum-Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

(b) Bidders are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:

i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.

ii. For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid-cum-Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.

(c) The following Bids may not be treated as multiple Bids:

i. Bids by Reserved Categories bidding in their respective Reservation Portion as well as bids made by them in the Net Issue portion in public category.

ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.

iii. Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

iv. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

4.1.5 FIELD NUMBER 5: CATEGORY OF BIDDERS

(a) The categories of Bidders identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and allotment in the Issue are RIIs, NIIs and QIBs.

(b) Upto 30% of the QIB Category can be allocated by the Issuer, on a discretionary basis [subject to the criteria of minimum and maximum number of anchor investors based on allocation size], to the Anchor Investors, in accordance with SEBI ICDR Regulations, 2009, with one- third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Issue Price. For details regarding allocation to Anchor Investors, bidders may refer to the RHP/Prospectus.

(c) An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, Bidders/Applicants may refer to the RHP/Prospectus.

(d) The SEBI ICDR Regulations, 2009, specify the allocation or allotment that may be made to various categories of Bidders in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Bidder/Applicant may refer to the RHP/Prospectus.

4.1.6 FIELD NUMBER 6: INVESTOR STATUS

(a) Each Bidder/Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue is in compliance with the investment restrictions under applicable law.

(b) Certain categories of Bidders/Applicants, such as NRIs, FIIs, FPIs, QFIs and FVCIs may not be allowed to Bid/Apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

(c) Bidders/Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid-cum-Application Form and Non-Resident Bid-cum-Application Form.

(d) Bidders/Applicants should ensure that their investor status is updated in the Depository records.

4.1.7 FIELD NUMBER 7: PAYMENT DETAILS

(a) All Bidders are required to make payment of the full Bid Amount (net of any Discount, as applicable) along-with the Bid-cum-Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid-cum-Application Form and the payment shall be made for Bid Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid-cum-Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.

(b) Bidders who Bid at Cut-off price shall deposit the Bid Amount based on the Cap Price.

(c) QIBs and NIIs can participate in the Issue only through the ASBA mechanism.

(d) RIIs and/or Reserved Categories bidding in their respective reservation portion can Bid, either through the ASBA mechanism or by paying the Bid Amount through a cheque or a demand draft (“Non-ASBA Mechanism”).

(e) Bid Amount cannot be paid in cash, through money order or through postal order.

4.1.7.1 **Instructions for non-ASBA Bidders**:

(a) Non-ASBA Bidders may submit their Bids with a member of the Syndicate or any of the Registered Brokers of the Stock Exchange. The details of Broker Centres along with names and contact details of the Registered Brokers are provided on the websites of the Stock Exchanges.

(b) **For Bids made through a member of the Syndicate**: The Bidder may, with the submission of the Bid-cum-Application Form, draw a cheque or demand draft for the Bid Amount in favour of the Escrow Account as specified under the RHP/Prospectus and the Bid-cum-Application Form and submit the same to the members of the Syndicate at Specified Locations.

(c) **For Bids made through a Registered Broker:** The Bidder may, with the submission of the Bid-cum-Application Form, draw a cheque or demand draft for the Bid Amount in favour of the Escrow Account as specified under the RHP/Prospectus and the Bid-cum-Application Form and submit the same to the Registered Broker.

(d) If the cheque or demand draft accompanying the Bid-cum-Application Form is not made favoring the Escrow Account, the Bid is liable to be rejected.

(e) Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid-cum-Application Form is submitted. Cheques/bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.

(f) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Bidders until the Designated Date.

(g) Bidders are advised to provide the number of the Bid-cum-Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

4.1.7.2 **Payment instructions for ASBA Bidders**

(a) ASBA Bidders may submit the Bid-cum-Application Form either

i. in physical mode to the Designated Branch of an SCSB where the Bidders/Applicants have ASBA Account, or
ii. in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid-cum-Application Form, or
iii. in physical mode to a member of the Syndicate at the Specified Locations or
iv. Registered Brokers of the Stock Exchange

(b) ASBA Bidders may specify the Bank Account number in the Bid-cum-Application Form. The Bid-cum-Application Form submitted by an ASBA Bidder and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.

(c) Bidders should ensure that the Bid-cum-Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;

(d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.

(e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.

(f) **ASBA Bidders bidding through a member of the Syndicate** should ensure that the Bid-cum-Application Form is submitted to a member of the Syndicate only at the Specified locations.

ASBA Bidders should also note that Bid-cum-Application Forms submitted to a member of the Syndicate at the Specified locations may not be accepted by the Member of the Syndicate if the SCSB where the ASBA Account, as specified in the Bid-cum-Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Bid-cum-Application Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised- Intermediaries).

(g) **ASBA Bidders bidding through a Registered Broke**r should note that Bid-cum-Application Forms submitted to the Registered Brokers may not be accepted by the Registered Broker, if the SCSB where the ASBA Account, as specified in the Bid-cum-Application Form, is maintained has not named at least one branch at that location for the Registered Brokers to deposit Bid-cum-Application Forms.

(h) **ASBA Bidders bidding directly through the SCSBs** should ensure that the Bid-cum-Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

(i) Upon receipt of the Bid-cum-Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid-cum-Application Form.

(j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid-cum-Application Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.

(k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Bids on the Stock Exchange platform and such bids are liable to be rejected.

(l) Upon submission of a completed Bid-cum-Application Form each ASBA Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the Bid-cum-Application Form in the ASBA Account maintained with the SCSBs.

(m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.

(n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.1.7.2.1 **Unblocking of ASBA Account**

(a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.

(b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful ASBA Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.

(c) In the event of withdrawal or rejection of the Bid-cum-Application Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within 12 Working Days of the Bid/Issue Closing Date.

4.1.7.3 **Additional Payment Instructions for NRIs**

The Non-Resident Indians who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

4.1.7.4 **Discount** (if applicable)

(a) The Discount is stated in absolute rupee terms.

(b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the RHP/Prospectus.

(c) The Bidders entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Bid Amount less Discount (if applicable).

(d) Bidder may note that in case the net payment (post Discount) is more than two lakh Rupees, the bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

4.1.8 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS

(a) Only the First Bidder/Applicant is required to sign the Bid-cum-Application Form/Application Form. Bidders/Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.

(b) If the ASBA Account is held by a person or persons other than the ASBA Bidder/Applicant., then the Signature of the ASBA Account holder(s) is also required.

(c) In relation to the ASBA Bids/Applications, signature has to be correctly affixed in the authorization/undertaking box in the Bid-cum-Application Form/Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid-cum-Application Form/Application Form.

(d) Bidders/Applicants must note that Bid-cum-Application Form/Application Form without signature of Bidder/Applicant and /or ASBA Account holder is liable to be rejected.

4.1.9 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

(a) Bidders should ensure that they receive the acknowledgment duly signed and stamped by a member of the Syndicate, Registered Broker or SCSB, as applicable, for submission of the Bid-cum-Application Form.

(b) Applicants should ensure that they receive the acknowledgment duly signed and stamped by an Escrow Collection Bank or SCSB, as applicable, for submission of the Application Form.

(c) All communications in connection with Bids/Applications made in the Issue should be addressed as under:

i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, refund orders, the Bidders/Applicants should contact the Registrar to the Issue.

ii. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders/Applicants should contact the relevant Designated Branch of the SCSB.

iii. In case of queries relating to uploading of Syndicate ASBA Bids, the Bidders/Applicants should contact the relevant Syndicate Member.

iv. In case of queries relating to uploading of Bids by a Registered Broker, the Bidders/Applicants should contact the relevant Registered Broker

v. Bidder/Applicant may contact the Company Secretary and Compliance Officer or BRLM(s) in case of any other complaints in relation to the Issue.

(d) The following details (as applicable) should be quoted while making any queries -

i. full name of the sole or First Bidder/Applicant, Bid-cum-Application Form number, Applicants'/Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application.

ii. name and address of the member of the Syndicate, Registered Broker or the Designated Branch, as the case may be, where the Bid was submitted or

iii. In case of Non-ASBA bids cheque or draft number and the name of the issuing bank thereof

iv. In case of ASBA Bids, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

For further details, Bidder/Applicant may refer to the RHP/Prospectus and the Bid-cum-Application Form.

4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

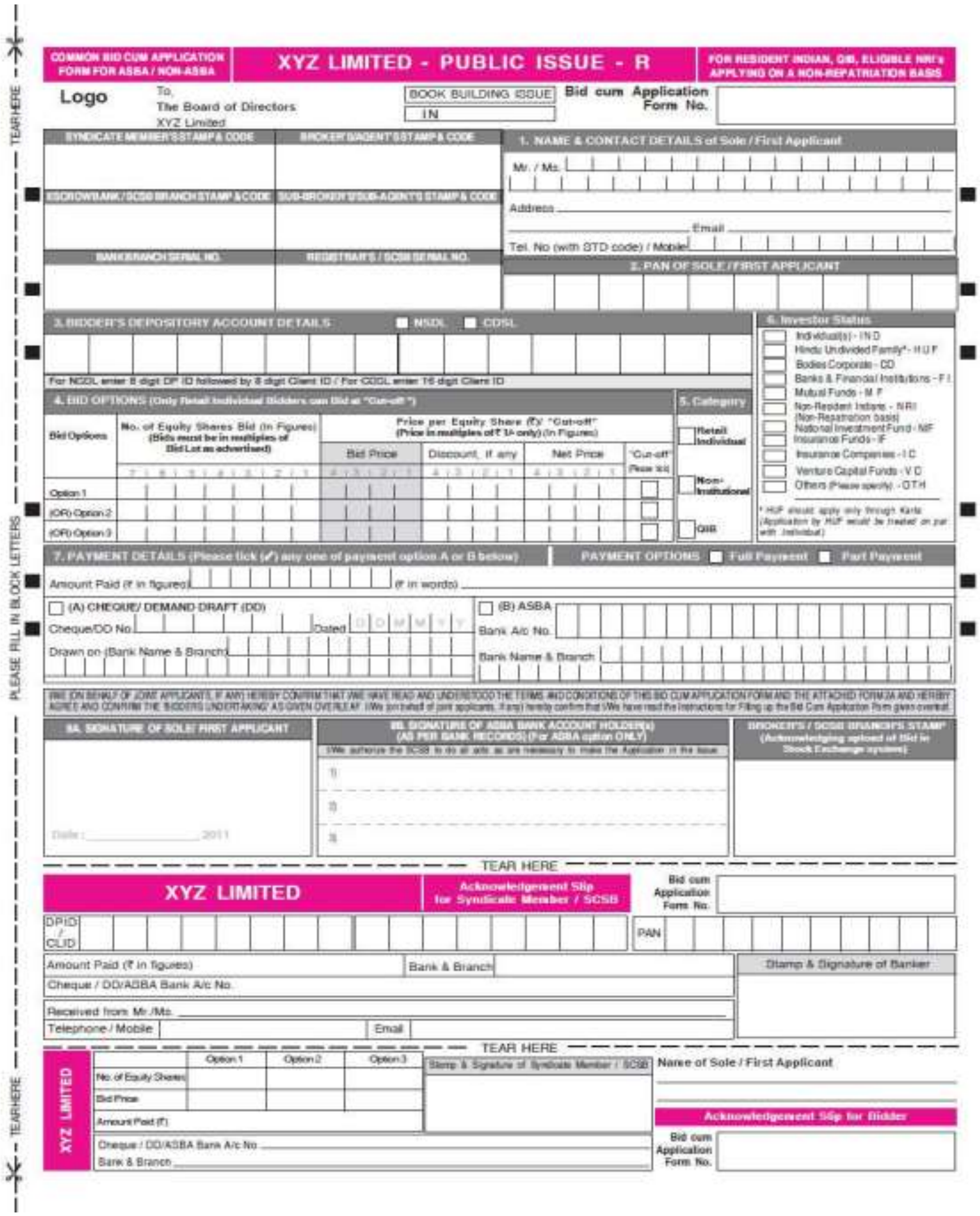
(a) During the Bid/Issue Period, any Bidder/Applicant (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid-cum-Application Form.

(b) RII may revise their bids till closure of the bidding period or withdraw their bids until finalization of allotment.

(c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.

(d) The Bidder/Applicant can make this revision any number of times during the Bid/ Issue Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the same member of the Syndicate, the Registered Broker or the SCSB through which such Bidder/Applicant had placed the original Bid. Bidders/Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample Revision form is reproduced below:



COMMON BID CUM APPLICATION FORM FOR ASBA / NON-ASBA

XYZ LIMITED - PUBLIC ISSUE - R

FOR RESIDENT INDIAN, QIB, ELIGIBLE NRI's APPLYING ON A NON-REPATRIATION BASIS

Logo

To,
The Board of Directors
XYZ Limited

BOOK BUILDING ISSUE
IN

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE

BROKER'S/AGENT'S STAMP & CODE

ESCROW BANK / SCSB BRANCH STAMP & CODE

SUB-BROKER'S/SUB-AGENT'S STAMP & CODE

BANK BRANCH SERIAL NO.

REGISTRAR'S / SCSB SERIAL NO.

1. NAME & CONTACT DETAILS of Sole / First Applicant

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST APPLICANT

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS NSDL CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

4. BID OPTIONS (Only Retail Individual Bidders can Bid at "Cut-off")

Bid Options

No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)

Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)

Bid Price

Discount, if any

Net Price

"Cut-off" (Please tick)

Option 1

(OR) Option 2

(OR) Option 3

5. Category

Retail Individual

Non-Institutional

QIB

6. Investor Status

Individual(s) - IND

Hindu Undivided Family* - HUF

Bodies Corporate - CO

Banks & Financial Institutions - FI

Mutual Funds - MF

Non-Resident Indians - NRI (Non-Repatriation basis)

National Investment Fund - NIF

Insurance Funds - IF

Insurance Companies - IC

Venture Capital Funds - VC

Others (Please specify) - OTH

* HUF should apply only through Karta (Application by HUF would be treated on par with individual)

7. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below)

PAYMENT OPTIONS Full Payment Part Payment

Amount Paid (₹ in figures)

(₹ in words)

(A) CHEQUE/ DEMAND DRAFT (DD)

Cheque/DD No.

Dated D D M M Y Y

Drawn on (Bank Name & Branch)

(B) ASBA

Bank A/c No.

Bank Name & Branch

8A. SIGNATURE OF SOLE/ FIRST APPLICANT

Date: 2011

8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS) (For ASBA option ONLY)

1)

2)

3)

BROKER'S / SCSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

XYZ LIMITED

Acknowledgement Slip for Syndicate Member / SCSB

Bid cum Application Form No.

DPID / CLID

PAN

Amount Paid (₹ in figures)

Bank & Branch

Stamp & Signature of Banker

Cheque / DD/ASBA Bank A/c No.

Received from Mr./Ms.

Telephone / Mobile

Email

TEAR HERE

XYZ LIMITED

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

Stamp & Signature of Syndicate Member / SCSB

Name of Sole / First Applicant

Acknowledgement Slip for Bidder

Cheque / DD/ASBA Bank A/c No.

Bank & Branch

Bid cum Application Form No.

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'

(a) Apart from mentioning the revised options in the Revision Form, the Bidder/Applicant must also mention the details of all the bid options given in his or her Bid-cum-Application Form or earlier Revision Form. For example, if a Bidder/Applicant has Bid for three options in the Bid-cum-Application Form and such Bidder/Applicant is changing only one of the options in the Revision Form, the Bidder/Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Forms.

(b) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid-cum-Application Form.

(c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹ 200,000. In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.

(d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the RHP/Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.

(e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding may be unblocked in case of ASBA Bidders or refunded from the Escrow Account in case of non-ASBA Bidder.

4.2.3 FIELD 6: PAYMENT DETAILS

(a) With respect to the Bids, other than Bids submitted by ASBA Bidders/Applicants, any revision of the Bid should be accompanied by payment in the form of cheque or demand draft for the amount, if any, to be paid on account of the upward revision of the Bid.

(b) All Bidders/Applicants are required to make payment of the full Bid Amount (less Discount (if applicable) along with the Bid Revision Form. In case of Bidders/Applicants specifying more than one Bid Option in the Bid-cum-Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.

(c) In case of Bids submitted by ASBA Bidder/Applicant, Bidder/Applicant may Issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same member of the Syndicate/Registered Broker or the same Designated Branch (as the case may be) through whom such Bidder/Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.

(d) In case of Bids, other than ASBA Bids, Bidder/Applicant, may make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed ₹ 200,000 if the Bidder/Applicant wants to continue to Bid at the Cut-off Price), with the members of the Syndicate / Registered Broker to whom the original Bid was submitted.

(e) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹ 200,000, the Bid may be considered for allocation under the Non-

Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder/Applicant does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of allotment, such that no additional payment is required from the Bidder/Applicant and the Bidder/Applicant is deemed to have approved such revised Bid at the Cut-off Price.

(f) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of bidding may be unblocked in case of ASBA Bidders/Applicants or refunded from the Escrow Account in case of non-ASBA Bidder/Applicant.

4.2.4 FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)

4.3.1 FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.3.2 FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT

(a) The Issuer may mention Price or Price band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).

(b) **Minimum Application Value and Bid Lot**: The Issuer in consultation with the Lead Manager to the Issue (LM) may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.

(c) Applications by RIIs, Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹ 200,000.

(d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.

(e) An application cannot be submitted for more than the Issue size.

(f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.

(g) **Multiple Applications**: An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or to Collection Bank(s) or SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

(h) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:

i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Bids bearing the same

PAN may be treated as multiple applications by a Bidder/Applicant and may be rejected.

ii. For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.

(i) The following applications may not be treated as multiple Bids:

i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Net Issue portion in public category.

ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.

iii. Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

4.3.3 FIELD NUMBER 5: CATEGORY OF APPLICANTS

(a) The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and allotment in the Issue are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).

(b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, applicants may refer to the Prospectus.

(c) The SEBI ICDR Regulations, 2009 specify the allocation or allotment that may be made to various categories of applicants in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation applicant may refer to the Prospectus.

4.3.4 FIELD NUMBER 6: INVESTOR STATUS

Applicants should refer to instructions contained in paragraphs 4.1.6.

4.3.5 FIELD 7: PAYMENT DETAILS

(a) All Applicants are required to make payment of the full Amount (net of any Discount, as applicable) along-with the Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Amount in the Application Form and the payment shall be made for an Amount net of Discount. Only in cases where the Prospectus indicates that part payment may be made, such an option can be exercised by the Applicant.

(b) RIIs and/or Reserved Categories bidding in their respective reservation portion can Bid, either through the ASBA mechanism or by paying the Bid Amount through a cheque or a demand draft ("Non-ASBA Mechanism").

(c) Application Amount cannot be paid in cash, through money order or through postal order or through stock invest.

4.3.5.1 **Instructions for non-ASBA Applicants:**

(a) Non-ASBA Applicants may submit their Application Form with the Collection Bank(s).

(b) For Applications made through a Collection Bank(s): The Applicant may, with the submission of the Application Form, draw a cheque or demand draft for the Bid Amount in favor of the Escrow Account as specified under the Prospectus and the Application Form and submit the same to the escrow Collection Bank(s).

(c) If the cheque or demand draft accompanying the Application Form is not made favoring the Escrow Account, the form is liable to be rejected.

(d) Payments should be made by cheque, or demand draft drawn on any bank (including a co - operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Application Form is submitted. Cheques/bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.

(e) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Applicants until the Designated Date.

(f) Applicants are advised to provide the number of the Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

4.3.5.2 **Payment instructions for ASBA Applicants**

(a) ASBA Applicants may submit the Application Form in physical mode to the Designated Branch of an SCSB where the Applicants have ASBA Account.

(b) ASBA Applicants may specify the Bank Account number in the Application Form. The Application Form submitted by an ASBA Applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.

(c) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;

(d) Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.

(e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.

(f) ASBA Applicants bidding directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

(g) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.

(h) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.

(i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.

(j) Upon submission of a completed Application Form each ASBA Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.

(k) The Application Amount may remain blocked in the aforesaid ASBA Account until finalization of the Basis of allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.

(l) SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

4.3.5.2.1 **Unblocking of ASBA Account**

(a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected ASBA Applications, if any, along with reasons for rejection and details of withdrawn or unsuccessful Applications, if any, to enable the SCSBs to unblock the respective bank accounts.

(b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful ASBA Application to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.

(c) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Issue may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within 12 Working Days of the Issue Closing Date.

4.3.5.3 **Discount** (if applicable)

(a) The Discount is stated in absolute rupee terms.

(b) RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Issue, applicants may refer to the Prospectus.

(c) The Applicants entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Application Amount less Discount (if applicable).

4.3.6 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

4.4 SUBMISSION OF BID-CUM-APPLICATION FORM/ REVISION FORM /APPLICATION FORM

4.4.1 Bidders/Applicants may submit completed Bid-cum-application form / Revision Form in the following manner:-

Mode of Application	Submission of Bid-cum-Application Form
Non-ASBA Application	1) To members of the Syndicate at the Specified Locations mentioned in the Bid-cum-Application Form

	2) To Registered Brokers
ASBA Application	(a) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres (b) To the Designated branches of the SCSBs where the ASBA Account is maintained

(a) Bidders/Applicants should not submit the Bid-cum-Application forms/ Revision Form directly to the escrow collection banks. Bid-cum-Application Form/ Revision Form submitted to the escrow collection banks are liable for rejection.

(b) Bidders/Applicants should submit the Revision Form to the same member of the Syndicate, the Registered Broker or the SCSB through which such Bidder/Applicant had placed the original Bid.

(c) Upon submission of the Bid-cum-Application Form, the Bidder/Applicant will be deemed to have authorized the Issuer to make the necessary changes in the RHP and the Bid-cum-Application Form as would be required for filing Prospectus with the Registrar of Companies (RoC) and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.

(d) Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid- cum-Application Form will be considered as the application form.

SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Issue Price is finalized after the Bid/Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

5.1 SUBMISSION OF BIDS

(a) During the Bid/Issue Period, ASBA Bidders/Applicants may approach the members of the Syndicate at the Specified Cities or any of the Registered Brokers or the Designated Branches to register their Bids. Non-ASBA Bidders/Applicants who are interested in subscribing for the Equity Shares should approach the members of the Syndicate or any of the Registered Brokers, to register their Bid.

(b) Non-ASBA Bidders/Applicants (RIIs, Employees and Retail Individual Shareholders) bidding at Cut-off Price may submit the Bid-cum-Application Form along with a cheque/demand draft for the Bid Amount less discount (if applicable) based on the Cap Price with the members of the Syndicate/ any of the Registered Brokers to register their Bid.

(c) In case of ASBA Bidders/Applicants (excluding NIIs and QIBs) bidding at Cut-off Price, the ASBA Bidders/Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable). ASBA Bidders/Applicants may approach the members of the Syndicate or any of the Registered Brokers or the Designated Branches to register their Bids.

(d) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

5.2 ELECTRONIC REGISTRATION OF BIDS

(a) The Syndicate, the Registered Brokers and the SCSBs may register the Bids using the on-line facilities of the Stock Exchanges. The Syndicate, the Registered Brokers and the Designated

Branches of the SCSBs can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on- line facilities for Book Building on a regular basis before the closure of the issue.

(b) On the Bid/Issue Closing Date, the Syndicate, the Registered Broker and the Designated Branches of the SCSBs may upload the Bids till such time as may be permitted by the Stock Exchanges.

(c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/ Allotment. The members of the Syndicate, the Registered Brokers and the SCSBs are given up to one day after the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period after which the Stock Exchange(s) send the bid information to the Registrar for validation of the electronic bid details with the Depository's records.

5.3 BUILD UP OF THE BOOK

(a) Bids received from various Bidders/Applicants through the Syndicate, Registered Brokers and the SCSBs may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/Issue Period.

(b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the bidding centres during the Bid/Issue Period.

5.4 WITHDRAWAL OF BIDS

(a) RIIs can withdraw their Bids until finalization of Basis of Allotment. In case a RII applying through the ASBA process wishes to withdraw the Bid during the Bid/Issue Period, the same can be done by submitting a request for the same to the concerned SCSB or the Syndicate Member or the Registered Broker, as applicable, who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.

(b) In case a RII wishes to withdraw the Bid after the Bid/Issue Period, the same can be done by submitting a withdrawal request to the Registrar to the Issue until finalization of Basis of Allotment. The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

(a) The members of the Syndicate, the Registered Broker and/or SCSBs are individually responsible for the acts, mistakes or errors or omission in relation to

i. the Bids accepted by the members of the Syndicate, the Registered Broker and the SCSBs,

ii. the Bids uploaded by the members of the Syndicate, the Registered Broker and the SCSBs,

iii. the Bid-cum-Application forms accepted but not uploaded by the members of the Syndicate, the Registered Broker and the SCSBs, or

iv. With respect to Bids by ASBA Bidders/Applicants, Bids accepted and uploaded by SCSBs without blocking funds in the ASBA Accounts. It may be presumed that for Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant Account.

(b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid-cum-Application Form is incomplete in any respect.

(c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.

(d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLMs and their affiliate Syndicate Members (only in the specified locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.

(e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

5.5.1 GROUNDS FOR TECHNICAL REJECTIONS

Bid-cum-Application Forms/Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to the (i) authorized agents of the BRLMs, (ii) Registered Brokers, or (iii) SCSBs, or (iv) Collection Bank(s), or at the time of finalization of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, inter-alia, on the following grounds, which have been detailed at various placed in this GID:-

(a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);

(b) Bids/Applications by OCBs; and

(c) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;

(d) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid-cum-Application form/Application Form;

(e) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

(f) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;

(g) DP ID and Client ID not mentioned in the Bid-cum-Application Form/Application Form;

(h) PAN not mentioned in the Bid-cum-Application Form/Application Form except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;

(i) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;

(j) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;

(k) Bids/Applications at a price less than the Floor Price & Bids/Applications at a price more than the Cap Price;

(l) Bids/Applications at Cut-off Price by NIIs and QIBs;

(m) Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for. With respect to Bids/Applications by ASBA Bidders, the amounts mentioned in the Bid-cum-

Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;

(n) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;

(o) In relation to ASBA Bids/Applications, submission of more than five Bid-cum-Application Forms/Application Form as per ASBA Account;

(p) Bids/Applications for a Bid/Application Amount of more than ₹ 200,000 by RIIs by applying through non-ASBA process;

(q) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;

(r) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;

(s) Bid-cum-Application Forms/Application Forms are not delivered by the Bidders/Applicants within the time prescribed as per the Bid-cum-Application Forms/Application Form, Bid/Issue Opening Date advertisement and as per the instructions in the RHP and the Bid-cum-Application Forms;

(t) With respect to ASBA Bids/Applications, inadequate funds in the bank account to block the Bid/Application Amount specified in the Bid-cum-Application Form/ Application Form at the time of blocking such Bid/Application Amount in the bank account;

(u) Bids/Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;

(v) With respect to ASBA Bids/Applications, where no confirmation is received from SCSB for blocking of funds;

(w) Bids/Applications by QIBs (other than Anchor Investors) and Non Institutional Bidders not submitted through ASBA process or Bids/Applications by QIBs (other than Anchor Investors) and Non Institutional Bidders accompanied with cheque(s) or demand draft(s);

(x) ASBA Bids/Applications submitted to a BRLM at locations other than the Specified Cities and Bid-cum-Application Forms/Application Forms, under the ASBA process, submitted to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Issue;

(y) Bids/Applications not uploaded on the terminals of the Stock Exchanges;

(z) Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid-cum-Application Form/Application Form.

5.6 BASIS OF ALLOCATION

(a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid-cum-Application Form and in the RHP / Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the RHP / Prospectus.

(b) Under-subscription in Retail category is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and in consultation with the

BRLMs and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB category is not available for subscription to other categories.

(c) In case of under subscription in the Net Issue, spill-over to the extent of such under- subscription may be permitted from the Reserved Portion to the Net Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.

(d) Illustration of the Book Building and Price Discovery Process

Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes bidding by Anchor Investors.

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹ 20 to ₹ 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative	Subscription
5	24	500	16.67%
1	23	1,500	50.00%
1	22	3,000	100.00%
2	21	5,000	166.67%
2	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 Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer, in consultation with the BRLMs, may finalize the Issue Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

(e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of bidding ("Alternate Book Building Process").

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/Issue Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

Applicants may note that there is no Bid-cum-Application Form in a Fixed Price Issue. As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through Syndicate Members/SCSB and/or Bankers to the Issue or Registered Broker.

ASBA Applicants may submit an Application Form either in physical form to the Syndicate Members or Registered Brokers or the Designated Branches of the SCSBs or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorizing blocking of funds that are available in the bank account specified in the Application Form only ("**ASBA Account**"). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section of the GID.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The allotment of Equity Shares to Bidders/Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Investor is will be allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue (excluding any Offer for Sale of specified securities). However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable

7.1 ALLOTMENT TO RIIs

Bids received from the RIIs at or above the Issue Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Issue Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Issue Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot ("Maximum RII Allottees"). The Allotment to the RIIs will then be made in the following manner:

(a) In the event the number of RIIs who have submitted valid Bids in the Issue is equal to or less than Maximum RII Allottees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).

(b) In the event the number of RIIs who have submitted valid Bids in the Issue is more than Maximum RII Allottees, the RIIs (in that category) who will then be allotted minimum Bid Lot shall be determined on the basis of draw of lots.

7.2 ALLOTMENT TO NIIs

Bids received from NIIs at or above the Issue Price may be grouped together to determine the total demand under this category. The allotment to all successful NIIs may be made at or above the Issue Price. If the aggregate demand in this category is less than or equal to the Non- Institutional Category at or above the Issue Price, full allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non- Institutional Category at or above the Issue Price, allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations, 2009 or RHP / Prospectus. Bids received from QIBs bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner:

(a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full allotment to the extent of valid Bids received above the Issue Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for allotment to all QIBs as set out at paragraph 7.4(b) below;

(b) In the second instance, allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Issue Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

(a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the issuer subject to compliance with the following requirements:

i. not more than 30% of the QIBl Category will be allocated to Anchor Investors;

ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and

iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:

- a maximum number of two Anchor Investors for allocation up to ₹ 10 crores;
- a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 10 crores and up to ₹ 250 crores subject to minimum allotment of ₹ 5 crores per such Anchor Investor; and
- a minimum number of five Anchor Investors and maximum number of 25 Anchor Investors for allocation of more than ₹ 250 crores subject to minimum allotment of ₹ 5 crores per such Anchor Investor.

(b) A physical book is 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 the issuer in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

(c) In the event that the Issue Price is higher than the Anchor Investor Issue Price: Anchor Investors will be sent a revised CAN 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 are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.

(d) In the event the Issue Price is lower than the Anchor Investor Issue Price: Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIIs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Issue being over-subscribed, the Issuer may finalize the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations, 2009.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

(a) Bidders may be categorized according to the number of Equity Shares applied for;

(b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;

(c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;

(d) In all Bids where the proportionate allotment is less than the minimum bid lot decided per Bidder, the allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalized by the Issuer;

(e) If the proportionate allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may 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 may be rounded off to the lower whole number. Allotment to all bidders in such categories may be arrived at after such rounding off; and

(f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

(a) **Designated Date**: On the Designated Date, the Escrow Collection Banks shall 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 Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the RHP.

(b) **Issuance of Allotment Advice**: Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Issue.

(c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

(d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within 12 Working Days of the Bid/ Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within two Working Days from the date of Allotment, after the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 12 Working Days of the Bid/Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 12 Working Days of the Bid/Issue Closing Date.

8.2 GROUNDS FOR REFUND

8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalized.

If the Issuer fails to make application to the Stock Exchange(s) and obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer may be punishable with a fine which shall not be less than ₹ 5 lakhs but which may extend to ₹ 50 lakhs and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than₹ 50,000 but which may extend to Rs.3 lakhs, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all moneys received from the Bidders/Applicants in pursuance of the RHP/Prospectus.

If such money is not repaid within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/Prospectus.

8.2.2 NON RECEIPT OF MINIMUM SUBSCIPTION

If the Issuer does not receive a minimum subscription of 90% of the Net Issue (excluding any offer for sale of specified securities), including devolvement to the Underwriters, within 60 days from the Bid/Issue

Closing Date, the Issuer may forthwith, without interest refund the entire subscription amount received. In case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

If there is a delay beyond prescribed time, then the Issuer and every director of the Issuer who is an officer in default may be liable to repay the money, with interest at the rate of 15% per annum.

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations, 2009 comes for an Issue under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to allot at least 75% of the Net Issue to QIBs, in such case full subscription money is to be refunded.

8.3 MODE OF REFUND

(a) **In case of ASBA Bids/Applications**: Within 12 Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid/Application and also for any excess amount blocked on Bidding/Application.

(b) **In case of Non-ASBA Bid/Applications**: Within 12 Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Bidders/Applicants and also for any excess amount paid on Bidding/Application, after adjusting for allocation/ allotment to Bidders/Applicants.

(c) In case of non-ASBA Bidders/Applicants, the Registrar to the Issue may obtain from the depositories the Bidders/Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Bidders/Applicants in their Bid-cum-Application Forms for refunds. Accordingly, Bidders/Applicants are advised to immediately update their details as appearing on the records of their DPs. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Bidders/Applicants' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Bidders/Applicants for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

(d) In the case of Bids from Eligible NRIs, FPIs, QFIs and FIIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/or commission. If so desired, such payments in Indian Rupees may be converted into U.S. 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 may be dispatched by registered post. The Issuer may not be responsible for loss, if any, incurred by the Bidder/Applicant on account of conversion of foreign currency.

8.3.1 Mode of making refunds for Bidders/Applicants other than ASBA Bidders/Applicants

The payment of refund, if any, may be done through various modes as mentioned below:

(a) **NECS**—Payment of refund may be done through NECS for Bidders/Applicants having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Bidder/Applicant as obtained from the Depository;

(b) **NEFT**—Payment of refund may be undertaken through NEFT wherever the branch of the Bidders/Applicants' bank is NEFT enabled and has been assigned the Indian Financial System Code ("IFSC"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Bidders/Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Bidders/Applicants through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;

(c) **Direct Credit**—Bidders/Applicants having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;

(d) **RTGS**—Bidders/Applicants having a bank account at any of the centers notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS; and

(e) For all the other Bidders/Applicants, including Bidders/Applicants who have not updated their bank particulars along with the nine-digit MICR code, the refund orders may be dispatched through speed post or registered post for refund orders. Such refunds may be made by cheques, pay orders or demand drafts drawn on the Refund Bank and payable at par at places where Bids are received.

Please note that refund through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers etc. Bidders/Applicants may refer to RHP/Prospectus.

8.3.2 Mode of making refunds for ASBA Bidders/Applicants

In case of ASBA Bidders/Applicants, the Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA Bids or in the event of withdrawal or failure of the Issue.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum if refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to Bidders/Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the 12 Working days of the Bid/Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/ Issue Closing Date, if Allotment is not made.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.

Term	Description
Allotment/Allot/ Allotted	The allotment of Equity Shares pursuant to the Issue to successful Bidders/Applicants

Term	Description
Allottee	An Bidder/Applicant to whom the Equity Shares are Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009.
Anchor Investor Portion	Up to 30% of the QIB Category which may be allocated by the Issuer in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is 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
Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue
Application Supported by Blocked Amount/ (ASBA)/ASBA	An application, whether physical or electronic, used by Bidders/Applicants to make a Bid authorizing an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder/Applicant
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidder/Applicant	Prospective Bidders/Applicants in the Issue who Bid/apply through ASBA
Banker(s) to the Issue/ Escrow Collection Bank(s)/ Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account(s) may be opened, and as disclosed in the RHP/Prospectus and Bid-cum-Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful bidders/Applicants under the Issue
Bid	An indication to make an offer during the Bid/Issue Period by a prospective Bidder pursuant to submission of Bid-cum-Application Form or during the Anchor Investor Bid/Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid /Issue Closing Date	The date after which the Syndicate, Registered Brokers and the SCSBs may not accept any Bids for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Closing Date
Bid/Issue Opening Date	The date on which the Syndicate and the SCSBs may start accepting Bids for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Opening Date

Term	Description
Bid/Issue Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders/Applicants (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/ Issue Period for QIBs one working day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations, 2009. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Period
Bid Amount	The highest value of the optional Bids indicated in the Bid-cum-Application Form and payable by the Bidder/Applicant upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid-cum-Application Form	The form in terms of which the Bidder/Applicant should make an offer to subscribe for or purchase the Equity Shares and which may be considered as the application for Allotment for the purposes of the Prospectus, whether applying through the ASBA or otherwise. In case of issues undertaken through the fixed price process, all references to the Bid-cum-Application Form should be construed to mean the Application Form
Bidder/Applicant	Any prospective investor (including an ASBA Bidder/Applicant) who makes a Bid pursuant to the terms of the RHP/Prospectus and the Bid-cum-Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicant should be construed to mean an Bidder/Applicant
Book Built Process/ Book Building Process/ Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the Bid-cum-Application Forms/Application Form to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
BRLM(s)/ Book Running Lead Manager(s)/Lead Manager/ LM	The Book Running Lead Manager to the Issue as disclosed in the RHP/Prospectus and the Bid-cum-Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
Business Day	Monday to Friday (except public holidays)
CAN/Confirmation of Allotment Note	The note or advice or intimation sent to each successful Bidder/Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Cap Price	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price may not be finalized and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account

Term	Description
Cut-off Price	Issue Price, finalized by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIIs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/Applicants including the Bidder/Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid-cum-Application Forms used by the ASBA Bidders/Applicants applying through the ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account or the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer
Discount	Discount to the Issue Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoter. For further details Bidder/Applicant may refer to the RHP/Prospectus
Equity Shares	Equity shares of the Issuer
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Bidders/Applicants (excluding the ASBA Bidders/Applicants) may Issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Issue, the Book Running Lead Manager(s), the Syndicate Member(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts and where applicable, remitting refunds of the amounts collected to the Bidders/Applicants (excluding the ASBA Bidders/Applicants) on the terms and conditions thereof
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Issue

Term	Description
FCNR Account	Foreign Currency Non-Resident Account
First Bidder/Applicant	The Bidder/Applicant whose name appears first in the Bid-cum-Application Form or Revision Form
FII(s)	Foreign Institutional Investors as defined under SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Floor Price	The lower end of the Price Band, at or above which the Issue Price and the Anchor Investor Issue Price may be finalized and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issue	Public Issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Issuer/ Company	The Issuer proposing the initial public offering/further public offering as applicable
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Issue Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)
Maximum RII Allottees	The maximum number of RIIs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid-cum-Application Form
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account

Term	Description
Net Issue	The Issue less reservation portion
Non-Institutional Investors or NIIs	All Bidders/Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals and FPIs which are Category II foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid-cum-Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FIIs , FPIs, QFIs and FVCIs registered with SEBI
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 and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholder
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Issue may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertised, at least two working days in case of an IPO and one working day in case of FPO, prior to the Bid/ Issue Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalize the Issue Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act after the Pricing Date, containing the Issue Price ,the size of the Issue and certain other information
Public Issue Account	An account opened with the Banker to the Issue to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date

Term	Description
Qualified Foreign Investors or QFIs	Non-Resident investors, other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs, who meet 'know your client' requirements prescribed by SEBI and are resident in a country which is (i) a member of Financial Action Task Force or a member of a group which is a member of Financial Action Task Force; and (ii) a signatory to the International Organization of Securities Commission's Multilateral Memorandum of Understanding or a signatory of a bilateral memorandum of understanding with SEBI. Provided that such non-resident investor shall not be resident in country which is listed in the public statements issued by Financial Action Task Force from time to time on: (i) jurisdictions having a strategic anti-money laundering/combating the financing of terrorism deficiencies to which counter measures apply; (ii) jurisdictions that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the Financial Action Task Force to address the deficiencies
QIB Category	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers	As defined under SEBI ICDR Regulations, 2009
RTGS	Real Time Gross Settlement
Red Herring Prospectus/ RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The RHP may be filed with the RoC at least three days before the Bid/Issue Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account(s)	The account opened with Refund Bank(s), from which refunds (excluding refunds to ASBA Bidders/Applicants), if any, of the whole or part of the Bid Amount may be made
Refund Bank(s)	Refund bank(s) as disclosed in the RHP/Prospectus and Bid-cum-Application Form of the Issuer
Refunds through electronic transfer of funds	Refunds through NECS, Direct Credit, NEFT, RTGS or ASBA, as applicable
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Issue/RTI	The Registrar to the Issue as disclosed in the RHP/Prospectus and Bid-cum-Application Form
Reserved Category/ Categories	Categories of persons eligible for making application/bidding under reservation portion
Reservation Portion	The portion of the Issue reserved for category of eligible Bidders/Applicants as provided under the SEBI ICDR Regulations, 2009
Retail Individual Investors / RIIs	Investors who applies or bids for a value of not more than ₹ 200,000.

Term	Description
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹ 200, 000.
Retail Category	The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum bid lot, subject to availability in RII category and the remaining shares to be allotted on proportionate basis.
Revision Form	The form used by the Bidders in an issue through Book Building process to modify the quantity of Equity Shares and/or bid price indicates therein in any of their Bid-cum-Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations,2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Specified Locations	Refer to definition of Broker Centres
Stock Exchanges/ SE	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of the Bids in this Issue (excluding Bids from ASBA Bidders/Applicants)
Syndicate	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	All days other than a Sunday or a public holiday on which commercial banks are open for business, except with reference to announcement of Price Band and Bid/Issue Period, where working day shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India

SECTION VIII - MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY

Pursuant to the Companies Act and the SEBI Regulations, the main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that each provision herein below is numbered as per the corresponding article number in the Articles of Association and capitalized/defined terms herein have the same meaning given to them in the Articles of Association.

The form of the Articles of Association of our Company which was recommended by the Board to the shareholders pursuant to a resolution dated September 8, 2014 is yet to be approved by the shareholders. The Articles of Association are proposed to be adopted in the Annual General Meeting of our Company scheduled to be held on September 29, 2014.

Table F

Article 3 provides that:

The regulations contained in Table 'F' in Schedule I to the Companies Act shall not apply to the Company subject and except in so far as the same are amended or altered by these Articles of association.

Shares are at disposal of our Directors

Article 7 provides that:

Subject to the provision of Section 62 of the Companies Act and these Articles, the Shares in the Capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such Persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provisions of Section 53 of the Companies Act) and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any Person or Persons the option or right to call for any Shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot Shares in the Capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may so be allotted may be issued as fully paid up Shares and if so issued, shall be deemed to be fully paid Shares. Provided that option or right to call of shares shall not be given to any Person or Persons without sanction of the Company in general meeting.

Increase, Reduction and Alteration of Capital

Article 9 provides that:

Subject to the provisions of the Companies Act and the approval of the President, the Directors may with the sanction of the Company in general meeting, increase the share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.

Article 10 provides that:

Subject to Section 64 of the Companies Act and such directions as may be issued by the President in this regard, new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the General Meeting resolving upon the creation thereof shall direct and if no direction be given, as the Directors shall determine and in particular such shares may be preference shares or not;

Provided that no shares (not being preference shares) shall be issued carrying voting right or rights in the Company as to Dividend, Capital or otherwise which are disproportionate to the rights attaching to the holders of other shares (not being preference shares).

Article 11 provides that:

Except so far as otherwise provided by the conditions of issue, or by these Articles, any capital raised by the creation of new shares shall be considered part of the original capital and shall be subject to the provision herein contained with reference to the payment of calls and installments, forfeitures transfer and transmission, lien, voting, surrender and otherwise.

Article 12 provides that:

(i) Where at any time, the Company proposes to increase the subscribed capital of the Company by allotment of further Shares then:

(a) 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 by sending a letter of offer subject to the following conditions:

I. The offer aforesaid shall be made by a notice specifying the number of Shares offered and limiting a time not being less than 15 days and not exceeding 30 days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.

II. The offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the Shares offered to him or any of them in favour of any other Person and the notice referred to in sub-clause (i) shall contain a statement of this right.

III. After the expiry of the time specified in the aforesaid notice, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the Shares offered, the Board may dispose of them in such manner which is not disadvantageous to the shareholders and the Company.

(ii) Notwithstanding anything contained in Article 12 (i), the further Shares aforesaid may be offered to any Persons (whether or not those persons include the Persons referred to in clause (a) of sub clause (i) hereof) in any manner whatsoever,

(a) if a special resolution to that effect is passed by the Company in General Meeting, or

(b) where no such special resolution is passed, if the votes cast (whether on a show of hands, or on a poll, as the case may be) in favor of the proposal contained in the motion moved in the General Meeting (including the casting vote, if any, of the Chairman) by Members who, being entitled so to do, vote in Person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by Members so entitled and voting and the Central Government is satisfied, on an application made by the Board in this behalf, that the proposal is most beneficial to the Company.

(iii) Nothing in Sub-clause (iii) of Sub-Article (a) of 12 (i) hereof shall be deemed:

(a) To extend the time within which the offer should be accepted; or

(b) To authorise any Person to exercise the right of renunciation for a second time, on the ground that the Person in whose favour the renunciation was first made has declined to take the Shares comprised in the renunciation.

(iv) Nothing contained in this Article shall apply to the increase of the subscribed capital caused by the exercise of an option attached to the Debentures issued or loans raised by the Company:

(a) to convert such Debentures or loans into Shares in the Company; or

(b) to subscribe for Shares in the Company (whether such option is conferred in these Articles or otherwise).

Provided that the terms of issue of such Debentures or the terms of such loans include a term provided for such option and such term has either been approved by the Central Government before the issue of the Debentures or the raising of the loans or is in conformity with rules if any, made by, that Government in this behalf and in the case of Debentures loans or other than Debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf has also been approved by a special resolution passed by the Company in General Meeting before the issue of the Debentures or raising of the loans.

Article 13 provides that:

Subject to the applicable law and to such directions as may be issued by the President in this behalf, the Company may, from time to time, by special resolution reduce its capital by paying off capital or cancelling capital which has been lost or is unrepresented by available assets, or is superfluous or by reducing the liability on the shares or otherwise as may seem expedient, and capital may be paid off upon the footing that it may be called upon again or otherwise, and the Board may, subject to the provisions of the Companies Act, accept surrender of shares.

Article 14 provides that:

Subject to the approval of President, the Company in general meeting may, from time to time, sub-divide or consolidate its shares or any of them and exercise any of the powers conferred by the applicable law, shall file with the Registrar such notice of exercise of any such power as may be required by the Companies Act.

Article 15 provides that:

If at any time, the Capital, by reason of the issue of preference shares or otherwise, is divided into different classes of share, all or any of the rights and privileges attached to each class may, subject to the applicable law be modified, abrogated or dealt with by agreement between the Company and by any Person purporting to contract on behalf of that class, provided that such agreement is (a) ratified in writing by the holders of at least three-fourths of the nominal value of the issued shares of that class, or (b) confirmed by a resolution passed at a separate general meeting and supported by the votes of at least three-fourths of the holders of shares of that class and all the provisions hereinafter contained as to general meeting shall mutatis mutandis apply to every such meeting except that the quorum thereof shall be Members holding or representing by proxy one-fifth of the nominal amount of the issued shares of that class. This Article is not by implication to curtail the power of modification which the Company would have if the Article were omitted. Notwithstanding anything contained in these Articles, the Board of Directors may, when and if thought fit, buy back such of the Company's own Shares or other securities as it may think proper subject to such limits, upon such terms and conditions and subject to such approvals as may be provided by law, or any statutory modification thereto and such other regulations and guidelines as may be issued in this regard.

Subject to the terms and conditions as per applicable law and the rules and regulations prescribed in this connection, the Board of Directors, may offer, issue and allot Shares in the Capital of the Company as sweat equity shares or shares under the employees stock option scheme / employees stock option plan / employee stock purchase scheme and such other plans by whatever name called.

Share Certificates

Article 16 provides that:

Every Member whose name is entered as a member in the register of members, shall be entitled, without payment, to one certificate in marketable lot, for all the Shares of each class of denomination registered in his name, or if the Directors so approved (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such Shares and the Company shall complete and keep ready for delivery such certificates within two Months after incorporation, in case of subscribers to the memorandum or after allotment , unless the conditions of issue thereof otherwise provide, or within one Month of the receipt of application of registration of transfer, transmission, subdivision, consolidation or renewal of any of it Shares as the case may be. Every certificate of Shares shall be under the Seal of the Company and shall specify the number and distinctive numbers of Shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the Directors may prescribe or approve. A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography; but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

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, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

Article 17 provides that:

If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu, thereof. If any share certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every Certificate under the Articles shall be issued without payment of fees if the Directors so decide, or on payment of ₹ 20 for each certificate as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer. Provided that the Directors shall comply with such rules or regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other act, or rules applicable in this behalf. The provisions of Article 16 and 17 shall mutatis mutandis apply to the Debenture certificates of the Company.

Transfer and Transmission of Shares

Article 18 provides that:

Subject to the provisions of Section 58 of the Companies Act, these Articles and other applicable provisions of the Companies Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a Member in or Debentures of the Company. The Company shall within 60 days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the Person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a 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 where the Company has a lien on Shares.

Article 19 provides that:

Save as herein otherwise provided, the Directors shall be entitled to treat the Person whose name appears on the register of members as the holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a Court of competent jurisdiction or as by law required) be bound to recognize any benami trust 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.

Article 20 provides that:

The instrument of transfer of any share in the Company shall be executed by or on behalf of both by the transferor and transferee and the transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

Article 21 provides that:

The instrument of transfer shall be in writing and all provision of Section 56 of the Companies Act, and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of Shares and registration thereof.

In case of transfer of Shares where the Company has not issued any certificates and where the Shares are held in dematerialised form, the provisions of the Depositories Act shall apply.

Article 22 provides that:

Every instrument of transfer shall be left at the office for registration, accompanied by the certificate of the shares to be transferred, and such evidence, as the Company may require to prove the title of the transferor, on his right to transfer the shares. All instruments of transfer shall be retained by the Company, but any instrument of transfer which the Directors may decline to register shall, on demand, be returned to the Person depositing the same.

The Company shall keep a “Register of Transfers” and therein shall be fairly and distinctly enter particulars of every transfer or transmission of shares.

Article 23 provides that:

I. On the death of a Member/ Debenture holder, his legal representatives shall be the only Persons recognized by the Company as having any title of his interest in the Shares or Debentures.

II. Nothing contained in Article 18 shall prejudice any power of the Company to register as shareholder or debenture holder any Person to whom the right to any shares or debentures in the Company has been transmitted by operation of law.

III. In the case of the death of any one or more of the Persons named in the Register of Members or Debenture holders as the joint-holders of any share or debenture the survivor or survivors shall be the only Persons recognized by the company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares or Debentures held by him jointly with any other Person.

IV. The executors or administrators or holders of a Succession Certificate or the legal representatives of a deceased Member or Debenture holder (not being one of two or more joint-holders) shall be the only Persons recognized by the Company as having any title to the shares or Debentures registered in the name of such Member or Debenture holder and the Company shall not be bound to recognize such executors or administrators or holders of a Succession Certificate or the legal representatives unless such executors or administrators or legal representatives shall have first obtained probate or letters of Administration or a Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board in its absolute discretion thinks fit, the Board may dispense with production of Probate of letters of Administration or a Succession Certificate, upon such terms as to indemnity or otherwise as the Board in its absolute discretion may think necessary.

V. The Board’s power under Article 18 shall apply to registration of the transmission of the right to any shares in, or Debentures of, the Company as they apply to, in the case of registration of transfer of shares or Debentures.

VI. Notwithstanding any provisions contained in these Articles regarding Certificates/ transfer/ Transmission of shares, the provisions of Depositories Act shall apply for transfer done in electronic form.

Article 24 provides that:

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.

Article 25 provides that:

No fees shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage. Power of attorney or similar other document with the Company.

Calls

Article 26 provides that:

The Directors may, from time to time, make such calls on uniform basis, as it thinks fit, upon the Members in respect of any moneys, unpaid on their shares, (whether on account of the nominal value of the shares or by way of premium) and not by conditions of allotment thereof made payable at fixed times and each Member shall (subject to receiving at least 14 days' notice specifying 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.

Article 27 provides that:

If the sum payable in respect of any call be not paid on or before 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 10% per annum as the Directors shall fix, from the day appointed for the payment thereof to the time of actual payment, but the Directors may waive payment of such interest wholly or in part.

Article 28 provides that:

The Directors may, if they think fit, subject to the provisions of Section 50 of the Companies Act, agree to and receive from any Member willing to advance the same, all or any part of the moneys due upon the shares held by him beyond the sums actually called for and upon the moneys so paid in advance or so much thereof as from time to time exceeds the amount of the calls then made, upon the shares in respect of which such advance has been made, the Company may pay interest at such rate not exceeding 12 per cent per annum as the Members paying such sum in advance and the Directors agree upon. Provided that money paid in advance of calls shall not confer a right to participate in profits or Dividend. The Members shall not be entitled to any voting rights in respect of the money so paid by him until the same would but for such payment, become presently payable. The provisions of these Articles shall mutatis mutandis apply to the calls on Debentures of the Company.

Article 29 provides that:

The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

Article 30 provides that:

A call shall be deemed to have been made at the time when the resolution of the Directors authorizing such call was passed unless the same is expressly made effective on any other date under such resolution. Not less than 14 days' notice of any call shall be given specifying the place and time of payment and to whom such call shall be paid provided that the Directors may subject to section 49 of the Companies Act, by notice in writing to a member, revoke the call or extend the time for payment thereof.

Article 31 provides that:

A call may be revoked or postponed as the Directors may determine. No call shall exceed one-fourth of the nominal value of the share or be payable at less than 1 Month from the date fixed for the payment of the last proceeding call.

Lien

Article 32 provides that:

The Company shall have first and paramount lien upon all the shares/Debentures (other than fully paid-up shares/debentures) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares / debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all Dividends payable and bonuses declared from time to time in respect of such shares/debentures. Unless otherwise agreed, the registration of a transfer of shares / debentures shall operate as a waiver of the Company's lien if any, on such shares /debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.

Article 33 provides that:

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 a sum in respect of which the lien exists, is presently payable nor until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share, or the Person entitled thereto by reason of his death or insolvency to the share.

Article 34 provides that:

The proceeds of the sale shall be received by the Company and shall be applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue shall (subject to a like lien for sums not presently payable as existed upon the shares prior to the sale) be paid to the Person entitled to the shares at the date of the sale. The purchaser shall be registered as the holder of the shares and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Forfeiture of Shares

Article 35 provides that:

I. If a Member fails to pay the whole or any part of any call, or installment of a call or any money due in respect of any shares either by way of principal or interest on or before the day appointed for payment thereof the Board may, at any time thereafter during such time as any part of the call or installment or any part thereof or other moneys remain unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, 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 and all expenses (legal or otherwise) that may have been incurred by the Company by reason of such non-payments.

II. 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;

   (b) Name a place or places on and at which such call or installment and interest as Board may determine is to be paid; and

   (c) 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.

III. If the requirements of any such notice as aforesaid are not complied with, any shares 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. Such forfeiture shall include all Dividends declared or any other monies payable in respect of the forfeited shares and not actually paid before forfeiture.

IV. When any share shall have been so forfeited, notice of the forfeiture shall be given to the holder of the share and an entry of the forfeiture with the date thereof shall be made in the Register of Members.

V. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

VI. At any time before sale of disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

Article 36 provides that:

I. A Person whose shares, have been forfeited shall cease to be a Member in respect of the forfeited shares, but shall, 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 of the shares.

II. 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.

Article 37 provides that:

I. A duly verified declaration in writing that the declarant is a Director, the Manager or the Secretary of the Company and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all Persons claiming to be entitled to the share.

II. The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the Person to whom the share is sold or disposed of.

III. The transferee shall thereupon be registered as the holders of the share.

IV. 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 effected by any irregularity or invalidity in the proceedings in reference to the forfeiture sale or disposal of the share.

Article 38 provides that:

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.

The Board may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed off; annuls the forfeiture there of upon such condition as it thinks fit.

Dematerialisation/Rematerialisation of Securities

Article 39 provides that:

I. Dematerialization / Rematerialization of Securities :
Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialization / rematerialize its securities and to offer securities in a dematerialized / rematerialized form pursuant to the Depositories Act, 1996 and the rules/regulations framed thereunder.

II. Options for investors:
Every Person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereof, shall be governed by the provisions of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time or any statutory modification thereto or re-enactment thereof.

Such a Person who is the beneficial owner of the securities can at any time opt out of a Depository, if permitted by the Law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of the securities.

If a Person opts to hold his security with a Depository, then notwithstanding anything to the contract in the Companies Act or in these Articles, Company shall intimate such Depository the details of allotment of the security, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the beneficial owner of the Security.

III. Securities in depositories to be in fungible form.

All securities held by a Depository shall be dematerialized and shall be in fungible form. No certificate shall be issued for the securities held by the Depositories. Nothing contained in Sections 88, 89, 2(43) and 186 of the Companies Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.

IV. Rights of depositories and beneficial owners.

(a) Notwithstanding anything to the contrary contained in the Companies Act or these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.

(b) Save as otherwise provided in (a) above, the Depository as the registered owner of the securities, shall not have any voting rights 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/Debenture holder, as the case may be, of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities that are held by a Depository.

V. Depository to furnish information.

Every Depository shall furnish to the Company information about the transfer of securities in the name of the beneficial owner at such intervals and in such manner as may be required by the Company in that behalf.

VI. Service of document.

Notwithstanding anything in the Companies 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 any electronic mode or by delivery of discs etc.

VII. Transfer of securities.

Nothing contained in Section 56 of the Companies Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a Depository.

VIII. Allotment of securities dealt with in Depository

Notwithstanding anything in the Companies 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.

IX. Distinctive number of securities held in a Depository.

Nothing contained in Section 45 of the Companies 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.

X. Register and index of beneficial owners.

The Register and index of beneficial owner(s) 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.

Terms of Issue of Debentures

Article 43 provides that:

Subject to the provisions of the Companies Act, 2013, any debentures, debenture-stock, bonds or other securities may be issued at a discount, premium or otherwise, and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawings, allotment of shares, attending (but not voting) at General Meetings of the Company, appointment of Directors and otherwise. Debentures, Debenture-stock, Bonds or other securities with the right of allotment of or conversion into shares, shall be issued only with the consent of the Company in General Meeting accorded by Special Resolutions.

General Meeting

Article 46 provides that:

Except in the case when for any special reason, time for holding any annual general meeting (not being the first annual general meeting) is extended by the Registrar, by a period not exceeding 3 months under Section 96 of the Companies Act, no greater interval than 15 months shall be allowed to elapse between the date of one annual general meeting and that of the next. Every annual general meeting shall be held during business hours i.e., 9 a.m. to 6 p.m. on a day other than National Holiday either at the registered office of the Company or at some other place within the city, town or village in which the registered office of the Company is situated and the notices calling the meeting shall specify it as the annual general meeting. Such general meeting shall be called "Annual General Meeting" and all other meetings of the Company shall be called "Extra-ordinary General Meeting."

A member of one Company may participate in a general meeting through the elections mode, that is, by way of a video conferencing facility, subject to compliance with applicable law. However the quorum required under Section 103 of the Companies Act, as well as the Chairman of the meeting shall have to be physically present at the place of the meeting.

Voting by Postal Ballot is also permitted in case of such requirement from the Shareholders.

Article 47 provides that:

I. The Directors may call an Extra-ordinary General Meeting whenever they think fit.

II. Subject to the provisions of Section 100 of the Companies Act:

(a) The Directors shall, on the requisition of the holders of not less than one-tenth of the issued share capital of the Company, upon which all calls or other sums then due have been paid forthwith, proceed to call an Extra-ordinary General Meeting of the Company.

(b) The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the Registered Office of the Company and may consist of several documents in like form, each signed by one or more requisitionists. In case of joint holders of shares, all such holders shall sign the requisition.

(c) If the Directors do not proceed, within 21 days or such other lesser period, as may be prescribed, from time to time, under the Companies Act, from the date of the receipt of a valid requisition in regard to any matter, to cause a meeting to be called, the requisitionists or a majority of them in value may themselves call the meeting but in either case, any meeting so called shall be held within three months from the date of the requisition.

(d) Any meeting called under this Article by the requisitionists, shall be called in the same manner as nearly as possible, as that in which meetings are to be called by the Directors.

(e) Any reasonable expenses incurred by the requisitionists in calling a meeting under Article 46(b) shall be reimbursed to the requisitionists by the Company and the sums so paid shall be deducted from any fee or any remuneration under Section 197 of the Companies Act, payable to such Directors who were in default in calling the meeting.

Article 48 provides that:

A general meeting of the Company may be called, by giving not less than clear twenty one days' notice either in writing or through electronic mode in such manner as prescribed in Companies (Management and Administration) Rules, 2014. Such notice shall be served on every Member in the manner hereinafter provided, but with the consent in writing or by electronic mode of all the Members entitled to receive notice of same any particular meeting, may be convened by such shorter notice and in such manner as those Members may think fit.

Provided, however, that where any resolution is intended to be passed as special resolution at any general meeting as required by Section 114(2)(a) of the Companies Act, notice of such meetings specifying the intention to propose the resolution as a special resolution shall be served.

Article 49 provides that:

The accidental omission to give any such notice to or the non-receipt of any such notice by any Member shall not invalidate the proceedings at any meeting.

Article 50 provides that:

The business of an ordinary meeting shall be to receive and consider the profit and loss account, the balance sheet, and the report of the Directors and the Auditors, to declare Dividends and to transact any other business which under these Articles ought to be transacted at an ordinary meeting. All other businesses transacted at an ordinary meeting and all businesses transacted at an extra-ordinary meeting, shall be deemed special.

Article 51 provides that:

The quorum for a General Meeting shall be as per Section 103(1) (a) of the Companies Act.

Article 52 provides that:

I. The President so long as he is a shareholder of the Company, may from time to time, appoint one or more Persons (who need not be a member or members of the Company) to represent him at all or any meeting of the Company.
II. Any one of the Persons appointed under sub-clause (I) of this Article who is personally present at the meeting shall be deemed to be a Member entitled to vote and be present in Person and shall be entitled to represent the President at all or any such meetings and to vote on his behalf whether on a show of hands or on a poll.
III. The President may, from time to time, cancel any appointment made under sub-clause (I) of this Article and make fresh appointments.
IV. The production, at the meeting, of an order of the President shall be accepted by the Company as sufficient evidence of any such appointment or cancellation as aforesaid.
V. Any Person appointed by the President under this Article may,
VI. if so authorized, by such order, appoint a proxy, whether specially or generally.

Article 53 provides that:

The Chairman of the Board of 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.

Article 54 provides that:

If within half-an-hour, 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:

(i) it shall stand adjourned to the same day in the next week, at the same time and place or such other time and place as the Directors may determine, and if at such adjourned meeting, a quorum is not present, those Members who are present shall be quorum and may transact the business for which the meeting was called.
(ii) If the meeting is called by requisitionists under Section 100 of the Companies Act, it shall stand cancelled.

Provided that in case of an adjourned meeting or of a change of day, time or place of meeting under clause (a), the Company shall give not less than 3 days' notice to the Members either individually or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the Registered Office of the Company is situated.

Article 55 provides that:

Every question submitted to a meeting shall be decided, in the first instance, by a show of hands or voting carried out electronically and in the case of an equality of votes, the Chairman shall, both on a show of hands and at a poll (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a Member.

Votes of Members

Article 56 provides that:

Subject to the provisions of the Companies Act and these Articles votes may be given either personally or by an attorney or by proxy or in the case of a body corporate also by a representative duly authorised under Section 113 of the Companies Act.

At any general meeting a resolution put to vote of the meeting shall be decided on a show of hands, unless a poll is, or voting is carried out electronically, 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 authorized representative, and unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the book of proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number of proportion of the vote recorded in favour of or against that resolution.

No member not personally present shall be entitled to vote on a show of hands unless such member is present by attorney or unless such member is a body corporate present by a representative duly authorized under Section 113 of the Companies Act in which case such attorney or representative may vote on a show of hands as if he were a member of the Company.

Article 57 provides that:

The Company shall provide to its Members the facility to exercise their right to vote at general meetings by electronic means. A Member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Companies Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 and shall vote only once.

Article 58 provides that

If a poll is duly demanded, it shall be taken in such manner as provided under Section 109 of the Companies Act and at such time and place as the Chairman of the meeting directs (not being later than forty eight hours from the time when the demand was made), and either at once or after an interval or adjournment or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand of a poll may be withdrawn.

Article 59 provides that:

The Chairman of a general meeting may, with the consent of the Members, adjourn the same, from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

Article 60 provides that:

Subject to the provisions of Section 109 of the Companies Act, any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken at the meeting and without adjournment.

Article 61 provides that:

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.

Article 62 provides that:

The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meetings. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

Article 63 provides that:

Upon a show of hands every Member present in Person shall have one vote, every Member shall have one vote through voting by electronic means and upon a poll every Member present in Person or by proxy or by duly authorized representative shall have one vote for every share held by him.

Article 64 provides that:

A proxy shall not be entitled to vote on a show of hands.

Article 65 provides that:

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 72 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.

Article 66 provides that:

Where there are joint registered holders of any share any one of such Persons may vote at any meeting, either personally or by proxy, in respect of such shares as if he were solely entitled thereto, and if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said Persons present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased Member in whose name any share stands shall for the purposes of this clause be deemed joint holders thereof.

Article 67 provides that:

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.

Article 68 provides that:

On a poll, votes may be given either personally or by proxy or by duly authorized representative.

Article 69 provides that:

A Member entitled to attend and vote at a meeting may appoint another Person (whether a member or not) as his proxy to attend a meeting and vote on a poll. No Member shall appoint more than one proxy to attend on the same occasion. A proxy shall not be entitled to speak at a meeting or to vote except on a poll. The instruments appointing a proxy shall be in a form as prescribed in the rules made under Section 105 of the Companies Act and be signed by the appointer or his attorney duly authorized in writing or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorized by it.

Article 70 provides that:

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 48 hours before the time for holding the meeting or adjourned meeting at which the Person named in the instrument proposes to vote, or in the case of poll not less than 24 hours before the time appointed for taking of the poll and in default the instrument of proxy shall not be treated as valid.

Article 71 provides that:

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, revocation, or transfer or transmission shall have been received at the office of the Company before the commencement of the meeting or adjourned meeting at which the proxy is used.

Article 72 provides that:

No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy, not disallowed at such meeting or poll, shall be deemed valid for all purposes of such meeting or poll whatsoever. Any such objection made in due time shall be referred to the chairperson of the meeting, whose decision shall be final and conclusive.

Board of Directors

Article 73 provides that:

The business of the Company shall be managed by the Board of Directors

The President shall from time to time determine the number of Directors of the Company which shall neither be less than five nor more than sixteen. The Directors shall not be required to hold any qualification shares.

Article 74 provides that:

The Chairman / Chairman-cum-Managing Director shall be appointed by the President and the terms and conditions of his appointment shall also be determined by the President.

Article 75 provides that:

The President shall appoint all Members of the Board of Directors and all of them except the Government Directors may be appointed in consultation with the Chairman. Part-Time Non-Official Directors shall be appointed for such period, as may be determined by the President, but not exceeding three years at a time.

Article 76 provides that:

The Directors shall be paid such remuneration as the President may from time to time determine. The terms and conditions of appointment of whole-time Directors including the Managing Director shall also be determined by the President. Subject to the provisions of Section 197 and 200 of the Companies Act such reasonable additional remuneration as may be fixed by the President may be paid to any one or more of the Directors for extra or special service rendered by him or them or otherwise.

Article 86 provides that:

Subject to the provisions of Section 179 and 180 of the Companies Act, the Board may, from time to time, entrust and confer upon the Chairman/Managing Director for the time being such of the powers as they may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they may think expedient and may, from time to time, revoke, withdraw, alter or vary all or any such powers.

Division of Profits and Dividends

Article 103 provides that:

The profits of the Company available for payment of Dividend subject to any special rights relating thereof created or authorized to be created by these presents and subject to the provision of these presents as to the reserve fund and amortization of Capital shall be divisible among the Members in proportion to the amount of capital held by them respectively. Money paid in advance of calls shall not in respect thereof confer a right to Dividend or to participate in the profits of the Company.

Article 104 provides that:

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 Board.

The amount of dividend, including interim dividend, shall be deposited in a scheduled bank in a separate account within 5 days from the date of declaration of dividend.

Article 105 provides that:

No Dividend shall be declared or paid by the Company except out of the profits of the Company for that year arrived at after providing for depreciation in accordance with the provisions of Section 123 of the Companies Act, or out of the profits of the Company for any previous Financial Year or years arrived at after providing for depreciation in accordance with the provisions of the abovementioned section and remaining undistributed, or out of both, or out of the money provided by the Central Government or a State Government for the payment of dividend by the Company in pursuance of a guarantee given by the Government. No Dividend shall carry interest as against the Company.

Article 106 provides that:

For the purpose of the last preceding Article the declaration of the Directors as to the amount of the profits of the Company shall be conclusive.

Article 107 provides that:

The Directors may, from time to time pay to the Members such interim Dividends as in their judgment the position of the Company justifies.

Article 108 provides that:

The Directors may retain any Dividends on which the Company has a lien, and may apply the same in or towards satisfaction of the debts liabilities of engagements in respect of which the lien exists.

Article 109 provides that:

Any General Meeting declaring a Dividend may make a call on the Members of such amount as the meeting fixes, so that 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.

Article 110 provides that:

Subject to the provisions of Section 123 of the Companies Act, no Dividend shall be payable except in cash.

Article 111 provides that:

A transfer of shares shall not pass the right to any Dividend declared thereon after transfer and before the registration of the transfer.

Article 112 provides that:

The Directors may retain the Dividends payable upon shares in respect of which any Person is under the transmission clause Article 23 entitled to become a Member, or which any Person under that clause is entitled to transfer until such Person shall become a Member in respect of such shares or shall duly transfer the same.

Article 113 provides that:

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.

Article 114 provides that:

Unless otherwise directed and subject to provisions of the Companies Act, any Dividend may be paid either by electronic mode, cheque or warrant sent through the post to the registered address of the Member or Person entitled or in the case of joint holders, to the registered address of that one whose name stands first in the register in respect of the joint holding or by any other electronic mode/transfer; and every cheque or warrant so sent shall be made payable to the order of the Person to whom it is sent.

Article 115 provides that:

Notice of the declaration of any Dividend, whether interim or otherwise, shall be given to the holders of registered shares in the manner herein after provided.

Article 116 provides that:

No unclaimed or unpaid Dividend shall be forfeited by the Board unless the claim thereto become "barred by law" and the Company shall comply with all the provisions of Section 124 of the Companies Act in respect of unclaimed or unpaid Dividend.

Article 117 provides that:

Where the Company has declared a Dividend but which has not been paid or claimed within 30 days from the date of declaration to any shareholder entitled to the payment of the Dividend, the Company shall within seven days from the date of expiry of the said period of 30 days, transfer the total amount of Dividend which remains unpaid and unclaimed for a period of 30 days, to a special account to be opened in that behalf in any scheduled bank called "**Unpaid Dividend Account**." Any money transferred to the Unpaid Dividend Account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the fund known as the "Investor Education and Protection Fund", established under Section 125 of the Companies Act. A Claim to any money so transferred may be preferred to the Central Government by the shareholders to whom the money is due.

Article 118 provides that:

Any General Meeting declaring a dividend may make a call on the members for such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him and so that 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 calls.

Audit

Article 125 provides that:

Once at least in every year the accounts of the Company shall be balanced and audited and the correctness of the Profit & Loss Account and Balance Sheet ascertained by one or more Auditor or Auditors.

All matters connected with the Accounts and Audit of the Company shall be governed by the provisions of the Companies Act.

Article 130 provides that:

Every account of the Company when audited and approved by a General Meeting shall be conclusive except as regards any error discovered therein within three months next after that approval thereof. Whenever any such error is discovered within that period, the account shall forthwith be corrected and hence forth shall be conclusive.

Notice

Article 131 provides that:

A notice may be given by the Company to any Member either personally or by sending it by post to him to his registered address, (if he has no registered address) to the address, if any, supplied by him to the Company for giving of notice to him.

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 the Registered and Corporate Office of our Company from 10.00 am to 4.00 pm on Working Days, from the date of this Draft Red Herring Prospectus until the Offer Closing Date.

Material Contracts to the Offer

1. Letters of appointment, dated September 20, 2011 to the Book Running Lead Managers from the Department of Disinvestment, Ministry of Finance, GoI for appointment as Book Running Lead Managers.

2. Offer Agreement between our Company, the Selling Shareholder and the Book Running Lead Managers, dated September 18, 2014.

3. Memorandum of understanding between our Company, the Selling Shareholder and Registrar to the Offer, dated [●].

4. Escrow Agreement, dated [●], between our Company, the Selling Shareholder, the Book Running Lead Managers, the Escrow Collection Banks and the Registrar to the Offer.

5. Syndicate Agreement, dated [●], between our Company, the Selling Shareholder, the Book Running Lead Managers and the Syndicate Members.

6. Underwriting Agreement, dated [●], between our Company, the Selling Shareholder, the Book Running Lead Managers and the Syndicate Members.

7. Agreement, dated July 10, 2012 between NSDL, our Company and Registrar to the Offer.

8. Agreement, dated July 5, 2012 between CDSL, our Company and Registrar to the Offer.

Material Documents

1. Memorandum of Association and Articles of Association of our Company, as amended.

2. Certificate of incorporation dated February 18, 1982 for incorporation as ‘Rashtriya Ispat Nigam Limited’.

3. Fresh certificate of incorporation dated May 10, 2012 issued upon conversion from private limited to public limited company.

4. Letter No. 5(5)2010-VSP(Vol.I) dated September 17, 2014 issued by the MoS, granting approval for the Offer.

5. Resolutions passed by our Board dated July 3, 2014, in relation to the Offer.

6. Letter No. 5(5)2010-VSP(Vol.I) dated September 17, 2014 issued by the MoS, granting consent to include 977,969,240 Equity Shares held by MoS as the Promoter’s Contribution and lock-up of 3,422,892,340 Equity Shares for a period of one year.

7. Our restated consolidated financial statements as of and for the three months ended June 30, 2014 and the years ended March 31, 2014, 2013, 2012, 2011 and 2010 and our restated standalone financial statements as of and for the three months ended June 30, 2014 and the years ended March 31, 2014, 2013, 2012, 2011 and 2010, together with the reports thereon of the Joint Auditors, dated September 9, 2014.

8. Letter number 1(10)2012-VSP dated January 1, 2014, issued by the MoS appointing Mr. P. Madhusudan as the Chairman-cum-Managing Director of our Company.

9. Letter number 1(5)2009-VSP dated September 20, 2010, issued by the MoS, appointing Mr. T. K. Chand as a Director of our Company.

10. Letter number 1(8)2012-VSP dated August 16, 2013, issued by the MoS, appointing Mr. P. C. Mohapatra as a Director of our Company.

11. Letter number 1(9)2013-VSP dated February 11, 2014, issued by the MoS appointing Dr. G. B. S. Prasad as a Director of our Company.

12. Letter number 1(11)2013-VSP dated July 1, 2014, issued by the MoS appointing Mr. D. N. Rao as a Director of our Company.

13. Letter number 1(1)/2014-VSP dated August 25, 2014, issued by the MoS appointing Mr. T. V. S. K. Kumar as a Director of our Company.

14. Letter number 1(3)2013-VSP dated May 31, 2013, issued by the MoS appointing Mr. Vinod Kumar Thakral as a Director of our Company.

15. Letter number 1(3)2013-VSP dated March 13, 2013, issued by the MoS appointing Mr. Lokesh Chandra as a Director of our Company.

16. Letter number 1(1)2009-VSP dated May 14, 2012, issued by the MoS appointing Mr. Virendra Singh Jain as a Director of our Company.

17. Letter number 1(1)2009-VSP dated May 14, 2012, issued by the MoS appointing Prof. Sushil as a Director of our Company.

18. Letter number 1(1)2009-VSP dated May 14, 2012, issued by the MoS appointing Mr. Ashhok Kumar Jain as a Director of our Company.

19. Letter number 1(1)2009-VSP dated October 16, 2012, issued by the MoS appointing Prof. S. K. Garg as a Director of our Company.

20. Letter number 1(4)2013-VSP dated February 20, 2014 issued by the MoS appointing Dr. Sheela Bhide as a Director of our Company.

21. Letter number 1(4)2013-VSP dated February 20, 2014 issued by the MoS appointing Lieutenant General (Retired) Arvind Mahajan as a Director of our Company.

22. Letter number 1(4)2013-VSP dated February 20, 2014 issued by the MoS appointing Mr. Ajay Kumar Goyal as a Director of our Company.

23. Letter number 1(4)2013-VSP dated February 20, 2014 issued by the MoS appointing Mr. Rsajib Sekhar Sahoo as a Director of our Company.

24. Joint Venture Agreement dated January 14, 2009 with SAIL, CIL, NMDC and NTPC.

25. Joint Venture Agreement dated May 7, 2009 with MOIL.

26. MoU dated January 10, 2011 with the Ministry of Railways, GoI.

27. MoU dated December 14, 2011 with PGCIL.

28. MoU dated January 13, 2012 with Government of Andhra Pradesh.

29. MOU dated May 24, 2012 with NMDC.

30. MoU dated January 19, 2013 with MECON Limited.

31. MoU dated June 22, 2013 with APMDC and KIOCL.

32. Consortium Agreement August 30, 2011 with SAIL, NMDC, JSW Steel Ltd., JSPL and MIEL.

33. Cargo Handling Service Agreement dated August 4, 2014 with Gangaram Port Limited.

34. Off Take Agreement dated October 3, 2013 between Ministry of Railways and our Company for supply of forged wheel plant.

35. Agreement dated November 25, 2011 between NMDC and our Company for supply of iron ore.

36. Letter of Intent dated February 26, 2011 issued by our Company in favour of BM Alliance and BHP Billiton for supply of soft coking coal from Australia.

37. Letter of intent dated July 2, 2009 issued by our Company in favour of BM Alliance and BHP Billiton for supply of hard coking coal from Australia.

38. Agreement dated December 9, 2013 between Anglo American and our Company for supply of coking coal from Australia.

39. Agreement dated December 24, 2010 between Solid Energy and our Company for supply of low ash semi soft coking coal from New Zealand.

40. Agreement dated October 18, 2008 between Logan & Kanawha and our Company for supply of mid volatile hard coking coal from United States of America.

41. Agreement dated October 31, 2011 between Alpha Coal and our Company for supply of Soft Coking Coal.

42. Acceptance to tender dated May 28, 2013 on October 18, 2013, placed by our Company for the supply of low silica limestone by Ras Al Khaimah Rock Company, United Arab Emirates.

43. Copies of annual reports of our Company for the years ended March 31, 2014, 2013, 2012, 2011 and 2010.

44. Consent of the Auditors for inclusion of statement of tax benefits and their reports on restated financial statements in the form and context in which they appear in this Draft Red Herring Prospectus.

45. The executive summary of the report prepared by Behre Dolbear International Limited dated May 17, 2012.

46. Consents of the Directors, the Selling Shareholder, the Compliance Officer, the Book Running Lead Managers, the Auditors, the domestic legal counsels, international legal counsel, the Bankers to our Company, the Registrar to the Offer, to act in their respective capacities.

47. Due diligence certificate, dated September 19, 2014 to SEBI from the Book Running Lead Managers.

48. In-principle listing approvals dated [●] and [●] received from the NSE and the BSE, respectively.

49. Member-Client Agreement dated March 31, 2014 between PTC and our Company for supply of electricity through IEEL.

50. Member-Client agreement dated March 31, 2014 between PTC and our Company for purchase of power through IEEL.

51. Agreement dated June 28, 2008 between Mahanadi Coalfields Limited and our Company for supply of boiler coal.

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, the undersigned, certify and declare that all relevant provisions of the Companies Act and the rules, regulations and the guidelines issued by the GoI or the regulations issued by Securities and Exchange Board of India, 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, 2013, the Securities and Exchange Board of India Act, 1992 or the rules made or regulations issued thereunder, as the case may be. We hereby certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Mr. P. Madhusudan Chairman-cum-Managing Director	**Mr. Virendra Singh Jain** Independent Director
Mr. T. K. Chand Director (Commercial), executive non-independent Director	**Prof. Sushil** Independent Director
Mr. P. C. Mohapatra Director (Projects), executive non-independent Director	**Mr. Ashhok Kumar Jain** Independent Director
Dr. G. B. S. Prasad Director (Personnel), executive non-independent Director	**Prof. S. K. Garg** Independent Director
Mr. D.N. Rao Director (Operations), executive non-independent Director	**Dr. Sheela Bhide** Independent Director
Mr. T. V. S. K. Kumar Director (Finance), executive non-independent Director	**Lieutenant General (Retired) Arvind Mahajan** Independent Director
Mr. V. K. Thakral Government nominee Director, non-executive non-independent Director	**Mr. Ajay Kumar Goyal** Independent Director
Mr. Lokesh Chandra Government nominee Director, non–executive non-independent Director	**Mr. Rajib Sekhar Sahoo** Independent Director

____

Name: Mr. T. V. S. K. Kumar
Designation: Director (Finance)

SIGNED BY THE SELLING SHAREHOLDER

____

Name: Mr. Lokesh Chandra
Designation: Joint Secretary, Ministry of Steel
On behalf of the President of India, acting through the Ministry of Steel, Government of India
Date: September 19, 2014
Place: New Delhi

ANNEXURE - INDEPENDENT STUDY OF OUR COMPANY'S RESOURCE AND RESERVE ESTIMATION PRACTICES

BEHRE DOLBEAR
founded 1911 MINERALS INDUSTRY ADVISORS

RASHTRIYA ISPAT NIGAM LIMITED

JORC EQUIVALENT RESERVE CLASSIFICATION STATEMENT AS ON 01-04-2012

(BEHRE DOLBEAR PROJECT NUMBER J12-081)

17th May 2012

PREPARED BY:

BEHRE DOLBEAR INTERNATIONAL LIMITED
Hydra House, 26 North Street, Ashford, Kent, TN24 8JR, United Kingdom www.dolbear.com

A Member of the Behre Dolbear Group Inc.

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SUMMARY

Behre Dolbear International (BDI) has been engaged to conduct a JORC compliant desk top assessment of the resources / reserves in RINL, OMDC and BSLC mines, based on available records / reports and supported by site visits.

RINL has its own Limestone mines at Jaggayyapeta (Krishna District), Dolomite mines at Madharam (Khammam District), Manganese mines at Garbham (Vizianagaram District), Silica Sand Mine at Kharazada (Srikalulam District), Silica Sand Mine in Saripalli (Vizianagaram District) and Quartz Mine in Kintada (Visakhapatnam District), all located in the state of Andhra Pradesh.

RINL holds a 51% equity position in Eastern Investment Limited (EIL), which in turn has two subsidiaries i.e. Bisra Stone Lime Company (BSLC) & Orissa Mineral Development Corporation (OMDC). OMDC has six leases for Iron ore & Manganese ore and BSLC has a mining lease for Limestone & Dolomite.

The summary of JORC compliant ore reserves / mineral resources, mineral-wise and category wise is given below:

Summary of Ore Reserves/ Mineral Resources (JORC code compliant)							
Mineral/ Ore	Proved Ore Reserve	Probable Ore Reserves	Total Ore Resrves	Measured Mineral Resource	Indicated Mineral Resource	Inferred Mineral Resource	Total Mineral Resource
	Mt	Mt	Mt	Mt	Mt	Mt	Mt
Limestone	36.06	245.15	281.21			108.15	**108.15**
Dolomite	28.82	125.09	153.91			71.00	**71.00**
Iron ore				9.89	151.92	83.65	**245.46**
Manganese ore					18.71	13.76	**32.47**

1.0 INTRODUCTION

RINL is in the process of making an Initial Public Offer (IPO) for 10% of its equity share capital and has engaged Behre Dolbear (BD) to prepare the JORC Code 2004 compliant statement of Ore Reserves/ Mineral Resources as part of the IPO process.

2.0 SCOPE OF WORK

Behre Dolbear's scope of work includes conducting a desk top review of the currently approved UNFC reserves as on 1-4-2012 by the Indian Bureau of Mines (IBM) and reclassifying these reserves as per Australasian Joint Ore Reserves Committee (JORC) Code 2004, based on the supporting documents provided and discussions held with RINL, OMDC and BSLC, and site visits. The list of documents made available for this desk top review is listed under the title 'References' against each Mining Lease (ML).

3.0 TENEMENTS OF RINL

The tenements considered in this report are divided primarily into two groups viz. tenements granted to RINL in the state of Andhra Pradesh and tenements acquired through its subsidiary company EIL in the state of Odisha.

RINL has its own Limestone mines at Jaggayyapeta (Krishna District), Dolomite mines at Madharam (Khammam District), Manganese mines at Garbham (Vizianagaram District), Silica Sand Mine at Kharazada (Srikalulam District), Silica Sand Mines in Saripalli (Vizianagaram District) & Nellimarla (Vizianagaram District) and Quartz Mine in Kintada (Visakhapatnam District), all located in the state of Andhra Pradesh. OMDC has six leases for Iron ore & Manganese ore and BSLC has a mining lease for Limestone & Dolomite. BD's desk top review study covers only 3 leases i.e. Limestone, Dolomite and Manganese ore. Sand and Quartz areas are not in the scope of this study.

The salient points related to these tenements are briefly summarized below:

3.1 Tenements granted to RINL in the State of Andhra Pradesh

The location of the Madharam, Jaggayyapeta and Garbham mining lease are shown in Figures 1, 2 & 3 respectively in Annexure-1.

The name of the Mining Lease (ML), minerals worked, area granted and the validity period of the corresponding tenements are given in **Table 1**.

Table 1: Tenements granted to RINL in Andhra Pradesh

	Tenement	Mineral name	Area (ha)	ML validity & status
1	Madharam Dolomite Mine	Dolomite	384.46	valid till 13-07-2020
2	Jaggayyapeta Limestone Mine	Limestone	1295.00	valid till 17-08-2020
3	Garbham Manganese Mine	Manganese	264.54	valid till 07-10-2022
4	Saripalli Sand Mine	Sand	64.67	valid till 22-04-2023

3.2 Tenements acquired through subsidiary EIL in the State of Odisha

The name of the Mining Lease (ML), minerals worked, area granted and the corresponding validity period of the tenements are given in **Table 2**.

Table 2: Tenements acquired by RINL through EIL in Odisha

S.No	Tenement	Mineral(s)	Area (ha)	ML validity & status
		OMDC Mining		
1	Thakurani Iron & Manganese Mine *	Iron & Manganese	778.762	ML period expired on 30-9-2004. Renewal of ML from 1-10-2004 to 30-9-
2	Bhadrasahi Manganese Mine **	Manganese	998.70	ML period expired on 30-9-2010. Renewal of ML application filed.
3	Kolha Roida Iron & Manganese Mine *	Iron & Manganese	254.952	ML period expired on 14-8-1996. Renewal of ML application for 20 years is pending. Mining operations
4	Bagiaburu Iron Mine	Iron	21.52	ML period expired on 30-9-2010. Renewal of ML application filed.
5	Dalki Manganese Mine *	Manganese	266.77	ML period expired on 30-9-1994. Renewal of ML application from 1-10-1994 to 30-9-2014 filed. Mining
6	Belkundi Iron & Manganese Mine **	Iron & Manganese	1276.79	ML period expired on 15-8-2006. Renewal of ML application from 16-8-
		BSLC Mining		
7	Birmitrapur Limestone & Dolomite Mine	Limestone & Dolomite	1099.303	ML expired in February 2000 and since then mine was operated under 'deemed extension clause'. Mine is inoperative

* Lease was in the name of B.P.M.E Ltd

** Lease was in the name of OMDC.

4.0 DETAILS OF TENEMENTS OWNED BY RINL

4.1 Madharam Dolomite Mine

4.1.1 Exploration history and reserves as per RINL

The Madharam dolomite mine, spread over 384.46 ha, is located 16 km away from Yellandu on Yellandu-Mehaboobabad road. It falls on the Survey of India toposheet no. 65/C/2 between 80^0 $13^,$ to 80^0 $14^,$ longitudes and 17^0 $31^,$ to $17^0 34^,$ latitudes. The nearest railway station is Karepalli, 8.5 km from the ML. It is 60 km away from Khammam via Yellandu and 45 km away via Karepalli.

The formations in the area belong mostly to the Archaean with bands of Pakhal sediments. The Archean in this area consist of phyllites and granite exposed in the eastern part of the area. The regional stratigraphy reported is given below:

Kamthis	Sandstone
Pakhals	Limestone (dolomite) Shale and staurolite mudstone Conglomerates, arkose, quartzitic sandstone and grit
Archeans	Gneisses, charnockites and granulites. Banded hematite quartz amphibole schists, quartz chlorite schist

The dolomite strikes almost north-south and dips 20^0 to 50^0 east to south east and occasionally towards west. The structure of the deposit is rather controversial and has been subjected to folding and faulting.

Samples were collected from surface outcrops and boreholes for determining crushing strength, specific gravity, bulk density and the porosity of dolomite. Core samples were collected for determining the content of CaO, MgO and SiO_2. Composite samples were subjected to complete analysis to know the quality of dolomite. Laboratory scale tests were conducted on the representative samples of dolomite from the south block at National Metallurgical Laboratory (NML), Jamshedpur.

Investigations by Directorate of Mines & Geology (DMG) of Andhra Pradesh: At the instance of Visakhapatnam Steel Plant (VSP), DMG carried out an investigation for dolomite deposits in 1972-75 (Phase-I) and 1977 (Phase-II) at Madharam, near Karepalli, Yellandu Taluk, Khammam district to locate limestone suitable for the steel industry. Ten (10) boreholes totalling 305.3m drilling were drilled in Phase-I and 42 boreholes, in 100m grid intervals, totalling 1332.8m were drilled in Phase-II; and established a 2500 m long dolomite band along the strike and 80m to 400m wide in the south block. Phase-II boreholes were drilled, up to 30m depth, in a 100m grid pattern and 584 primary and 200 composite samples were analysed. No borehole was drilled to delineate the bottom contact of dolomite formation. A specific gravity of 2.71 to 2.78 was determined from core samples. A tonnage factor of 2.5 was considered to convert the volumes to tonnes in the ore reserve estimation. Out of the 42 boreholes, laterite/ lateritic soil was encountered in 20 boreholes with varying thickness from 0.2m to 13.5m. Lateritic soil was also found to occur within the dolomite formation.

The reserves were estimated by cross sectional method considering 23 geological sections drawn at 100m intervals. The volumes and grades were computed on the basis of boreholes, geological mapping, sampling and analysis. The volumes were converted to tonnes by multiplying with a conversion factor of 2.5. The reserves of dolomite in the south block were estimated at 41.18 Mt @ 30.5% CaO, 21.12% MgO, 0.90% SiO_2, 1.10% Fe_2O_3 and 46% LOI by DMG out of which 37.73 Mt were of SMS grade and 3.45 Mt were of BF grade dolomite.

Investigations by J.J. Soil Investigation & Environ Consultants Pvt Ltd (JJ): During the year 2007, JJ was engaged by RINL to explore an additional block of 31.5 ha area, located adjacent to the DMG explored block in the north, to assess its potential for dolomite and facilitate extension of the existing mechanised mine spread over 50 ha. Eight (8) vertical boreholes to a maximum depth of 30m, in a 200m grid, totalling 235.3m were core drilled in NX size with double tube core barrel. One metre core samples were drawn, logged, split longitudinally into two identical halves, and reduced by coning and quartering. Composite samples were formulated taking into consideration the lithological and chemical characteristics. The core recovery in the top part of the boreholes, in the lateritic soil and brown clay (in some boreholes even up to a depth of 20m), was zero. The overall core recovery was not found satisfactory in most of the 8 holes drilled by JJ.

The composite samples were analysed for major constituents viz. CaO, MgO, SiO_2, Al_2O_3, Fe_2O_3 and LOI. The dolomite band mainly consists of dolomite and a minor presence of shale. The CaO% varied from 26 to 32, MgO% from 17 to 21 and SiO_2% from 2 to 5. Based on the chemical constituents, dolomite has been classified into BF and SMS grades as per the specifications given below:

Constituent	BF grade	SMS grade
CaO%	20 to 30	20 to 30
MgO%	16 to 20	20 to 21
SiO_2%	< 5	<2.5
R_2O_3%	< 4	< 1.5

Dolomite with MgO more than 20% is classified as SMS grade and less than 20% as BF grade. This classification also accounts for the SiO_2 content as outlined in the table above. It was observed that the thickness of SMS grade dolomite is high and at some places it occurs as thick bands.

From the borehole data it was observed that the entire 31.5 ha area is covered by dolomite in the additional block. Since the boreholes were drilled up to 30m depth only, the estimation of reserves was also limited to this depth. A tonnage conversion factor of 2.5 was used to convert volumes to tonnes.

For the entire dolomite ore body up to 30m depth between section lines 1 to 9, 16.68 Mt geological Reserves are reported (of which 14.79 Mt are of SMS grade and 1.89 Mt are of BF grade). Mineable Reserves, while considering 30% mining losses, were computed at 11.676 Mt estimated, by JJ.

Measured Reserves were confined to the area extending for 100m in the strike direction and an equal distance perpendicular to the strike direction, on either side of the borehole, in view of the deposit with uniform chemical characteristics.

Indicated Reserves were estimated beyond the Measured Reserves between 100m and 200m distance from the borehole on both the strike and dip directions.

Inferred Reserves were estimated in the area beyond 200m distance from the boreholes, supported by sampling/ or field observations.

The reserves as on 31-10-2010 (including the additional block), as per the approved Scheme of Mining for the period 2011-12 to 2015-16, are given below:

Proved reserves as per DMG report (South block)	41.18 Mt
Geological Reserves as per JJ report (Additional area)	16.68 Mt
Mineable reserves as per JJ report (Additional area)	11.67 Mt
Total Reserves from South & Additional blocks	**52.86 Mt**
Mineable reserve after accounting for 5% mining losses	50.21 Mt
Depleted reserves till 31-3-2012	9.55 Mt
Balance of reserves as on 30-10-2010	**40.66 Mt**

4.1.2 Observations

The DMG and JJ investigated for dolomite in two distinct blocks within the leasehold in 1997 and 2007 respectively.

DMG drilled the southern lens (50 ha) in 100m grid pattern and estimated the reserves at 41.18 Mt @ 30.5% CaO, 21.12% MgO, 0.90% SiO_2, 1.10% Fe_2O_3 and 46% LOI, out of which SMS grade limestone accounts for 37.73 Mt and BF grade limestone for 3.45 Mt The overburden in the area is practically nonexistent. Since the feasibility study was conducted and necessary legal approvals were obtained to mine dolomite; and as the mine has been operated for several years, it is prudent for BD to reclassify the DMG estimated reserves of the south lens to JORC code equivalent 'Proved Ore Reserves'.

JJ investigated the additional block spread over 31.5 ha by drilling in 200m grid pattern. The overburden in this area is rather high and reaches up to 18m thickness in some boreholes. JJ estimated 11.676 Mt Mineable Reserves in this additional block out of which 10.356 Mt are of SMS grade and 1.32 Mt are of BF grade dolomite. This block, however, is not being mined at present, although the mining boundary in the adjacent southern lens has almost approached its southern boundary. In view of 200m grid interval drilling, the JJ Estimated Reserves could be re-classified as JORC code equivalent 'Probable Ore Reserves'.

The reclassified JORC code equivalent Ore Reserves/ Mineral Resources as on 1-4-2012, are tabulated below:

Lens/ Block	**Proved Ore Reserves (Mt)**	**Probable Ore Reserves (Mt)**	**Total Ore Reserves (Mt)**
Southern Lens	41.18	-	41.18
Additional Block	-	11.67	11.67
Total Reserves	41.18	11.67	52.85
Mining losses @5%	2.06	0.58	2.64
Total Reserves minus mining loss	39.12	11.09	50.21
Ore depletion till 31-3-2012	10.30	0	10.30
Reserves as on 1-4-2012	**28.82**	**11.09**	**39.91**

Out of the Total Mineable Reserves of 50.21 Mt (south block plus additional block), 10.30 Mt were depleted till 31-3-2012 and the balance of Reserves as on 1-4-2012 are shown at 39.91Mt

4.1.3 References

i. Report on the investigation of dolomite deposit in Madharam near Karepalli, Yellandu Taluka, Khammam district, Andhra Pradesh Department of Mines & Geology, Andhra Pradesh, 1977.

ii. Exploration Report in the leasehold area of Madharam dolomite mine in Khammam district of Andhra Pradesh by J.J. Soil Investigation and Environ Consultants (P) Limited, Visakhapatnam, 2007

iii. Revised feasibility study on Mining schemes to Visakhapatnam Steel Plant, Volume-1: Jaggayyapeta, Khammam and Machkot-Tiria deposits by M.N. Dastur & Company (P) Ltd, Consulting Engineers, Calcutta, December 1980

iv. Approved Mining plan (for first renewal of Mining Lease from 14-7-2000 to 13-7-2020) of Madharam Dolomite Mine, Singareni Mandal, Khammam district, Andhra Pradesh by Directorate of Mines & Geology, Government of Andhra Pradesh, Hyderabad

v. Approved Scheme of Mining of Madharam Dolomite Mines over 384.46 ha for the period from 2011-12 to 2015-16 by the Office of the Zonal Director of Mines & Geology, Government of Andhra Pradesh, Hyderabad

4.2 Jaggayyapeta Limestone Mine

4.2.1 Exploration history and reserves as per RINL

The Jaggayyapeta area is situated in the Palnad basin where it merges with the broad southern slopes of the Nalgonda-Khammam plateau. The area has a gentle rolling topography with elevations ranging from 56m to 80m above MSL and an average of 70m. Most of the area is covered by limestone outcrops and at places covered by lateritic soil.

The area falls in Survey of India topo sheet no. 65D/1 between 16^0 50' and 16^0 53' latitudes and 80^0 02' and 80^0 06' longitudes. The Jaggayyapeta limestone deposit lies about 5km south west of Jaggayyapeta town which is the Mandal headquarters and can be approached by a black topped road. An all weather road connects to Jaggayyapeta which is about 80 km from Vijayawada and 200 km from the state capital Hyderabad. The nearest railhead is Jaggayyapeta station and BG line is connected from ML to Motumarri at a distance of 31 km through Jaggayyapeta station on Kazipet-Vijayawada section of South Central railway.

No perennial water course or springs are seen in the area; the water table appears to be deep and is rarely intersected in boreholes drilled in the area.

The lithology of Jaggayyapeta and adjacent areas comprises of limestone, shale, quartzite and phyllite belonging to the Precambrian sedimentary formations. They are flanked by granite gneiss of Archaean age in the west, north and east. The rock types encountered in the explored area are shale overlain by limestone with an intermediate transition comprising argillaceous limestone and calcareous argillites.

The general trend of limestone in the north block is E-W with minor rolls along the strike and dip. The overall inclination of the beds is about 2^0 to 5^0 due South. The general trend of rocks in the south block is N-S with a gentle rolling dip of 2^0 to 5^0 due East.

Limestone outcrops were first reported by Foots in 1870 who correlated the quartzites and shales of the area with the Banaganapalli beds and the limestone with Jammalamadugu bed of the Kurnool series. The area was explored initially by the Geological Survey of India (GSI) during 1962-64 & 1972-74 and subsequently by Mineral Exploration Corporation Limited (MECL) in 1977.

Geological investigation by GSI: GSI divided the 2195 ha area into three blocks viz. block-A (796 ha), B (725 ha), and C (674 ha). Large scale mapping (2195 ha + 250 ha), surveying and contouring (1521 ha + 250 ha), drilling 229 holes (7127.95m), shallow pitting (5), surface sampling (chip and groove), pit sampling (33) and specific gravity determination (45 samples) formed part of the GSI exploration in two phases. The average core recovery from 42 boreholes (758.60m) in the north block was 92%. The total geological reserve was estimated on the basis of both the phases of exploration. These reserves occupy an aggregate area of 250 ha within the total area of 2195 ha explored. The reserves were estimated on the basis of acid insolubles with < 12% cut-off and the details are given below: The mineable reserves are calculated as 90% of the geological reserves, mining losses considered being 10%.

Measured resources have been determined within a limited margin of error, from sample analyses and measurements from closely spaced and geologically known sample sites. Under this category are the reserves estimated for outcrop zone of basal flux grade zone in blocks C and B, and outcrop of middle flux grade zone in blocks B and C. In both the cases, surface control was exercised by chip samples collected along the grid lines of 200m intervals and subsurface control by boreholes drilled at 200m grid interval in the former and 200m x 400m grid in the latter.

Indicated resources have been estimated partly from the sample analyses and measurements and partly from reasonable geological projections. Under this category fall reserves from basal flux grade zone in blocks C and B beyond the limits of measured reserves up to an Overburden to Ore ratio limit of 1:1, and outcrop zone of basal flux grade zone in block A, and outcrop zones of minor middle flux grade zones 2 and 3 in block B. In these areas boreholes were drilled at random points and large intervals. Chip sample data may or may not be available at close intervals, and there is no control over the analyses as in many cases only partial analytical data was available.

Inferred resources have been estimated mostly from unexplored areas and the quality & size are based on the geological evidences and projections. Under this category are resources from the overburden zone of the basal flux grade zone in blocks C and B where Overburden to Ore ratio limit exceeds 1:1 but is less than 2:1, and the upper flux grade bands in block 4. The control of surface data is limited in view of few intersections in this area.

The resources were calculated by geological cross sectional method. Sections were drawn at 200m or 100m intervals across the width of the flux grade limestone zones. Cross sectional areas were measured by dividing them into regular geometric shapes and also cross checked by graphical methods. The specific gravity of 2.72 t/m^3 and bulk density of 2.61 t/m^3 were determined but for the calculation of reserves, 2.5 t/m^3 was considered as safe after providing allowances for all types of losses due to irregularities of the deposit. The resources determined by GSI, from all the three blocks together, are given below:

Category	Geological reserve (Mt)	Mineable reserve (Mt)
Measured	47.97	43.17
Indicated	59.05	53.15
Inferred	27.94	25.15
Total	**134.96**	**121.47**

The average quality of limestone proved in the area by GSI is given below:

CaO%	MgO%	SiO_2%	Al_2O_3%	Fe_2O_3%
49.44	1.65	8.24	1.59	0.61

Geological investigations by MECL: Based on the preliminary investigation results of GSI, 157 ha (consists of northern parts of C & B blocks of GSI area) in the North block was further explored by MECL in the year 1977. The objective of the investigation was to obtain further information in between the boreholes (North block = 42 holes & South block = 24 holes at a total of 1873.03m) drilled in a 400m x 200m grid interval for quality control purpose. MECL drilled 24 holes (426.75m) in a 200m x 100m grid interval (strike x dip) in the north block (102 ha) and 24 holes in the south block (55 ha). Drilling was done up to the shale bed demarcating the bottom contact of limestone. 459 samples were analysed for acid insolubles and 50 composite samples were analysed for CaO, MgO, SiO_2, Fe_2O_3, and LOI in the north block. The average core recovery in the north block was 91.47%. Primary core samples were drawn at one length and all of them were analysed for acid insolubles.

The reserves were estimated by standard methods from geological cross sections 2 to 14 in the North block and 18 to 25 in the South block. The volumes and grades were computed using various formulae set down in the report. The volumes and grades were computed on the basis of geological mapping, sampling and its analysis and borehole data. The volumes were multiplied by the bulk density 2.60 to obtain tonnage. The specifications of BF grade limestone provided by Steel Authority of India (SAIL) are given below:

Radical	%
CaO	45 Minimum
MgO	6.0 Maximum
Total Acid Insolubles (T.A.I)	12.0 Maximum

The reserves proved by MECL in the North and South blocks, covering 157 ha area, are given below. The grade is the arithmetic mean of 24 boreholes in each block.

North block		South block	
Mt	**Grade (%)**	**Mt**	**Grade (%)**
24.73	T.A.I - 10.83 CaO - 49.43 MgO - 0.67 SiO_2 - 8.63 Fe_2O_3 - 0.88 LOI - 38.05	**13.98**	T.A.I - 10.50 CaO - 49.74 MgO - 0.54 SiO_2 - 9.80 Fe_2O_3 - 0.57 LOI - 38.23

Of the total area of 2195 ha, RINL was granted 1295 ha of ML consisting of 900 ha reserve forest and 395 ha of patta land. At present, mining operations are carried out in the north block and RINL had extracted 6.31 Mt till 31-3-2010, as per the approved Scheme of Mining for the period 2010-11 to 2014-15. The Reserves/ Resources estimated by GSI were classified as per UNFC code by RINL (Scheme of Mining) as on 31-3-2010 and are given below:

Category	UNFC code	Mt
Proved reserves	111	43.17
Probable reserves	121	53.15
Total reserves		**96.32**
Possible reserves	333	25.15

The Proved Reserves (111) as on 1-4-2012 after accounting for the depletion of 7.11 Mt since inception is 36.06 Mt

Ore to waste ratio (including soil, clay, weathered limestone, high silica limestone, shale intercalations, and 5% mining loss) was computed at 1 : 0.20. Though ore to waste ratio was calculated at 1:0.20, in practice, the waste generation is very nominal since high silica limestone having acid insolubles more than 12% is also mined along with the ore and fed to the crusher. As such, generation of waste is almost negligible. Sub grade ore having more than 32% CaO content and -6mm fines are stacked separately for future use. The crushed ROM is screened to separate -70mm + 6mm size limestone product during the rainy season only. In the other seasons all the ROM fed to the crusher is taken into the product. The average grade of -6mm fines is given below:

CaO%	Fe_2O_3%	Al_2O_3%	MgO%	SiO_2%
28.7	12.64	3.50	0.86	19.70

The physical and chemical specifications of limestone product are given blow:

Size	-70mm +6mm
CaO%	45.0 Min
MgO%	6.0 Max
Acid Insolubles	12 Max

4.2.2 Observations

GSI explored the entire leasehold and estimated the resources as explained under 'Geological investigations by GSI'. MECL subsequently conducted detailed exploration in the north block, which consists of northern part of blocks C & B (of GSI codification) and estimated reserves as explained under 'Geological investigation by MECL'. So, the total reserves estimated by GSI and MECL have no direct linear relationship as the area explored by MECL is a portion selected from the total area explored by GSI. RINL, while preparing the Mining plan/ Scheme of Mining, took into consideration GSI reserves only. Thus, the re-evaluation of the entire leasehold while considering the reserves estimates by MECL in parts of C & B blocks was not undertaken by RINL.

RINL classified the GSI's 'Measured reserves' as 'Proved reserves (UNFC code 111)', 'Indicated Reserves' as 'Probable reserves (UNFC code 121)' and the 'Inferred reserves' as 'Possible reserves (UNFC code 333)', in the approved Mining plan/ Scheme of Mining by IBM.

BD is of the opinion that the 'Measured reserves' estimated by GSI could be reclassified as JORC code equivalent 'Measured Mineral Resources', 'Indicated reserves' as 'Indicated Mineral Resources' and 'Inferred' reserves as 'Inferred Mineral Resources'. As a feasibility study was conducted and necessary legal approvals were obtained to mine limestone; and the mine was being operated for several years, it would be prudent for BD to reclassify the JORC code 'Measured Mineral Resources' to 'Proved Ore Reserves' category and the 'Indicated Mineral Resources' to 'Probable Ore Reserves' while leaving intact the 'Inferred Mineral Resources'. Accordingly the reclassified JORC code equivalent Ore Reserves/ Mineral Resources as on 1-4-2012, are tabulated below:

Category	Mt	Grade (%)
Proved Ore Reserve (original)	43.17	CaO = 49.44 MgO = 1.65 SiO_2 = 8.24 Fe_2O_3 = 0.61 LOI = 38.05 AI = 1.83
Depletion till 31-3-2012	7.11	
Total Ore Reserves as on 1-4-2012	**36.06**	
Probable Ore Reserves	53.15	
Total Ore Reserves	**89.21**	
Inferred Mineral Resources	25.15	
Total Mineral Resources	**25.15**	

4.2.3 References

i. Final report on the investigation for flux grade Limestone in Jaggayyapeta area, Krishna district, Andhra Pradesh (1972-1974) by V Natarajan and S Rajagopalan Nair, Geological Survey of India, June 1975

ii. Exploration report on flux grade limestone deposits, North and South blocks Jaggayyapeta area, Krishna district, Andhra Pradesh by Mineral Exploration Corporation Limited, December 1977

iii. Revised feasibility study on Mining schemes to Visakhapatnam Steel Plant, Volume-1: Jaggayyapeta, Khammam and Machkot-Tiria deposits by M.N. Dastur & Company (P) Ltd, Consulting Engineers, Calcutta, December 1980

iv. Mining plan (for first renewal of Mining Lease from 8-8-2000 to 7-8-2020) of Jaggayyapeta Limestone Mine, Jaggayyapeta, Krishna district, Andhra Pradesh

v. Approved Scheme of Mining of Jaggayyapeta Limestone over 1295 ha, Jaggayyapeta, Krishna district, Andhra Pradesh for the period 2010-11 to 214-15, by Indian Bureau of Mines, Government of India

4.3 Garbham Manganese Mine

4.3.1 Exploration history and reserves as per RINL

The Garbham ML is located about one km north of Garbham village in Merakamudidham Mandal of Vizianagaram district, Andhra Pradesh. It falls between 18^{0} 22' 13" and 18^{0} 23' 04" longitudes and 83^{0} 26' 02" and 83^{0} 28' 12" latitudes of the Survey of India topo sheet no. 65 N/7. National highway no. 43, Visakhapatnam-Raipur, passes to the west of Garbham deposit and is connected at Komatipalli from Garbham deposit at a distance of 15 km by an all weather road. It is also approachable from Garividi by a 16 km tarmac road. Visakhapatnam port is 92 km away from the deposit.

For convenience, the lease area has been divided into three blocks viz. East, central and west Garbham. The lease area to the east of Garbham Merakamudidham road is referred as East Garbham block. The lease area to the west of Garbham Merakamudidham road and up to the NE-SW flowing nala situated to the east of Nooturla Gurlakonda is referred as Central Garbham block. The West Garbham block is bound by Bodikonda in the north and Amudalameta.

Garbham ML (264.54 ha) consisted of two mining leases viz. Garbham-I (59.04 ha) and Garbham-II (205.50 ha).

The regional geological succession after GSI is given below:

	Pegmatites and quartz veins Granites and granite gneisses Hypersthene gneisses (Charnockites?) Garnet sillimanite gneisses (Khondalites)
	Garnet granulites- Manganese ore horizon-I
	Crystalline limestones
	Calc-granulites
Khondalite formation	Garnet granulites- Manganese ore horizon-II
(Archaeans)	Coarse grained quartzites, Felspathic quartzites with lenticular bands of garnetiferous quartzites- Manganese ore horizon-III
	Coarse grained quartzites
	Garnet-sillimanite gneisses (Khondalites)
	Biotite gneisses

In the above succession Khondalite indicates the psammatic facies represented by quartzites predominating in the lower part and politic facies represented by garnet-sillimanite gneiss in the upper horizon. The major manganese mineralisation in this part of the belt is associated with calcic facies. The regional strike of the Eastern ghats (NE-SW) is also the strike of the manganese bearing rocks. The dips of the formation show variation (50^0 to 60^0 due south) both in amount and direction. The area is structurally complex and affected by folding and faulting.

The manganese ore bearing areas are located in the valley portions of high rising hill ranges of Eastern ghats. Manganese ore outcrops are exposed mainly in the abandoned pits and the remaining area is covered by soil. The high rising hills comprise quartzites and granulites in Udidammetta and Amudalametta and khondalites occurring on the Bodikonda in the north. The entire mineralised zone other than old quarries is covered by a blanket of lateritic soil and laterite of varying thickness from a few cm to 4m. The lateritic horizon contains pellets of manganese ore coated with iron oxide varying in size from 10mm to more than 10cm. The mineralisation lies within the weathered granulites and associated with lithomarge and granulites.

Geological investigation: GSI conducted regional survey and mapping, and exploration during 1977 to 1981 but the investigation report is not available for review. On behalf of RINL, JJ conducted preliminary exploration by diamond drilling and trial pitting to explore the extents of the manganese ore body during 1995-96. The exploration campaign by JJ included surveying, contouring (1:200 scale) and geological outcrop mapping (1:2000 scale) of 653.69 acres. Diamond drilling includes 14 inclined (609m) and 14 vertical (408m) boreholes between E-1500 and W-800 for a total of 790.72 m of pitting in 19 trial pits, 72 outcrop samples, 17 pit samples and 96 borehole core samples. The drilling (mostly one hole in each section line) established the manganese ore body between W-1900 & W-1200, W-1300 & E-100, and W-100 & E-500. Out of 6 boreholes drilled between E-900 & E-1500, only one borehole (GM-13) intersected a thin manganese ore band. Out of 22 boreholes drilled at near 100m intervals between W-1800 & E-500, only 6 boreholes intersected manganese ore bands.

Drilling was planned to ascertain the linear extent of manganese ore body in the western and eastern blocks from the central main pit. Boreholes were placed at 400m interval along the strike and 100m to 200m intervals perpendicular to the strike. Core recovery was 80% to 90% in the hard formations. Due to the soft nature of the manganese ore body, core could not be recovered by wet drilling methods, hence a dry drilling method was implemented wherever possible. Owing to differential hardness of the formations, wet drilling methods were followed and the core recovery was poor. In such places, sludge was collected and analysed for manganese content. Sludge samples have shown low Mn content due to contamination of sludge with clayey material. 85m of manganese ore was intersected in 9 boreholes and 96 core samples were analysed. A total of 185 samples were collected from boreholes, outcrops and pits and analysed for three radicals viz. Mn, SiO_2, Al_2O_3. The composite samples were analysed for Mn, SiO_2, Al_2O_3, P, S, and LOI content. The average grade of manganese ore is given below:

Mn%	Fe_2O_3%	SiO_2	Al_2O_3	P%	S%
30.03	14.97	13.61	5.27	0.26	Traces

The specification of manganese ore set for the steel plant was 28% Mn minimum. Based on this, cut-off grade for Mn has been fixed at 28%. Samples analysing above 40% Mn and below: 28% Mn (10% to 27% Mn) are suitably blended at mines to supply the required grade to the steel plant. Manganese ore with less than 10% Mn is stacked separately as sub-grade ore.

The main manganese ore body (Garbham Ore Body- GOB) has been established for 1200m in the strike direction. Another Manganese Ore Body (AMOB), located 300m south of GOB, is presumed to be parallel to GOB. This band extends in an E-W direction and still remains to be proved towards the west of the ML. The mineralisation in the East Garbham (EGOB) is mainly supergene enrichment within quartzites. The ore body is about 2m thick, covered by soil. Ore mineralisation in East Garbham does not appear to be promising. The old pits reached a depth of 15m and are mostly silted. The mineralisation is mainly associated with garnetiferous quartzites and coarse grained quartzites. Association of the manganese ore body with pockets of clay, lithomarge and cherts at the margins indicate that some of the mineralisation is also derived from garnet granulites.

The mineralisation has been classified into four types viz. colloidal, massive and compact, friable, and powdery types. The colloidal type occurs along the contact zones in the form of botroidal psilomelane. The lumpy form of pyrolusite is a common form of hard, compact and massive ore with concoidal fracture. The occurrence of massive ore could not be established but is anticipated to be about 10% based on the borehole data. The friable ore type of mineralisation occurs in granular form with loose bonding and moderate compaction. The ore is black in colour and friable in nature associated with lithomarge. The powdery ore is the most common form in this type of deposits.

Three ore bodies have been demarcated in the leasehold viz. EOB in Eastern Garbham, GOB the main ore body, and the AMOB ore body on the south of Garbham main pit. EOB is of supergene enrichment and its occurrence is restricted to shallow depths. Much of the recoverable ore was already mined out and the chances of its extension below are remote. The waste dumps are built immediately on the periphery of quarry faces and the pits are silted and collapsed. Operation of these pits involves huge excavation which may not be economical. GOB ore body is promising but the band is not traceable further east of Garbham main pit. Garbham main pit is water logged and silted and waste was dumped on all the sides of the pit from the earlier workings. Reclamation of this pit involves huge investment which may not be economical. As such it was proposed to develop this pit up to Pallapugudi on the west. It was also proposed to remove the waste dumps on the top of the north band to expose the manganese ore body in block-B. AMOB band identified to the south of the main pit occurs at shallow depths and is friable in nature.

Based on the old workings, surface out crops in the pits, borehole data and cross sections, the reserves have been estimated. The average dip of the ore body was considered at 55^0 due South. Since the core recovery was poor, the sludge samples data were considered for geological interpretation. The ore body is assumed to be a uniform tabular body (southern limb) beyond Garbham main pit on the west. Out of the total volume estimated, only 25% was considered as mineralisation and recovery was 50% which works out to be 12.5% of the total volume estimated. The tonnage factor considered for reserve estimation for Garbham main pit was 1.80 for fines and 2.20 for lumps with an average of 2.0, which is a general practice followed in these areas. Based on the bulk sample studies conducted regularly on the material despatched to VSP, the tonnage factor has been determined at 2.0. The lump to fines ratio works out to be 1:2.

1.02 Mt manganese ore reserves (Total Mn = 28%, Total Fe = 12.56%, Al_2O_3 = 5.96%, SiO_2 = 21.43%, P =0.28% and S = Traces) were estimated in 145.89 acres (Central Garbham) and 507.80 acres (East & West Garbham) by cross sectional method (13 sections at 100m intervals from E-100 to W-1100). Proved reserves were detemined between 131mRL and 98 mRL; and Probable insitu reserves between 98mRL and 83 mRL. The summary of reserves is given below:

Ore body	Proved reserve (t) UNFC code	Probable reserve (t) UNFC code
Garbham ore body (GOB)	491,856 (111)	265,125 (121)
East Garbham & AMOB of Central Garbham from lateritic ore (25% ore recovery)		100,000 (121)
Ore recoverable from old dumps (25% ore recovery)		160,000 (121)
Total	**491,856**	**525,125**
Depletion till 31-3-2008	102,363	-
Depletion from 1-4-2008 to 31-3-2012 from old dumps		44,278
Depletion from 1-4-2008 to 31-3-2012 from lateritic ore		2,085
Total depletion till 31-3-2012	**102,363**	**46,363**
Balance as on 1-4-2012	**389,493**	**478,762**

The reserves were further classified into different grade categories viz. High grade (218,970t @36.93% Mn), Direct grade (432,034t @28.76% Mn), and Blendable grade (105977t @ 21.22% Mn).

The ore body contains gangue materials like laterite, lateritic clay, clay, quartz, lithomarge etc and it is necessary to segregate manganese ore from the gangue. In view of this, the ore recovery is expected to be 40% and accordingly the reserves were calculated under the area of influence method.

4.3.2 Observations

Many boreholes drilled between E-1500 to W-1800 at near 100m intervals in the strike direction were barren and those boreholes that intersected the manganese ore body show varying ore body thicknesses. Plans and sections prepared by JJ, demarcating the proved and probable reserves in the main ore body GOB, are not available for review. In the light of random boreholes intersecting the ore body, the discontinuous nature of the ore body and the production of manganese ore mainly confined to the old dumps for several years due to the uneconomical mining scenario of the old silted and water logged pits, it is apt for BD to reclassify the ‘Proved reserves’ as JORC code equivalent ‘Indicated Mineral Resources’ and the ‘Probable reserves’ as JORC code equivalent ‘Inferred Mineral Resources’. The JORC code equivalent Mineral Resources as on 1-4-2012, after accounting for depletion till 31-3-2012, are given below:

<table>
<tr><th>Ore body</th><th>Indicated Mineral Resources (Mt)</th><th>Inferred Mineral Resources (Mt)</th><th>Grade (%)</th></tr>
<tr><td>Garbham ore body (GOB)</td><td>0.389</td><td>0.265</td><td rowspan="4">Mn = 28
Fe = 12.56
Al_2O_3 = 5.96
SiO_2 = 21.43
P =0.28
S = Traces</td></tr>
<tr><td>East Garbham & AMOB of Central Garbham from lateritic ore (25% ore recovery)</td><td></td><td>0.098</td></tr>
<tr><td>Ore recoverable from old dumps (25% ore recovery)</td><td></td><td>0.116</td></tr>
<tr><td>Total Mineral Resources</td><td>0.389</td><td>0.478</td></tr>
</table>

JORC Complaint Ore Reserves / Resources estimate of Limestone, Dolomite and Manganese for all RINL leases are summarised in tables 3, 4 & 5 and are presented in Annexure-3.

4.3.3 References

i. Exploration Report on Garbham Manganese Deposit, Merkamudidham Mandal, Vizianagaram district, Andhra Pradesh volume-1 by J.J. Associates, Visakhapatnam, Andhra Pradesh, 1996

ii. Approved Mining plan for Garbham Manganese Mine, Garbham village, Merakamudidham Mandal, Vizianagaram district, Andhra Pradesh over 264.54 ha for 20 years and valid up to 7-10-2022 by Controller of Mines (South Zone), Indian Bureau of Mines, Government Of India, 21-10-2003

iii. Approved Scheme of Mining of Garbham Manganese Mine, Garbham village, Merakamudidam Mandal, Vizianagaram district, Andhra Pradesh for the period from

2008-09 to 2012-13 over 264.54 ha by Controller of Mines (South Zone), Indian Bureau of Mines, Government of India , 15-7-2008

iv. Exploitation of manganese ore deposits for Visakhapatnam steel plant- Feasibility report by Metallurgical & Engineering Consultants (India) Limited, Ranchi, India, November 1978.

4.4 Saripalli Sand Mine

The Saripalli sand ML was granted on 23-4-2003 over an area of 64.67 ha and is valid for 20 years up to 22-4-2023. RINL advised BD not to consider this river and runner sand deposit for re-classification of reserves/ resources as per JORC code.

5.0 DETAILS OF TENEMENTS OWNED BY EIL (SUBSIDIARY OF RINL)

OMDC, a subsidiary of EIL was granted three (3) MLs in the state of Odisha for iron and manganese minerals. Three (3) Mls were held by B.P.M.E Ltd which was merged with OMDC. Presently ML renewal applications have been filed all six (6) in the name of OMDC. The location of these six mining leases are shown in Figure - 4 & 5 in Annexure-1. As per the details provided by RINL, none of the six tenements have valid MLs and hence are not being operated at present. The ML renewal applications were filed under Mineral Concession Rules-1960 by OMDC and are being processed by the state government of Odisha and the Central government. Status of the ML renewal applications are included in Annexure-2. However, approved mining plans and Schemes of Mining by Indian Bureau of Mines (IBM) are available for each of the six tenements. Similarly, Forest diversion proposals under Forest Conservation Act-1980 and Environment clearance under Environmental Protection Act-1994 & amendments thereof have been applied for but not yet received . In light of the above pending legal issues and want of technical feasibility & economic viability reports, Behre Dolbear would like to classify these tenements under Mineral Resources/ Exploration Results, as the case may be.

Regional Geology & Stratigraphy

All six iron ore and manganese ore tenements form a part of the South-Eastern portion of the Singhbhum-Keonjhar-Bonai belt, also known as Jamda-Koira valley is represented by a narrow NNE-SSW trending folded synclinorium, 60km long and 25km wide. The Precambrian horse-shoe-shaped belt is well known for hosting large reserves of iron and manganese ores.

The belt was first reported by Jones in 1934 and has been studied in detail subsequently by several eminent geologists. Major litho-types discernible in the Singhbhum-Keonjhar-Bonai belt are schists, tuffs, phyllites, shale and banded iron formation including banded hematite jasper (BHJ), banded hematite chert (BHC) and banded hematite quartzite (BHQ).

The stratigraphic succession of the Precambrian rocks was first deciphered by Jones (1934) and later modified by Dunn (1940). Dunn, on the basis of detailed mapping recognized a new group lying unconformably over the iron ore group, which he named the “Kolhan Group”. The type area of the Kolhan Group lies to the north of Noamundi in Jharkhand State.

The most acceptable litho-stratigraphic succession for the belt was proposed by Murthy and Acharya in 1975 and verified by the Geologists of OMDC by way of detailed mapping and core drilling during exploration for manganese and iron ore. Murthy and Acharya coined a new name “Koira Group” to these formations of Bonai-Keonjhar belt and suggested the following stratigraphic succession:

Kolhan Group		Sand stones, Conglomerates, Breccia
~~Unconformity~~~~~~~~~~~~~~~~~~~~~~~~~		
Koira Group	Mixed facies formation	Basic lava, tuffs and tuffites of volcanic facies Iron, manganese, lenses of iron formation Chert, small dolomite patches of chemical facies Minor lenses of sandy and silty shale of clastic facies
	Banded shale formation	Banded shale member Black shale member Black shale chert member
	Banded iron formation	Finely banded Jaspilite member Coarsely banded Jaspilite member
	Volcanic formation	Tuffaceous shale Basic lava
	Basal sand stone	Gritty sand stone, quartzite conglomeritic at places with interbedded lava at top.
~~Unconformity~~~~~~~~~~~~~~~~~~~~~~~~~~~~		

The technical details of each of the six iron ore and manganese ore tenements are described below:

5.1 Thakurani iron & manganese mines

5.1.1 Exploration history and reserves as per OMDC

The Thakurani lease area is located in the Barbil taluka of Keonjahar district of Odisha State and forms part of villages of Thakurani, Daiki, Karakolha, Sading, Santbahai, Uliburu and Barbil.

The state capital Bhubaneswar can be reached by road covering a distance of 280 km and the Paradip port is located at a distance of 300 km.

In general, it is a hilly terrain, with a prominent hill range on the eastern boundary. The elevations vary between 430m and 918m having a general gradient towards the north-north-east. The river Karo flows west of the western boundary of the leasehold.

The mining operations in this area have been going on since 01-10-1924. Originally, the area was held by M/s Bird & Co under M.L for iron and manganese over 25 sq miles w.e.f 1-1-1924 for 30 years. After partial surrender of the leasehold area and nationalization of the said company on 25-10-1980, the Company was renamed as Bird group of companies , a Government of India Undertaking. The renewed ML has an area of 6.181 sq miles equivalent to 1600.94 ha and was valid till 30-9-1984. The tenements then held by BPME, including this lease, were operated by OMDC, as its operating agent.

The first renewal of 1600.94ha ML expired on 30-9-1984. An application for a second renewal of mining lease was made in time and the ML was renewed till 30-9-2004. Subsequently, the lessee surrendered 54.39ha of Thakurani Reserve Forest (RF) and the lease area was reduced to 1546.55 ha.

The third renewal of Mining lease application for 20 years w.e.f 1-10-2004 to 30-9-2024 in the name of OMDC was filed for a reduced area of 778.762 ha and the same was recommended by Collector, Keonjhar & Director of Mines, Bhubaneswar, and is pending with the Secretary, Department of Steel and Mines, Government of Odisha (see Annexure-2).

The rocks exposed in this ML belong in general to the iron ore series, which have been grouped into the Koira group of rocks .The local stratigraphic succession of the area is as follows:

Soil alluvium
Laterites
Float iron ore
BIF with iron ore
Shale with manganese ore
Banded Shale

Due to weathering, lateralization is a common phenomenon affecting all rocks and more so the iron formations. The formations strike in a NE-SW direction with dips ranging from 35^0 to 55^0.

The ore reserves were estimated by cross sectional area method and grouped them into Proved and Probable categories. The cross sectional area was multiplied with length of influence, incidence factor and tonnage conversion factor to arrive at the Proved, Probable and Possible Reserve categories. Mineable reserves were calculated in the same manner as geological reserves after allowing the reserves locked in a 7.5m wide safety zone along the lease boundary and the ultimate pit slope. The geological and mineable reserves so estimated were as follows:

Category	Iron ore (t)		Manganese (t)	
	Geological	**Mineable**	**Geological**	**Mineable**
Proved	51,803,000	50,736,600	464,000	464,000
Probable	28,631,500	27,562,500	492,000	492,000
Possible	29,749,500	28,156,500	732,000	732,000
	110,184,000	**106,455,600**	**1,688,000**	**1,688,000**

As per the latest Scheme of Mining, 7,423,156t of iron ore had been depleted from the total reserve in 7 years till 01.04.2009 and the updated reserves after deducting the production/depleted reserve are given in the table below:

Type of ore	Category	Reserves as on 1.4.2002 (t)	Reserves depleted (t)	Reserves as on 1.4.2009 (t)
Iron ore	Proved	51,803,000	7,423,156	44,379,844
	Probable	28,631,500		28,631,500.
	Possible	29,749,500		29,749,500
	Total	**110,184,000**	**7,423,156**	**102,760,844**
Manganese ore	Proved	464,000		464,000
	Probable	492,000		492,000
	Possible	732,000		732,000
	Total	**1,688,000**		**1,688,000**

Since the ML area applied for renewal was reduced to 778.762 ha of the original ML area of 1546.55 ha, the reserves under various categories were re-estimated, block-wise, taking into consideration the position of the quarries and core drilling carried out in the area. The area applied for surrender over 767.788 ha does not contain any mineralization.

So far, 99 boreholes have been drilled in this ML with a total drilling of 3540.95m. Out of these, 2 holes were drilled for manganese exploration. On an average, the bore holes have been drilled at an average spacing of 200m along the strike and a variable interval of 50 to 200m across the strike.

Ore Zone	Block	No of boreholes	(m)
Iron ore area	A	84	3175.45
	D	13	334.00
Manganese ore area	B	2	31.50
Total		**99**	**3540.95**

As earlier, cross sectional area method has been adopted to calculate the reserves under Proved and Probable reserves categories. Cross sectional area measured from the cross sections was multiplied with length of section influence, incidence factor and tonnage factor to get the Proved reserves.

The parameters considered for Reserve estimation are given below:

Parameter	Iron ore zone	Manganese ore zone
Length of section influence	200m	100m
Metallurgical ore incidence factor	0.7	0.4
Tonnage factor of ore	3 t/m^3	2.5 t/m^3
Cut off grade	58% Fe	20% Mn
Sub grade ore generation factor	0.27	0.10
Intermediate waste generation factor	0.03	0.50

Based on the above considerations, the geological reserves have been estimated under Proved and Probable categories. The ore body up to the depth of intersection of bore hole/ quarries below the surface are grouped under the Proved category and the ore lying below the Proved category up to a depth of 30m, depending on topography, borehole data and quarry depth were grouped under Probable category of reserves.

In many pits manganese ore was mined out to 6m depth. In view of this observation, no estimates were made in the probable category for manganese ore.

The Mineable reserves have been estimated in the same manner as the Geological reserves duly giving allowance for the ore that will get blocked due to (a) 7.5m barrier along the lease boundary, (b) 10m along village road, (c) 50m boundary along state highway, (d) 50m along the railway line and (e) under the ultimate pit slope that may have to be left statutorily.

The updated ore reserves as on 1-4-2010, block-wise and category-wise are tabulated below:

Reserves	**Cate-Gory**	**Iron ore (t)**			**Manganese ore (t)**		
		Block-A	**Block-D**	**Total**	**Block-A**	**Block-B**	**Total**
Geological	Proved	58,451,400	10,579,800	69,031,200	458,000	813,000	1,271,000
	Probable	24,998,400	16,239,300	41,237,700			
	Total	83,449,800	26,819,100	**110,268,900**	458,000	813,000	**1,271,000**
Mineable	Proved	57,813,000	9,640,680	67,453,680	433,000	773,000	1,206,000
	Probable	24,372,600	13,843,200	38,215,800			
	Total	82,185,600	23,483,880	**105,669,480**	433,000	773,000	**1,206,000**

The Reserves as on 1-4-2012, under UNFC classification, after accounting for the depletion of 7,423,156t of iron ore to date, are given below:

Category	UNFC Code	Iron Ore (t)	Manganese ore (t)
Proved Reserves	111	67,453,680	1,206,000
Probable Reserves	122	38,215,800	
Sub Total (A)		**105,669,480**	**1,206,000**
Measured Resources	331	1,577.520	65,000
Indicated Resources	332	3,021,900	
Sub Total (B)		**4,599,420**	**65,000**
Total (A + B)		**110,268,900**	**1,271,000**

The average grade of iron ore and manganese was given as 64% to 66.5% Fe and 26% to 28% Mn respectively.

5.1.2 Observations

The exploratory boreholes are found to belong to five series viz. BH, RC, NC & C. Most of the drilling was limited to the northern and southern parts of Block-A for iron ore exploration. Many holes were found to be shallow as they encountered BHQ/ BHJ at shallow depths. The transverse sections were drawn at 200m interval in the iron ore area in Blocks A & D. Each of the sections (A-A’ to O-O’) in Block-A contains at least one borehole whereas in Block-D, out of 9 sections (A-A’ to I-I’) only five sections contain at least one borehole; and the boreholes in each section were not drilled at regular intervals and also don’t cover the entire cross section. Block-D was drilled at a larger grid interval, with a lesser density of boreholes, than that of Block-A. The ore body has been extrapolated beyond the samples along the strike for which the quality and thickness parameters were not measured. The reserves computed in the transverse sections with no boreholes were classified invariably as Probable reserves.

The core recovery data are not available for review. The Reserves estimates given in the Mining plans/ Schemes of mining do not contain the corresponding quality parameters.

The manganese reserves estimated are limited to Blocks A & B. Six and five sections were drawn at 100m intervals in blocks A & B respectively. Only two boreholes drilled in the entire block-B, are in section Z-Z’. All other sections are hypothetical in nature and extrapolated both in strike and dip directions. There are few samples to define the geometry and the quality for the manganese ore body in both the blocks.

The legal approvals related to the renewal of the Mining Lease are yet to be obtained and hence the mine was not being operated.

In light of the above observations, BD proposes to reclassify the previously estimated Ore Reserves/ Mineral Resources to JORC code equivalent and is given below:

Category	Iron ore (Mt)			Manganese ore (t)		
	Block-A	Block-D	Total	Block-A	Block-B	Total
Indicated Mineral Resources	58.45	10.58	69.31			
Inferred Mineral Resources	25.00	16.24	41.24	0.458	0.813	1.271
Total Mineral Resources	**83.45**	**26.82**	**110.27**	**0.458**	**0.813**	**1.271**

5.1.3 References

i. Approved Mining Plan of Thakurani iron & manganese mines over an area of 1546.55 ha in district Keonjhar, Orissa for a period of 7 years from 2002-03 to 2008-09 by Regional Controller of Mines (NR), Indian Bureau o Mines, Government of India, 6-7-2005

ii. Approved Scheme of Mining of Thakurani iron & manganese mines over an area of 1546.55 ha in district Keonjhar, Orissa for a period of 5 years from 2009-10 to 2013-14 by Controller of Mines (CZ), Indian Bureau o Mines, Government of India, 9-8-2010

5.2 Bhadrasai manganese mines

5.2.1 Exploration history and reserves as per OMDC

This mine is located in Barbil taluka of Keonjahar district of Odisha State with ML area of 998.70 ha. It is the biggest ML of OMDC leases post part surrender of the leasehold in Thakurani iron and manganese mines.

Bhadrasahi ML forms part of the Survey of India toposheet no. 73G/5 & 73F/8 on a scale of 1:50,000 and is bound by the latitudes 21^0 59’00” to $22^0$01’15” and longitudes $85^0$21’30” to $85^0$24’30”. The lease area is connected by an all weather metalled road and is located at about 16 km from the Barbil town, which has a railway station, and is 11km from Bhadrasahi chowk as well as from NH 215.

Mining Lease for manganese expired on 30.09.2010. Renewal Application filed with State Govt of Odisha (see Annexure-2).

The land use pattern of the leasehold is given below:

Land Type	Area (ha)
Reserve Forest	77.265
Forest	800.045
Non-Forest	121.390
Total	**998.700**

The leasehold area is covered by a number of hillocks and truncated by major and minor valleys. Gobru pahar and Durga pahar being the most conspicuous hills in the area are situated at the centre and northern extreme of the leasehold, respectively. The lowest contour is 480m at the valley level. The Gobru pahar and Durga pahar are capped with massive iron ore / BHQ/ BHJ, where as the shale and phyllites occupy the valleys traversed by the rivers and streams. The geomorphic trend of the hill range and the strike of litho units in the area are in a NNE-SSW direction.

The local stratigraphic succession of various rocks is reported to be as follows:

Soil & alluvium
Laterites
Float iron ore
BIF with iron ore
Shale with manganese ore
Banded shale

The area forms a part of the Bonai synclinorium trending NNE-SSW, with the eastern and western limbs composed of continuous and discontinuous hill ranges of resistant BHQ/ BHJ and iron ores. The formations dip at angles between 35^0 to 55^0.

Iron ore bodies directly overlie shales at or near the top of the hill ranges and the manganese concentrations fringe the iron ore bodies on the inner slopes of the synclinorium.

For taking up detailed exploration a geological plan at 1:5000 scale was prepared with all litho contacts and the existing quarries on the basis of survey and geological mapping. Up to 2002-03 a total 94 different types of bore holes (core and noncore) were drilled. All these data were considered for estimation of reserves. A study of the geological plan reveals that the bore holes were more concentrated in the central and south central portions of the lease, wherein the spacing of boreholes was around 200m along the section line and 150m-200m along strike.

Ore reserves have been estimated by using the cross section area method. A total of 20 cross sections (AA' to TT') for iron ore were drawn covering the full area of the lease. Each section was also given an estimation of manganese ore reserves. A bulk density of 3.5 t/m^3 and 2.80 t/m^3 and a recovery factor of 0.60 and 0.20 were used for estimation of ore and manganese ore reserves respectively. The following factors formed the basis for classifying the reserves as Proved, Probable and Possible categories.

1. Proved limit is considered up to that depth to which the mineral occurrences have been proved by means of bore holes with lateral extensions of 100m for iron ore and 50m for manganese ore. At some places in the absence of bore holes the maximum quarry depths have been taken into account with lateral extension as specified for iron and manganese ore.
2. The probable limit is considered laterally by another 100m and 50m respectively for both iron and manganese ores from the Proved limit on either side w.r.t half of the depth attained by the respective quarries or bore holes.

3. Possible limits of the ore zone are also considered laterally keeping in view the low manganese ore. At some places BHJ horizons have been booked under the possible category up to a depth of 5m having an Fe content >45%. Taking into consideration the above parameters the threshold value of iron and manganese ores has been kept at 45% Fe and 10% Mn based on the present utilization pattern.

Based on the above mentioned methodology and assumptions made, the geological and mineable reserve of iron and manganese ores was calculated. The details of category wise geological and mineable reserves of iron ore, as per the Mining Plan, are tabulated below:

Iron ore

Category	Geological reserves (Mt)	Mineable reserves (Mt)	Cut off grade
Proved	57.09	56.77	55% Fe
Probable	17.32	17.18	
Total reserves	**74.41**	**73.95**	
Possible	20.26	19.07	45% - 55% Fe
Total resources	**94.67**	**93.02**	

Manganese ore

Category	Geological reserves (Mt)	Mineable reserves (Mt)	Cut off grade
Proved	7.69	7.48	20% Mn
Probable	4.67	4.46	
Total reserves	**12.36**	**11.94**	
Possible	4.56	4.41	10 % to 20% Mn
Total resources	**16.92**	**16.35**	

Based on the bore holes drilled in both the iron and manganese ore zones, the grade-wise resources have been computed by taking the logs and analysis data into consideration, and they are tabulated below:

Iron ore

Grade (Fe)	Ore incidence of total Resources (%)	Quantity of Resource (Mt)
45-50%	10	9.45
50-55%	9	8.53
55-58%	11	10.42
>58%	70	66.27
Total	**100**	**94.67**

Manganese ore

Grade (Mn)	Ore incidence of total Resources (%)	Quantity of Resource (Mt)
10-20%	Nil	Nil
20-25%	Nil	Nil
25-28%	6	1.015
28-32%	20	3.384
> 32%	74	12.521
Total	**100**	**16.920**

The reserves classified as per UNFC classification, in the approved Mining Plan, are given below:

Category	UNFC Code	Iron ore (Mt)	Manganese ore (Mt)
Proved Mineral Reserves	111	56.77	7.48
Probable Mineral Reserves	122	17.18	4.46
Total Mineral Reserves (A)		**73.95**	**11.94**
Prefeasibility Mineral Resource	221 222	0.32 0.14	0.21 0.21
Reconnaissance Mineral Resource	334	20.26	4.56
Total Resources (B)		**20.72**	**4.98**
Total (A+B)		**94.67**	**16.92**

5.2.2 Observations

Twenty transverse sections (AA' to TT') from 94 boreholes were drawn at 250m intervals covering the entire iron ore body based on which the iron ore reserves were estimated. As stated earlier, 36 holes belong to SS series, 48 to RC series and 10 to C series. The borehole spacing followed may not be sufficient to define the geometry of the iron ore and manganese ore body; and estimate their quality parameters. In the absence of plotting the boundaries of Proved, Probable and Possible reserves categories on the cross sections, it was difficult to know exactly the areas where the respective reserves were identified vis-à-vis the availability of sample data.

Manganese reserves of Proved, Probable and Possible categories were estimated on cross sections, LL' to TT', drawn at 250m intervals. The section intervals are very large for the estimation of manganese ore bodies which are discontinuous.

The ML is not operative at present for want of legal approvals.

In light of the above, BD proposes to classify the JORC code equivalent Ore Reserves/ Mineral Resources as given below:

Category	Iron ore (Mt)	Manganese ore (Mt)
Indicated Mineral Resources	57.09	7.69
Inferred Mineral Resources	17.32	4.47
Total Mineral Resources	**74.41**	**12.36**

5.2.3 References

i. Approved Mining Plan of Bhadrasahi iron and manganese mine over an area of 998.70 ha in district Keonjhar, Odisha for 5 years from 2010-11 to 2014-15, by Controller of Mines (Central Zone), Indian Bureau of Mines, Government of India, 20-4-2011

5.3 Bhadrasai (Kolha Roida) iron & manganese ore mine

5.3.1 Exploration history and reserves as per OMDC

The Kolha roida ML, Kolha roida village, Keonjhar district, Orissa State spreading over 254.952 ha area forms part of the Survey of India Toposheet no. 73 F/8 bound by 21^0 01' 15" to 22^0 02' 00" latitudes and 85^0 23' 40" to 85^0 25' 08" longitudes. The ML consists of 90.083 ha Reserve Forest land, 98.41 ha Forest land, 29.64 ha tenanted land and 36.81 ha Other Government land. This indicates that most of the leasehold area is covered by forest land.

Application for third renewal of ML filed for 20 years w.e.f 15.08.1996 to 14.08.2016 which was rejected by the State Govt of Odisha. Revision application filed with central tribunal on dtd.
30.11.2006 has been disposed off by the Central Tribunal directing to maintain status quo prior to the impugned rejection order of state govt. Mining operation was to have started over the area w.e.f March 2009, but Govt. of Odisha did not issue ore removal permission from the area (see Annexure-2).

The lithological units encountered in the ML area are Upper shale horizon with manganese, Middle horizon with banded iron formations with iron ore and top lateritic cover horizon with float and canga. The manganese ore zone occurs in the central part of the ML. The iron ore and manganese ore zones trend N-S to NNE-SSW with low to moderate dips towards the east and west.

For the preparation of the mining plan, the latest topography has been mapped at a 1:2000 scale, with 5m contour intervals. Based on the surface examination of the area and old workings, a revised lithological and structural map of the leasehold has been prepared. Contour plan and geological map of the existing quarries at a 1:1000 scale has been prepared. Based on the existing benches geological cross sections at strategic points in the iron ore and manganese quarries have been prepared. There are 14 iron ore and 7 manganese ore quarries in the leasehold out of which 11 iron ore and 3 manganese ore quarries were in operation.

The reserves have been estimated based on the exploratory work carried out in the ML, including a detailed study of the different quarry workings. A cut-off of 55% Fe and 25% Mn were applied for the estimation of iron ore and manganese reserves respectively. Ores with 52% to 55% Fe and 10% to 25% Mn were classified as sub-grade iron and Manganese ores respectively. A tonnage factor of 3.5t/m^3 and 2.8t/m^3 was determined for iron and manganese ores respectively. An ore recovery factor of 0.75 and 0.25 was determined for iron and manganese ores respectively based on the actual mining practices in and around the mines.

For the estimation of geological reserves (Proved and Probable categories) in quarry blocks, a number of geological cross sections were prepared utilizing the data from pits and the quarry floor. The sectional area was multiplied with the section influence, tonnage conversion factor and the incidence of mineralisation. Due to inadequate exploratory data, possible reserves were estimated by multiplying the surface area of non-quarry blocks with the thickness of the ore zone, tonnage conversion factor and mineralisation incidence factor.

For iron ore proved reserve estimation in quarry blocks, 15m depth from the surface level has been assumed based on quarry depth and trial pits sunk in the quarry floor out of which 5m was considered to be the average overburden thickness. The probable reserves were estimated for 25m thickness from below the proved category boundary.

For manganese ore reserve estimation in quarry blocks, a 17m thick zone which includes 5m thick overburden was considered for proved reserves, and another 5m below the proved category boundary was considered for probable reserves. The geological and mineable reserves of iron ore estimated at 55% Fe cur-off, as per the approved mining plan, are given below:

Category	Quarry block (Mt)	Non-quarry block (Mt)	Total Geological (Mt)	Total Mineable @5% Mining losses (Mt)	Average grade of Proved reserves
Proved	8.84		8.84	8.40	Fe = 66.26% SiO_2 = 2.23% Al_2O_3 = 1.92% P = 0.039%; S = 0.006%
Probable	23.53		23.53	22.35	
Possible		7.87	7.87		
Total			**40.24**		

The geological and mineable reserves of manganese ore estimated at 25% Mn cut-off, as per approved Mining plan, are given below:

Category	Quarry block (Mt)	Non-quarry block (Mt)	Total (Mt)	Total Mineable @5% Mining losses (Mt)	Average grade of Proved reserves
Proved	0.55		0.55	0.523	Mn = 37.6%
Probable	0.19		0.19	0.180	Fe = 16.7%
Possible		0.163	0.163		SiO_2 = 13%
Total			**0.903**		Al_2O_3 = 6.8%; P = 0.03%

After the approval of the mining plan on 7-7-1995, the reserves quoted (as above) in the approved Mining Plan were upgraded, wherein large parts of the Probable reserves were upgraded to Proved reserves and in the latest Scheme of Mining for the period from 2011-12 to 2015-16, the following reserves were quoted as per UNFC guidelines, as on 1-4-2011. During the revised estimation of reserves, the sectional influence for the iron and manganese ores was taken as 100m and 100-120m respectively while retaining the other estimation parameters as per the Mining Plan. Since then, there was no production in the mines and hence the reserves given below can be treated as of 1-4-2012.

Category	UNFC Code	Iron ore (Mt)	Manganese ore (Mt)
Proved Reserves	111	21.951	1.138
Probable Reserves	122	4.011	0.771
Total Reserves		**25.962**	**1.909**
Inferred Resources	333	**1.715**	**0.081**

The average chemical analysis of iron ore and manganese ore are given below:

Iron ore		Manganese ore	
Fe %	66.26	Mn %	37.6
SiO_2 %	2.23	Fe %	16.7
Al_2O_3 %	1.92	SiO_2 %	13.0
P %	0.039	Al_2O_3 %	6.8
S %	0.006	P %	0.03

5.3.2 Observations

In the Mining Plan, geological logs of 7 vertical and inclined boreholes, along with Fe% are given but the same were not mentioned in the report. The details on the core recovery are not provided in the report. The probable reserves were estimated by extrapolation below the proved reserves where drill hole and sample data do not exist. Similarly, the possible reserves were extrapolated beyond the Probable reserves at depth. Based on the increased depth of the iron ore quarries, the area of the proved reserves category has increased and accordingly there was change in reserves in the subsequent periods.

Drilling details related to manganese exploration are not available in the Mining Plan. The average chemical characteristics of iron ore and manganese ore from the analytical data of ore samples was treated as the grade of the proved reserves in the above table.

The legal approvals for the renewal of the ML are yet to be obtained and the mine is not operational at present.

In view of the above observations, BD reclassified the JORC code compliant Ore Reserves/ Mineral Resources, as on 1-4-2012, as given below:

<table>
<tr><th>Category</th><th>Iron ore (Mt)</th><th>Iron ore Average grade</th><th>Manganese Ore (Mt)</th><th>Manganese Ore Average grade</th></tr>
<tr><td>Indicated Mineral Resources</td><td>21.95</td><td rowspan="2">Fe = 66.26%
SiO_2 = 2.23%
Al_2O_3 = 1.92%
P = 0.039%;
S = 0.006%</td><td>1.138</td><td rowspan="2">Mn = 37.6%
Fe = 16.7%
SiO_2 = 13%
Al_2O_3 = 6.8%;
P = 0.03%</td></tr>
<tr><td>Inferred Mineral Resources</td><td>5.73</td><td>0.852</td></tr>
</table>

5.3.3 References

i. Approved Mining Plan of Bhadrasahi (Kolha Roida) iron and manganese mines, district Keonjhar, Orissa, over 254.952 ha for 20 years from 14-8-1996 by Regional Controller of Mines, Indian Bureau of Mines, Government of India, 7-7-1995

ii. Approved Scheme of Mining of Bhadrasahi (Kolha Roida) iron and manganese ore mine over an area of 254.952b ha in Keonjhar district, Orissa for 5 years from 2011-12 to 2015-16

iii. Scheme of Mining Bhadrasahi (Kolha Roida) iron and manganese ore mine over an area of 254.952b ha in Keonjhar district, Orissa for 5 years from 2005-06 to 2009-10 (soft copy)

5.4 Bagiaburu iron ore mine

5.4.1 Exploration history and reserves as per OMDC

The Bagiaburu iron ore mine ML spreads over 21.52 ha area in Uliburu village, Barbil Tahasil, Keonjhar distirct of Orissa State. It is located in the Survey of India Toposheet no. 73F/8 between 22^{0} $07^{'}$ $46^{''}$ and 22^{0} $08^{'}$ $14^{''}$ latitudes and 85^{0} $23^{'}$ $22^{''}$ and 85^{0} $23^{'}$ $41^{''}$ longitudes. The entire ML area is covered by reserved forest land. The ML is accessible from Barbil by a 3km Barbil-Barajamda all weather road and 1km long murrum topped road. The nearest railway station is Barbil. The ore form the mine is transported to Thakurani siding and No.2 siding at Barbil.

Mining Lease expired on 30.09.2010. Renewal Application filed with State Govt (see Annexure-2).

Most of the Ml area is covered with laterites. The local stratigraphy of the area is given below.

Soil and Alluvium
Laterite
Banded Iron Formation (BIF) with iron ore
Shale

Around 10% of the Ml is covered by soil and alluvium at lower levels. Laterite is the common litho unit observed in the region. This outs and is alos intercalated with float/ lateritic iron ore and is considered as waste. BIF with iron ore consisting of siliceous rocks such as Banded Hematite Jasper (BHJ) and Banded Hematite Quartzite (BHQ) forms the protore or the primary rock where rhythmic banding of silica and iron ore is noticed. Because of high silica, these rocks are not used presently for metallurgical purpose.

The leaching of silica bands from BHQ/ BHJ gave rise to thinly laminated biscuit iron ores. Filling of the voids with iron oxides and subsequent compaction resulted in boulder iron ore. At places, laterite is enriched with Fe and this has been classified as lateritic ore. Wide variation of Fe content is observed due to variable degrees of enrichment of Fe in lateritic ore. Soft and hard laminated ores occur at depth. Iron ore stretches along a NE-SW direction and dips at 30^0 to 40^0 northwest. Shale is the bottom most litho unit and it is overlain by iron ore on the northern and southern sides.

The ML was operated since July 1972 in two quarries (1.38 ha and 9.89 ha area) by 4 benches but the mine operations have stopped at present.

11 boreholes (280m) were drilled in and around the quarries during 2001-02 to 2004-05. The minimum and maximum depth of the boreholes was 8m and 34.5m respectively with the average depth of the boreholes being 25.5m.

A surface contour plan and a corresponding geological plan at a 1:2000 scale were prepared for the ML area and extracted nine transverse geological sections. The cross sectional area method was adopted to estimate the reserves under proved, probable and possible categories. The section influence considered along the strike was 100m, and a tonnage factor of $3.5t/m^3$, the metallurgical ore incidence factor of 0.60, sub-grade factor of 0.30 and waste factor at 0.10 were used. The cut-off grade applied for reserve estimation was 58% Fe. Mineable reserves were estimated with due consideration to a statutory safety zone of 7.5m, ultimate pit slope etc. The geological and mineable reserves as on 1-4-2012 (derived from the approved Mining Plan dt. 20-7-2010) are given below:

Category	Geological Reserves (Mt)	Mineable Reserves (Mt)	Average grade
Proved Reserves	3.72	3.57	Fe = 62.68%
Probable Reserves	1.42	1.34	Fe = 62.68%
Possible Reserves	0.71	0.63	Fe = 62.68%
Total	5.85	5.54	Fe = 62.68%

5.4.2 Observations

The borehole sample data presented in the Mining Plan does not contain the analysis of radicals Al_2O_3, SiO_2 and Phos and hence these radicals were not estimated. The core recovery data is also not available for review. As per the surface plan only 10 boreholes were drilled in the ML area and nine transverse sections at 100m interval were drawn with three sections, without any borehole. Hence the ore body geometry in these sections was shown based on the neighbouring sections. The continuity of the iron ore body data at depth below the proved category zone is only an assumption and not supported by any sample data. The legal grants are yet to be obtained for the renewal of the ML which has expired on 1-10-2010 and the mine is non-operational at present.

In view of the above observations, BD would like to classify the JORC code compliant Ore Reserves/ Mineral Resources as given below:

Category	Mt	Average grade
Indicated Mineral Resources	3.57	Fe = 62.68%
Inferred Mineral Resources	2.13	Fe = 62.68%
Total Mineral Resources	**6.70**	**Fe = 62.68%**

5.4.3 References

i. Approved Mining Plan over an area of 21.52 ha in district Keonjhar, Orissa for a period of 5 years from 2010-11 to 1014-15, by Regional Controller of Mines (Bhubaneswar), Indian Bureau of Mines, Government of India on 20-7-2010

5.5 Dalki manganese mines

5.5.1 Exploration history and reserves as per OMDC

Dalki manganese ore mine is located in the Barbil taluka of Keonjahar district, Odisha and is spread over an area of 266.77 ha in villages Dalki, Sading and Sayabali and Thakurani RF under Barbil PS. The area falls between 22^0 05’ 08” to 22^0 05’ 07” latitudes and 85^0 21’ 15” to 85^0 24’ 30” longitudes. The land use pattern of the lease hold is given in the table below:

Type of Land	Area (ha)
R.F	193.432
Protected Forest	39.504
Non-forest	33.834
Total	**266.77**

Application for third renewal of Mining Lease was filed for a period of 20 years w.e.f 01.10.1994 to 30.09.2014 has been rejected by the State Govt. Revision application filed with central tribunal on dtd. 04.10.2006 (see Annexure-2).

Dalki ML area is mostly covered by hills. The maximum and minimum elevations are 590.5m RL and 504.5m RL respectively. All the geomorphological features like the hill ranges and the valleys are controlled by the lithology and geological structure of the formations. The leasehold is predominantly covered by laterite and shale. The geomorphic trend of the hill ranges and the strike of litho units in the area are aligned in the NNE-SSW direction, which is conformable to the strike of the Bonai synclinorium. Innumerable nalas exist in a dendritic pattern and are all structurally controlled.

Based on the outcrops and quarries, the lithology of the lease area can be broadly grouped under three heads as per their relative dispositions.

Ferruginous laterite
Manganiferous laterite (with manganese ore)
Shale

Lateritization is a common phenomenon and affects all the rock types, at times in a pervsive manner and sometimes along fractures and joint planes. Shale forms the base and is overlain by manganese bearing laterite. In situ weathering and enrichment of manganiferous shale gave rise to lateritic manganese ore with variable thicknesses. These form the low grade manganese ores analyzed up to 35% Mn, while the replacement type found along joints and fractures is of superior quality, mostly represented by pyrolusite and psilomelane.

Exploration activity in the leasehold area was limited to trial pits only as this method was proved to be most suitable and economical for manganese mineralization as per the lessee. Based on a surface geological study, the trial pits were put on lateritic manganese bearing horizon where the chances of encountering manganese ore are higher. Though details of such trial pits are not available with the lessee, it is understood that most of the trial pits have, in the meantime, been converted into working quarries. Wherever the results of trial pits did not prove to be encouraging, such exploratory pits were left out as mere trenches. Four drill holes were drilled by the lessee and analysed for manganese.

In the approved Scheme of Mining (29-06-2011), the manganese ore reserves were estimated by the cross sectional area method in 18 cross sections (AA' to RR') at 100m intervals. Cross sectional areas measured from the sections were multiplied with length of influence of each section, tonnage conversion factor and ore incidence factor to estimate the reserves under Proved, Probable and Possible categories. The parameters considered for reserve estimation are given below:

Parameters	Quantitative Aspects
Length of influence for each section	100m - 150m
Tonnage factor	2.5 t/m^3
Cut-off grade	25% Mn
Saleable manganese ore incidence factor	25%
Sub-grade ore generation	10%
Intermediate waste generation	65%

Mineable reserves were calculated in the same manner as were the geological reserves which were estimated by duly giving allowance for reserves to be locked up in a 7.5m wide safety zone along the lease boundary and the ultimate pit slope. The geological and mineable manganese ore reserves, so estimated, are given below:

Category	Geological (t)	Mineable (t)
Proved	3,337,234	3,319,890
Probable	1,254,688	1,245,000
Possible	567,784	563 547
Total	**5,159,706**	**5,128,437**

A total of 400t manganese ore had been depleted from the total reserve during 2006-07 and 2007-08, when the mining was stopped for want of environmental clearance. No mining has been done since then. The updated reserves as 1-4-2012 are given below:

Reserves	Category	Reserves as on 1-4-2002 (t)	Reserves depleted (t)	Reserves as on 1-4-2012 (t)
Geological	Proved	3,337,234	400	3,336,834
	Probable	1,254,688		1,254,688
	Possible	567,784		567,784
	Total	**5,159,706**	**400**	**5,159,306**
Mineable	Proved	3,319,890	400	3,319,490
	Probable	1,245,000		1,245,000
	Possible	563,547		563,547
	Total	**5,128,437**	**400**	**5,128,037**

The geological reserves as on 1-4-2012 have been reclassified as per UNFC and are given below:

Category	UNFC code	Manganese ore (t)
Probable	121	3,336,834
Total reserves		**3,336,834**
Inferred	333	1,254,688
Reconnaissance	334	567,784
Total resources		**1,822,472**
Total		**5,159,306**

5.5.2 Observations

Dalki manganese ore ML was the least explored of the six MLs held by OMDC. Only four boreholes were drilled and their depths range from 18m to 44.5m, each covering individual pits. The data related to exploration pits are not available. The sections were drawn at 100m intervals. The quality estimates of the reserves are not available in the reports provided for review. The manganese ore was considered to be low grade. The parameters considered by OMDC to classify different categories of reserves/ resources are not available for review.

The ML is not being operated for want of lease renewal approvals.

In light of the above observations, BD proposed the following reclassified JORC code equivalent manganese Ore Reserves/ Mineral Resources as on 1-4-2012 are given below:

Category	Mt
Inferred Mineral Resources	4.59
Total Mineral Resources	**4.59**

5.5.3 References

i. Approved Mining Plan including Environmental Management Plan of K.S. Group (Dalki) manganese mine, district Keonjhar, Orissa over an area of 266.75 ha for 20 years by Regional Controller of Mines, Indian Bureau of Mines, Government of India, 11-5-1990
ii. Approved Mining Scheme of Dalki (K.S. Group) manganese mines over an area of 266.75 ha in district Keonjhar, Orissa for 5 years from 2001-02 to 2005-06 by Regional Controller of Mines, Indian Bureau of Mines, Government of India, 12-11-2001
iii. Approved Mining Scheme of Dalki manganese ore mine over an area of 266.77 ha in district Keonjhar, Orissa for 5 years from 20011-12 to 2014-15 by Regional Controller of Mines, Bhubaneswar, Indian Bureau of Mines, Government of India, 29-6-2011

5.6 Belkundi iron & manganese mines

5.6.1 Exploration history and reserves as per OMDC

Belkundi ML area over 1276.79 ha falls in the Survey of India Toposheet no. 73F/8 between 22^0 07' 30" and 22^0 09' 45" latitudes and 85^0 22' 30" and 85^0 27' 30" longitudes. The ML consists of 448.276 ha forest and 828.514 ha non-forest land. The site office of Belkundi ML is 3 km from Barbil. The area is well connected by an all weather asphalted road. The branch of S.E Railways namely Barajamda-Bolani-Khadan passes through the ML area. The Orissa State capital, Bhubaneswar is approximately 300 km distance by road from the ML.

Application for third renewal of Mining Lease was filed for 20 years w.e.f. 16.08.2006 to 15.08.2026 duly recommended by Collector, Keonjhar & Director of Mines, Bhubaneswar. Same is pending with the Secretary, Dept. of Steel & Mines, Govt. of Odisha (see Annexure-2).

The rock types exposed in the Ml belong to the Iron Ore Series of Precambrian age and the general sequence of rocks is given below:

Soil & Alluvium

Laterite

Manganese Ore
Iron ore
BHJ/ BHQ/ Quartzite & Manganese
Weathered shale

The siliceous iron ore / BHQ/ BHJ forms the protore or the primary rock where rhythmic banding of silica and iron ore is noticed. The secondary process like leaching out of silica bands from BHQ/ BHJ gave rise to the thinly laminated biscuit iron ores. This also renders friableness to the ore giving rise to blue dust pockets. At times filling of the voids with iron oxides and subsequent compaction gave rise to boulder iron ore (i.e. the soft laminated type). A clear transition from BHQ, soft laminated/ friable iron ore to hard boulder iron ore is seen towards the south-western corner of the leasehold. Lateritization of soft laminated ore is widespread in the area. Conglomerates of oligomicitc type are mostly found along the hill flank.

Small hillocks in the valley are capped with lateritized shale. In situ weathering and enrichment of manganiferous shale gave rise to lateritic manganese ore. Manganese ores encountered in the ML are of two types viz. lateritoid type and replacement type. The lateritoid type ores are products of in situ weathering and enrichment of manganiferous shale. The replacement type manganese ores are found along the fractures, joints etc of shales and quartzites. The colloidal solution of manganese ore being deposited along such weak planes gave rise to good quality manganese ore i.e. medium and high grade varieties. Manganese ores found here are mostly pyrolusites, psilomlanes and wads.

The strike of the ore body varies from N10^0E – S10^0W to N35^0E-S35^0W with 30^0 dips due west in the south western corner of the ML. In and around Murgi pit area, the ore body strikes N20^0E-S20^0W with a 60^0 westerly dip.

A total of 14 geological sections were drawn at strategic points on a 1:2000 scale at the position of quarries, boreholes and geologic outcrops, to estimate the iron ore reserves. Depending on the availability of borehole data, the section influence has been taken at 50m on either side and in the absence of boreholes the prevailing quarry depth was taken as the proved ore limit. Also, in sections where boreholes are present, the deepest borehole depth was considered as the proved reserve limit. For reserve estimation of iron ore the proved limit has been taken as 5m depth from the surface level, probable reserve limit at 10m below the proved reserve zone and possible reserve limit at 5m depth below the probable reserve zone limit. A bulk density of 3.0 t/m^3 and ore incidence factor of 0.58 was considered to estimate the reserves.

For the reserve estimation of manganese ore, the surface area method has been adopted. The depth influence / thickness of manganese ore zone was taken as 15m for Proved , 7.5m for Probable and 3.75m for Possible reserves estimation. A bulk density of 2.5 t/m^3 and ore incidence factor of 0.25 was considered to estimate the reserves.

The Lessee reported drilling of 16 boreholes during the period 2007-2008 to explore iron ore. However, in the Mining Plan, borehole logs (Lateritic iron ore, Hard laminated ore, Soft laminated ore, Blue dust, BHQ, Banded quartzite, shale and Laterite) of only 13 boreholes (584.95m drilling) are included. The depth of the boreholes varied from 22m to 60.5m. A summary of Iron ore (55% Fe cut-off) and Manganese ore (25% Mn cut-off) reserves as on 1-4-2012 are given below:

Category	UNFC code	Iron ore (t)	Manganese ore (t)
Proved	111	9898860	9885000
Probable	122	10118100	2383875
Total Reserves		**20,016,960**	**12,268,875**
Possible	333	7,116,600	3,800,438

An average grade of 63.46% Fe for Iron ore and 30.43% Mn for Manganese ore were estimated for the above tabulated reserves.

5.6.2 Observations

The iron ore area was explored by 16 boreholes but their core recoveries are not shown in the borehole logs. The spacing and location coordinates of the boreholes are not given in the approved Mining Plan. A detailed procedure of the grade (Fe, Al_2O_3, SiO_2 & Phos) estimation associated with the quantities is not available.

The exploratory data related to manganese ore is not present in the approved Mining Plan/ Scheme of Mining. The reserves were estimated by extrapolating the surface area at depth from the present quarry bottom limit, for which no quality data exists.

The necessary legal approvals for the renewal of ML from the Government of India are yet to be obtained. The ML is not operative at present.

In view of the above observations, BD proposes the reclassification of the stated reserves by EIL in the approved Mining plan and Scheme of Mining, as per the JORC code compliant Ore Reserves/ Mineral Resources.

Category	Iron ore (Mt)	Manganese ore (Mt)
Measured Mineral Resources	9.90	-
Indicated Mineral Resources	-	9.,89
Inferred Mineral Resources	17.23	2.38
Total Mineral Resources	**27.13** 63.46% Fe	**12.27** @30.43% Mn

A JORC Complaint Ore Reserves / Resources estimate of Iron Ore and Manganese for all OMDC leases are summarised in tables 6 & 7 and are presented in Annexure-3.

5.6.3 References

i. Approved Mining Plan with Progressive Mine closure plan of Belkundi Iron and Manganese Mine, Keonjhar district, Orissa for a period of 5 years valid up to FY2011 over an area of 1276.79 ha, by Controller of Mines 9Central Zone), Indian Bureau of Mines, Government of India, 2-7-2010

ii. Approved Scheme of Mining of Belkundi iron & Manganese ore Mine, Keonjhar district, Orissa, over an area of 1276.79 ha for a period of 5 years valid up to 31-3-2011, by Controller of Mines (Central Zone), Indian Bureau of Mines, Government of India, 2-12-2011

5.7 Birmitrapur limestone and dolomite mine

The location of Birmitrapur limestone and dolomite mine is shown in Figure -6 in Annexure-1

5.7.1 Exploration history and reserves as per BSLC

The tenement spreads over 1099.33 ha at Birmitrapur, Sundergarh district, Odisha and consists of six blocks viz I, II, III, IV, VI & XI, and falls within toposheet nos. 73B/4, B/8, B12, B11 & B15 between $22^0\ 00'\ 21.8''$ and $22^0\ 25'\ 00''$ latitudes, and $84^0\ 11'\ 42.3''$ and $84^0\ 45'\ 24''$ longitudes. Of the six blocks, only block XI (Birmitrapur block) was being worked. The other five blocks are non-operative at present.

The stratigraphy and structure of the Gangpur series was first visualised by MS Krishnan in 1937, Kanungo & Mahalik in 1967 and Choudhuri & Pal in 1983.

The limestone and dolomite deposits in the area belong to the Birmitrapur Stage of the Gangpur Series of the middle Dharwarian age. Dolomite forms the lower member over which the limestone is superimposed. Both are associated with mica schists, phyllites and quartzites. The occurrence of calcitic and dolomitic formations in Gangpur belt is confined mainly to two zones viz. the northern and the southern limbs of the east-west trending anticlinorium. The limestone and dolomite formations are sandwitched between the lower mica schsits and phyllites of the Karmunda Stage and upper metapelites of the Laingar Stage. The iron Ore Series is made up of phyllites, slates, lavas and basal conglomerates.

The rock types encountered in the area correspond mainly to the Birmitrapur Formation of the Gangpur Group representing limestone and dolomite only. The limestone and dolomite beds are observed to have a general east-west trend, dipping at an average angle of 60^0 due north. This could be due to the presence of asymmetrical folds in both the limestone and dolomite horizons. The average thickness of limestone and dolomite as interpreted in the area is about 40m and 35m respectively.

After detailed investigations, quarrying operations for limestone started in the year 1917 by the Bird & Company. During 1927-28 and 1932-33, GSI mapped the outcrops of Birmitrapur area and estimated limestone and dolomite reserves at 275 Mt up to a depth of 61m and 252 Mt up to a depth of 41m respectively. Out of these estimates, metallurgical grade limestone and dolomite were considered at 68 Mt and 84 Mt respectively. In the year 1949-50, GSI carried out further geological investigation.

During the period 1987-1995, BSLC carried out detailed exploration by diamond drilling in both the limestone and dolomite areas to estimate the reserves. The details of the total exploratory drilling carried out, quarry-wise, by BSLC in limestone and dolomite areas are given below:

Drilling in Limestone area

Name of the Quarry	No. of boreholes	Drilling meterage (m)
Hoist	12	678.00
Duarsini	14	750.00
Gurpahar	21	1355.46
KBL	01	50.00
Lancaster	01	20.00
Khajurgadha	03	161.00
A-Quarry	03	150.00
Total	**55**	**3164.46**

Drilling in Dolomite area

Name of the Quarry	No. of boreholes	Drilling meterage (m)
Duarsini	17	464.82
Main	14	354.00
Kansbahal	01	20.00
Patpahar	44	2049.30
Kurpani	03	132.00
Total	**79**	**3020.12**

The following chemical and physical parameters were considered to distinguish acceptable grade limestone/ dolomite from the sub-grade ores.

Chemical parameters

Parameter	Good grade ore		Sub-grade ore	
	Limestone	Dolomite	Limestone	Dolomite
CaO %	> 40.0	30.0 – 35.0	32.0 – 40.0	25.0 – 30.0
MgO %	< 6.0	< 18.0	6.0 – 9.0	15.0 – 18.0
SiO_2 %	< 10.5	< 5.0	10.0 – 16.0	5.0 – 10.0
Fe_2O_3 %	< 3.8	< 1.0	3.8 – 5.0	1.0 – 3.6
Al_2O_3 %	< 2.0	< 4.0	-	-
LOI %	< 40.0	< 40.0	40.0 – 45.0	40.0 – 45.0

Physical parameters

Parameter	Good grade ore	Sub-grade ore
	Limestone & Dolomite	Limestone & Dolomite
Moisture content %	0.35 – 0.75	0.75 – 1.02
Specific gravity g/cm^3	2.15 – 2.65	2.65 – 2.85
Crushing strength kg/m^2	500 – 1000	-
Bonds Kwh/t	10 – 14	-

The estimation of ore reserves was done by surface area, depth of influence, bulk density and mineralisation factor. The surface area of the ore zone was calculated by multiplying the strike length with the average width of the ore body. Based on the borehole data, the depth of influence has been calculated. For limestone the depth of influence was 38.6m and that of dolomite, 29.4m below the ground level for the proved reserves category. For the Probable and Possible reserves category, the depth of influence was taken 5m each below the Proved and Probable limit respectively. A bulk density of 2.5 t/m^3 and 2.6 t/m^3 was considered for limestone and dolomite respectively. The mineralisation factor considered was 80% as the waste and sub-grade ore accounted for 10% each in the mined out/ excavated limestone and dolomite.

The Reserves of limestone and dolomite as quoted in the approved Mining Plan (6-7-2005) are given below:

Ore type	Proved Reserves (t)	Probable Reserves (t)	Possible Reserves (t)	Total Reserves (t)
Limestone	64,349,920	14,848,000	14,848,000	**94,045,920**
Dolomite	61,199,674	12,873,120	12,873,120	**86,945,914**

While preparing the Scheme of Mining, the Reserves were reassessed in October, 2010 by accounting for the depleted tonnages during the period 2003-04 to 2009-10 by GEOMIN Consultants. The reserves were re-estimated by the cross section area method in 16 sections (AA' to PP') and the sectional influence on either side of the section along strike was taken at 200m. Reserves in QQ' were estimated separately and added to the other 16 sections. The depth limit for the Proved category was considered as per borehole logs. Probable and Possible categories depth limit was taken as 10m and 5m respectively from the Proved category depth limit. The reserves locked up under the national highway and township, hospital, police station, railway line, eastern side lease boundary etc. were excluded from the mineable reserves and shown under pre-feasibility resources. A tonnage conversion factor of 2.5 t/m^3 and 2.6 t/m^3 was considered for limestone and dolomite respectively. An ore incidence factor of 0.8 (10% intercalated waste and 10% sub-grade ore) was considered for both the limestone and dolomite to estimate the Reserves.

The updated Reserves as on 1-4-2010, as per UNFC code, after reassessment and accounting for depletion till 31-3-2010 (as per modification to approved Mining Scheme, 14-9-2010), are given below:

Ore type	Proved Reserves (t) (UNFC = 111)	Probable Reserves (t) (UNFC = 121)	Total Reserves (t) (UNFC = 111 + 121)	Feasibility/ Prefeasibility Mineral Resources (t) (UNFC= 221+222)	Inferred Mineral Resources (t) (UNFC = 333)	Grade (%)
Limestone	192,555,222	52,492,000	**245,047,222**	3,562,400	27,264,000	MgO= 4.5 CaO = 42.5
Dolomite	115,667,346	46,057,024	**161,724,370**	1,776,736	23,322,000	MgO = 19.0 CaO = 28.0

The updated Reserves as on 1-4-2012, as per UNFC code, after accounting for depletion till 31-3-2012, are given below:

Ore type	Proved Reserves (Mt) (UNFC = 111)	Probable Reserves (Mt) (UNFC = 121)	Total Reserves (Mt) (UNFC = 111 + 121)	Feasibility/ Prefeasibility Mineral Resources (Mt) (UNFC= 221+222)	Inferred Mineral Resources (Mt) (UNFC = 333)	Grade (%)
Limestone	192.405	52.492	**244.897**	3.562	27.264	CaO = 42.5 MgO = 4.5
Dolomite	114.380	46.057	**160.437**	1.777	23.322	MgO = 19.0 CaO = 28.0

5.7.2 Observations

Out of the six blocks that constitute the ML of Birmitrapur Limestone & Dolomite Mines (1099.303 ha), block XI accounts for 793.966 ha area. This is the only block that has been explored in detail and mined so far.

From the spacing of borehole transverse sections (16 from AA' to PP') it is assumed (because the borehole plan was not available for review) that the drilling was done at 400m intervals along the strike. The boreholes were drilled at 45^0 angles to intersect the dolomite and limestone beds which are dipping at an angle of 60^0 due north. The depth of the boreholes varied from 20m to 90.9m in the limestone area and 16m to 65m in the dolomite area. From the transverse geological sections, it can be noticed that the limestone horizontal width varies from 100m to 740m; and the dolomite horizontal width from 120m to 540m and 100m to 160m in bands 1 and 2 respectively occurring in the footwall of limestone. The boreholes drilled being very shallow and the limestone/ dolomite thickness being very large, the boreholes did not intersect the full thickness (from Hanging wall to Foot wall) of the limestone/ dolomite in the entire block and hence their thickness vis-à-vis quality from the boreholes are not available. The high variation of CaO in the samples within the borehole and between the boreholes is also evident from the borehole samples. The mine was being operated for a long time. In both the Mining Plan and Scheme of Mining that are made available to BD for review, the estimation of the quality of limestone and dolomite against each Reserves/ Resources category, are not adequately dealt with.

The ML of BSLC expired in February, 2000 and since then the mines were operative under 'deemed extension' clause under Rule 24A (6) of Mineral Concession (MC) Rules 1960. Now, the mining operations were suspended by the DDM, Rourkela since 9th November, 2011 on account of non-issuance of 'consent to operate' by Odisha Sate Pollution Control Board due to the non-availability of a fresh Environment Clearance, which became mandatory as per MoEF notification of 2004 for renewal of mining leases. Consequently, BSLC mines have not been working since 9th November, 2011 but are expected to restart mining shortly.

In view of the above, Behre Dolbear would like to classify the Proved Reserves category of limestone and dolomite by RINL, under JORC code equivalent Probable Ore Reserves category. Though the continuity of limestone and dolomite at depth below the Probable Ore Reserves boundary is likely, since there are no samples, whatsoever, to estimate the quality of ore, BD proposed to classify them as JORC code equivalent Inferred Mineral Resources. Accordingly, the JORC code equivalent Ore Reserve/ Mineral Resources, as on 1-4-2012, are given below:

Ore type	Probable Ore Reserves		Inferred Mineral Resources	
	Mt	%	Mt	%
Limestone	192	CaO = 42.5; MgO= 4.5	83	CaO = 42.5; MgO= 4.5
Dolomite	114	MgO = 19.0; CaO = 28.0	71	MgO = 19.0; CaO = 28.0

JORC Complaint Ore Reserves / Resources estimate of Limestone and Dolomite for BSLC leases are summarised in tables 8 & 9 and are presented in Annexure-3.

JORC Complaint Ore Reserves / Resources estimate by Ore wise for all of RINL, OMDC and BSLC leases are summarised in tables 10, 11, 12 & 13 and are presented in Annexure-3.

5.7.3 References

i. Approved MiningPlan with Progressive Mine closure plan of Birmitrapur Limestone & Dolomite Mines, Sundergarh district, Orissa for a period of ten years valid up to 29-2-2010 over an area of 1099.303 ha, by Regional Controller of Mines (NR), Indian Bureau of Mines, Government of India, 6-7-2005
ii. Approved modification on approved scheme of mining of Birmitrapur Limestone & Dolomite Mines over an area of 1099.303 ha, by the Controller of Mines (Central Zone), Indian Bureau of Mines, Government of India, 14-9-2010

6.0 BENCHMARK APPLIED

In this review, all quoted resources are based upon historical information which has been categorized against background of definitions adopted by the Australasian Institute of Mining and Metallurgy (AusIMM) in the year 2004. Behre Dolbear has verified that this resource classification represents JORC code 2004 and the resources mentioned in the statement can be regarded as JORC compliant. The desk top review was primarily based on the details available from Mining Plans and Schemes of Mining, and exploration reports.

7.0 Mineral Resources and Ore reserves Classification

A brief summary of Joint Ore Reserves Committee (JORC) code 2004 edition is given below.

The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the 'JORC Code' or 'the Code') sets out minimum standards, recommendations and guidelines for Public Reporting in Australasia of Exploration Results, Mineral Resources and Ore Reserves. The JORC was established in 1971 and published several reports containing recommendations on the classification and Public Reporting of Ore Reserves prior to the release of the first edition of the JORC Code in 1989. Revised and updated editions of the Code were issued in 1992, 1996 and 1999. This 2004 edition supersedes all previous editions.

7.1 Reporting of Exploration Results

Exploration Results include data and information generated by exploration programmes that may be of use to investors. The Exploration Results may or may not be part of a formal declaration of Mineral Resources or Ore Reserves.

The reporting of such information is common in the early stages of exploration when the quantity of data available is generally not sufficient to allow any reasonable estimates of Mineral Resources.

7.2 Reporting of Mineral Resources

A 'Mineral Resource' is a concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.

An 'Inferred Mineral Resource' is that part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability.

An 'Indicated Mineral Resource' is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed.

A ‘Measured Mineral Resource’ is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity.

7.3 Reporting of Reserves

An ‘Ore Reserve’ is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified. Ore Reserves are sub-divided in order of increasing confidence into Probable Ore Reserves and Proved Ore Reserves.

A ‘Probable Ore Reserve’ is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors These assessments demonstrate at the time of reporting that extraction could reasonably be justified.

A ‘Proved Ore Reserve’ is the economically mineable part of a Measured Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified.

8.0 DISCLAIMER

Behre Dolbear International Ltd (Behre Dolbear), do not accept any liability other than their statutory liability to any individual, organization, or a company and take no responsibility for any loss or damage arising from the use of this report, or information, data, or assumptions contained therein. With respect to the Behre Dolbear report, and its use thereof by RINL, each entity does agree to indemnify and hold harmless Behre Dolbear, its shareholders, directors, officers, and associates from any and all losses, claims, damages, liabilities, or actions, to which they or any of them may become subject under any securities act, statute or common law and will reimburse them on a current basis for any legal, or other, expenses incurred by them in connection with investigating any claims, or defending any actions.

Behre Dolbear has reviewed historical technical data, as well as reports and studies produced by RINL or other consulting firms. Our review was conducted on a reasonableness basis and Behre

Dolbear has noted herein where the provided information has raised questions. Except for those instances in which we have noted questions, Behre Dolbear has relied upon the information provided as being accurate. Behre Dolbear assumes no liability for the accuracy of the information provided by RINL. We retain the right to change or modify our conclusions if new or undisclosed information is provided that might change our opinion.

Electronic mail copies of this report are not official unless authenticated and signed by Behre Dolbear and are not to be modified in any manner without Behre Dolbear's express written consent.

Measurement units used in this report are in the metric system.

9.0 COMPETENT PERSON'S CONSENT FORM

Competent Person's Consent Form

Pursuant to the requirements of Clause 8 of the 2004 JORC Code

Report Description

Report name: *JORC equivalent Reserve Estimate Statement as on 01-04-2012*
Name of the Company releasing the Report: *M/s Behre Dolbear International Limited, UK*

Name of deposits:

1. *Tenements owned by RINL*
   a. *Madharam dolomite mine*
   b. *Jaggayyapeta limestone mine*
   c. *Garbham manganese mine*

2. *Tenements owned by EIL, a subsidiary of RINL*
   a. *Thakurani iron & manganese mine* b. *Bhadrasahi iron & manganese mine* c. *Kolha Roida iron & manganese mine*
   d. *Bagiaburu iron mine*
   e. *Dalki manganese mine*
   f. *Belkundi iron & manganese mine*
   g. *BSLC limestone & dolomite mine*

Date of Report: 17*-05-2012*

Statement

I, *Dr Polavarapu Venkateswara Rao* confirm that:

- I have read and understood the requirements of the 2004 Edition of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("2004 JORC Code")
- I am a Competent Person as defined by the 2004 JORC Code, having five years experience which is relevant to the style of mineralization and type of deposit described in the Report, and to the activity for which I am accepting responsibility
- I am a Member of *The Australian Institute of Mining and Metallurgy*
- I have reviewed the Report to which this Consent Statement applies

I am a Senior Associate working for M/s Behre Dolbear International Limited, 3^{rd} Floor, International House, Ashford, Kent TN23 1HU, UK and have been engaged by RINL to prepare the documentation for 4 tenements from Andhra Pradesh State, and 7 tenements from Odisha State on which the Report is based, for the period ended 31-03-2012.

I verify that the Report reflects in the form and the context in which it appears, the information in the supporting documentation relating to Exploration Results, Mineral Resources and Ore Reserves.

CONSENT

I consent to the release of the Report and this consent statement by the directors of *M/s Behre Dolbear International Limited, 3^{rd} Floor, International House, Ashford, Kent TN23 1HU, UK.*

17-*05-2012*

(Signature of Competent Person) Date

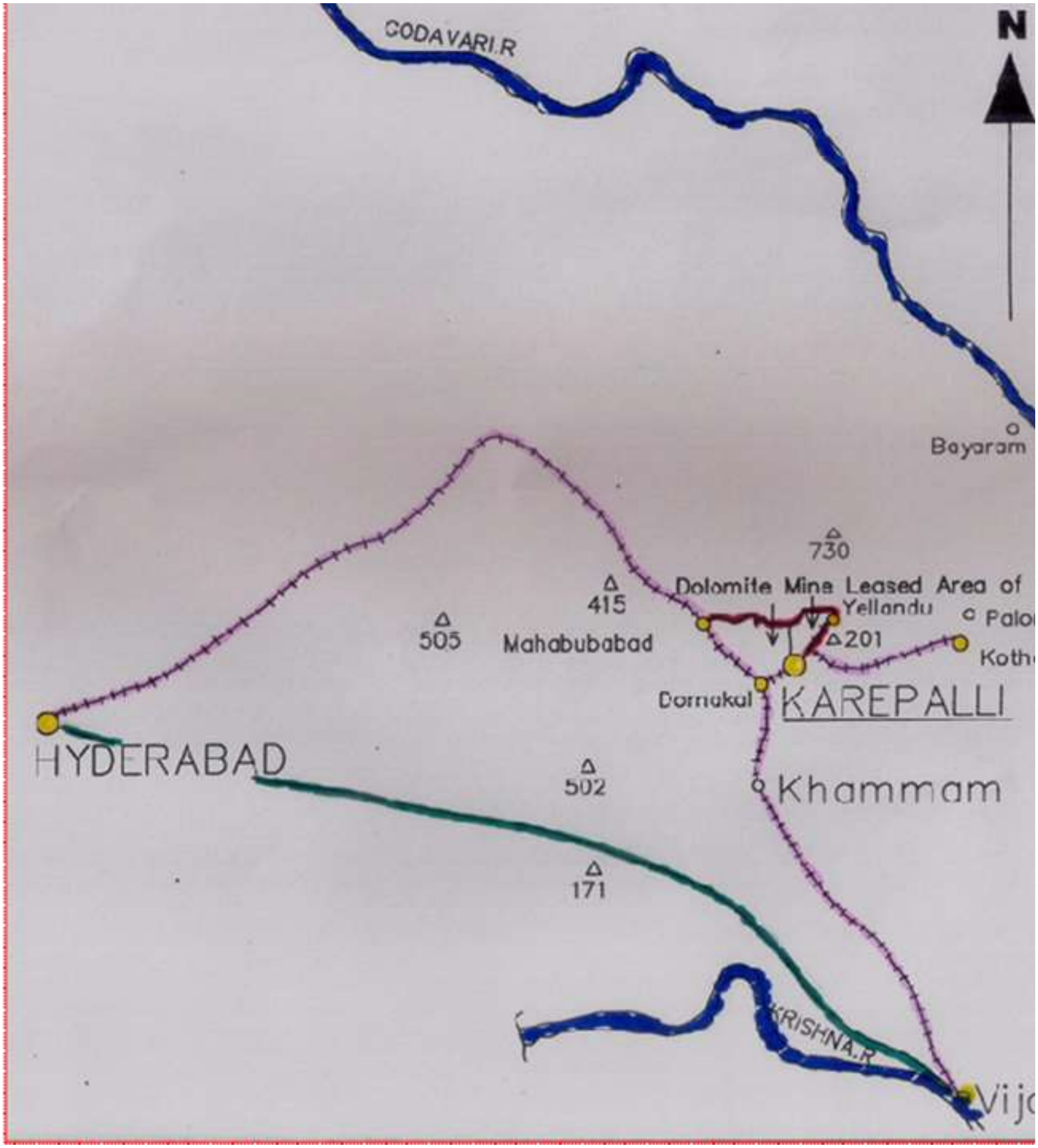
Member* of The Australasian Institute of Mining and Metallurgy** ***301057

(Organization name) (Membership Number)

(Signature of witness)

Raju S Sagi
7-8-11/3 Club Road, Waltair uplands,
Visakhapatnam 530003 India
(Witness name and Residence)

ANNEXURE – 1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KRISHNA.R
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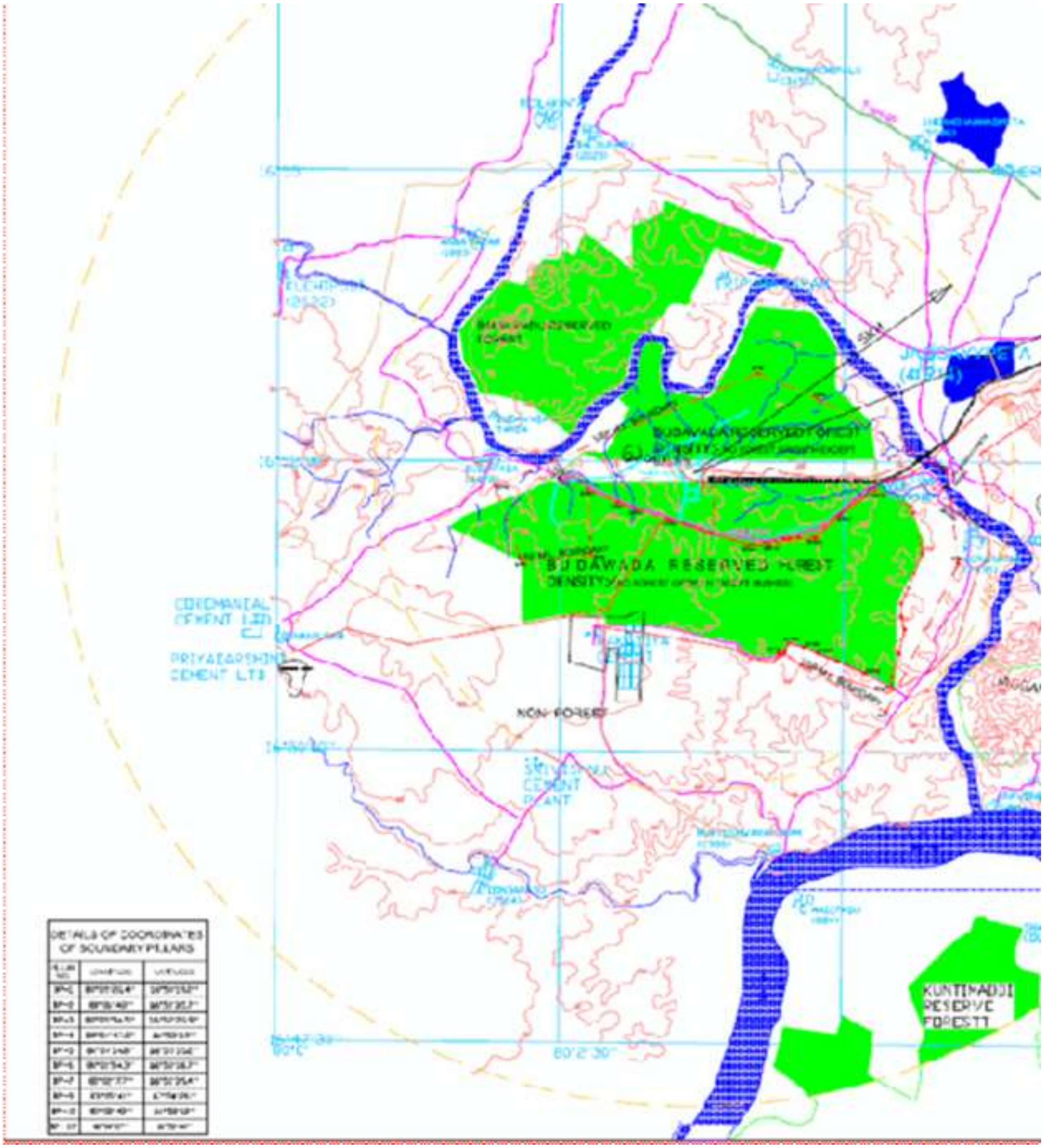
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RESERVE
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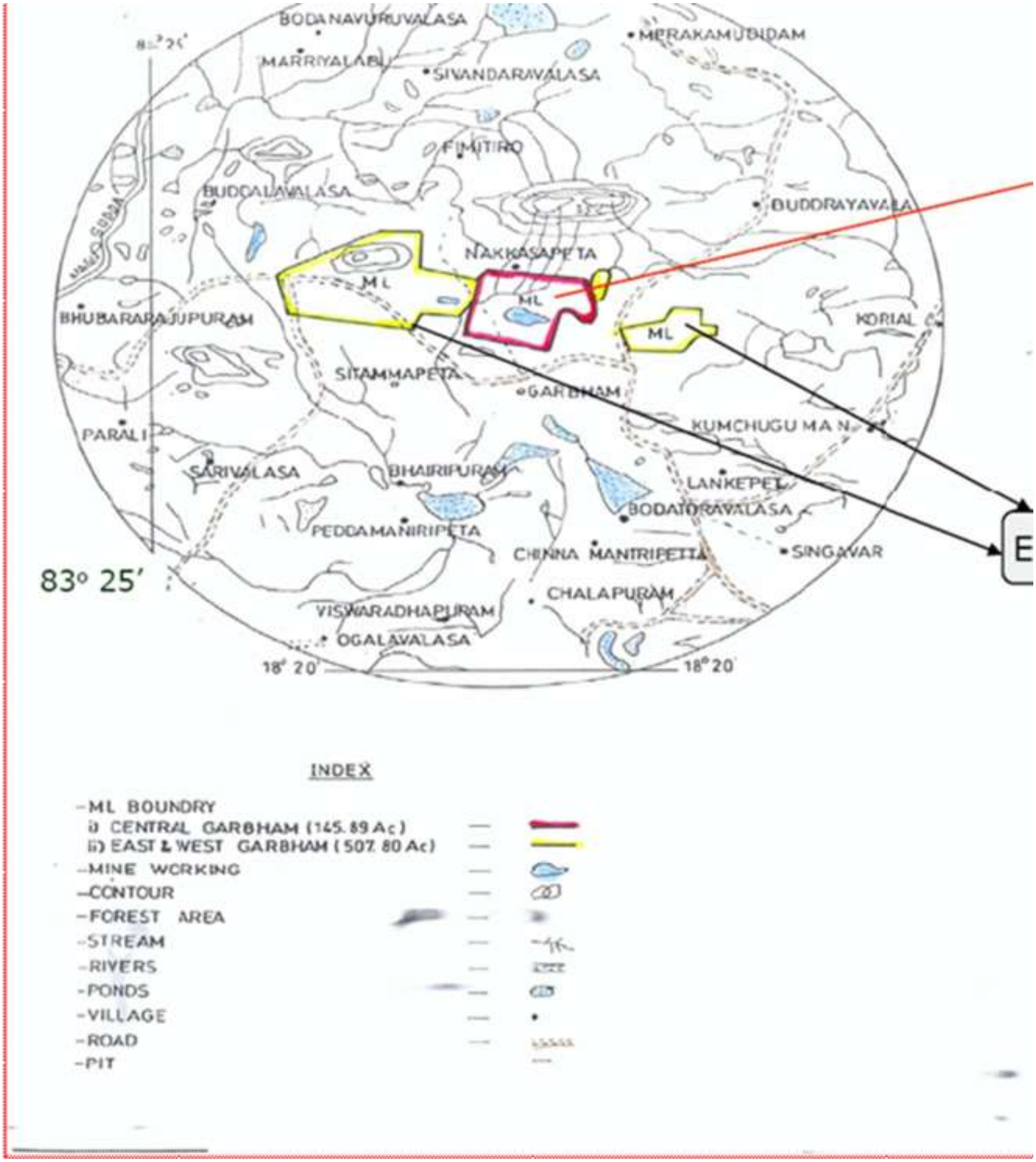
DETAILS OF COORDINATES
OF BOUNDARY PILLARS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FIMITIRO
BUDDALAVALASA
BUDDRAYAVALA
NAKKASAPETA
ML
ML
ML
BHUBARARAJUPURAM
KORIAL
SITAMMAPETA
GARBHAM
PARALI
KUMCHUGU MAN
SARIVALASA
BHAIRIPURAM
LANKEPET
BODAIDRAVALASA
PEDDAMANIRIPETA
CHINNA MANTRIPETTA
SINGAVAR
83° 25'
CHALAPURAM
VISWARADHAPURAM
OGALAVALASA
18° 20'
18° 20'
E
INDEX
-ML BOUNDRY
i) CENTRAL GARBHAM (145.89 Ac)
ii) EAST & WEST GARBHAM (507.80 Ac)
-MINE WORKING
-CONTOUR
-FOREST AREA
-STREAM
-RIVERS
-PONDS
-VILLAGE
-ROAD
-PIT

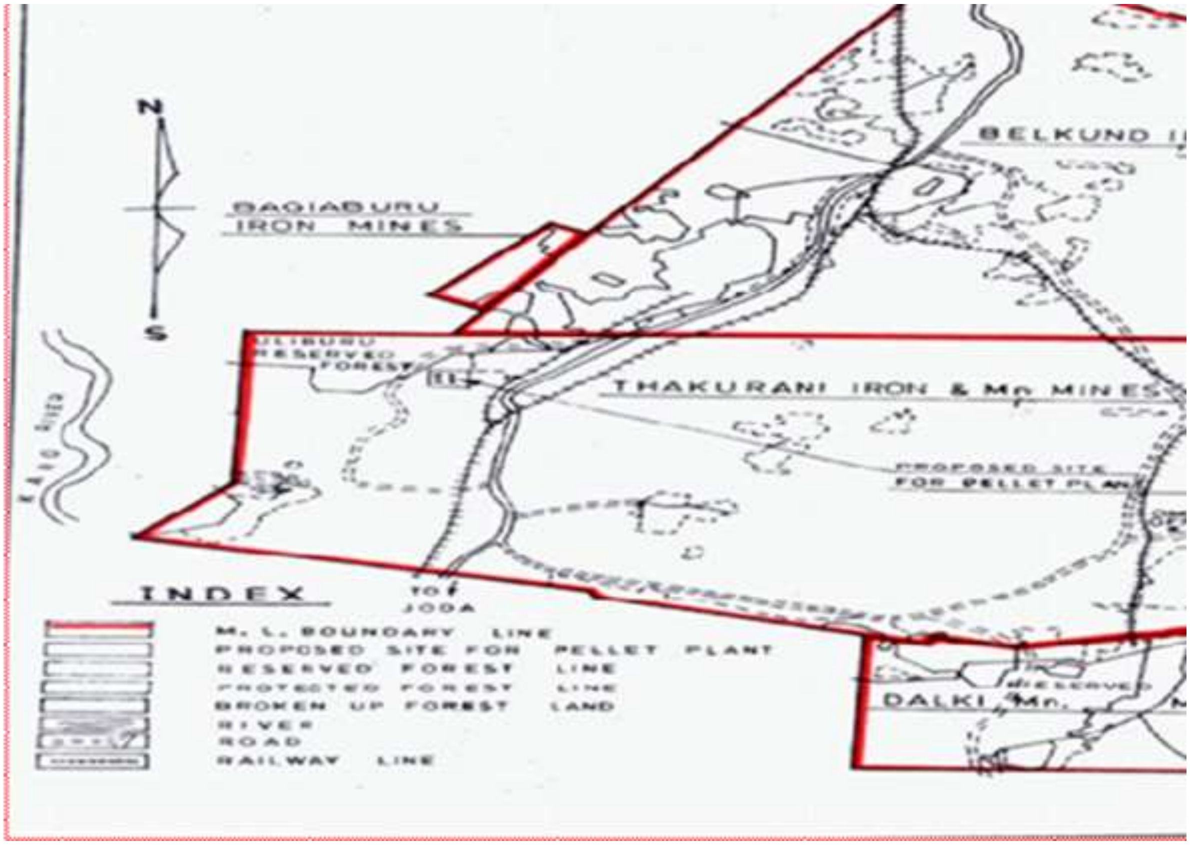
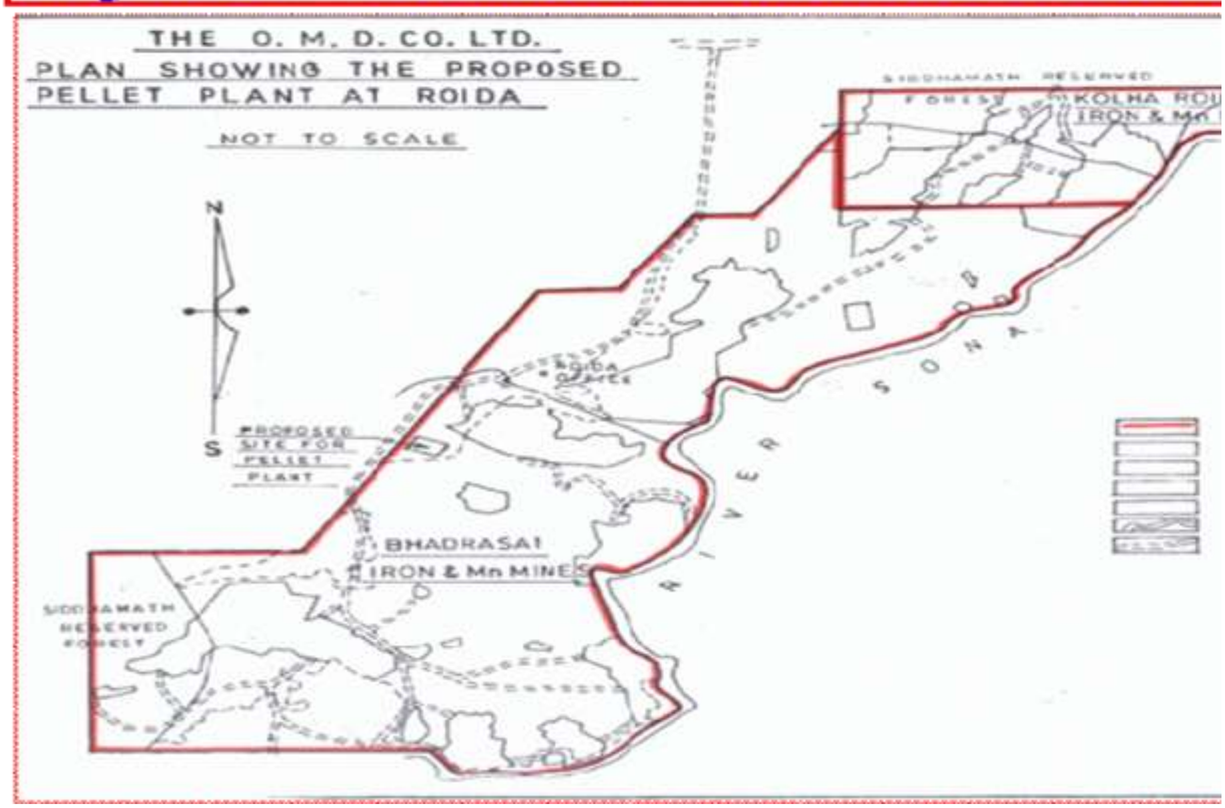
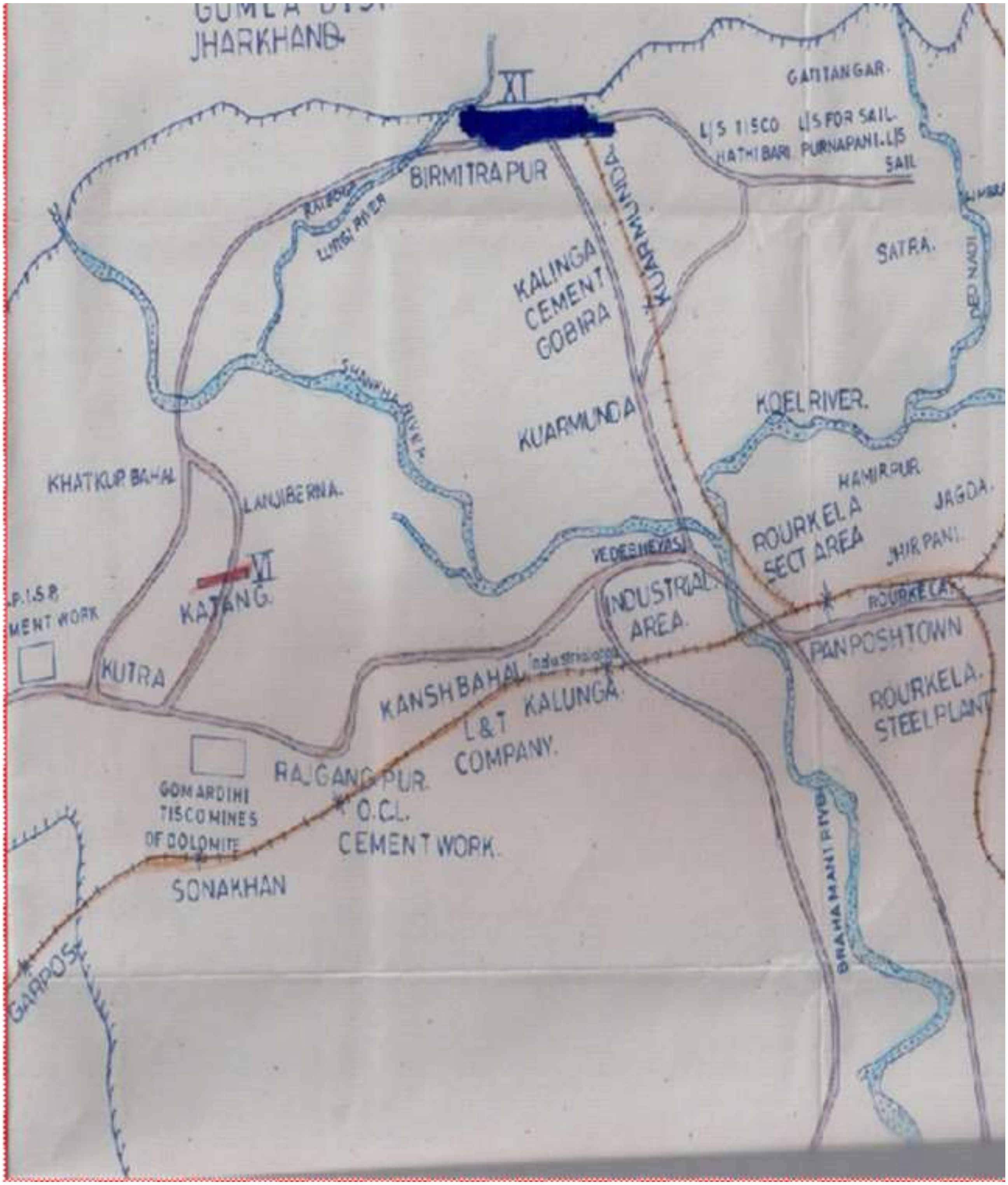


Figure 5 – Location of Bhadrasi and Kolh

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XI
L/S TISCO
L/S FOR SAIL
PURNAPANI L/S SAIL
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SATRA.
KUARMUNDA
KOEL RIVER.
HAMIRPUR
JAGDA.
ROURKELA SECT AREA
KHATKUR BAHAL
LANJIBERNA.
INDUSTRIAL AREA
ROURKELA
PANPOSHTOWN
ROURKELA STEEL PLANT
VI
KATANG.
KUTRA
KANSHBAHAL
KALUNGA
L&T COMPANY.
RAJGANGPUR
O.C.L. CEMENT WORK.
GOMARDIHI TISCO MINES OF DOLOMITE
SONAKHAN
GARPOSH

ANNEXURE - 2

1. Thakurani Iron & Manganese Mines (1546.55 Hect.) M/s B.P.M.E. Ltd (Revised RML application filed over 778.762 Hect.)

S. No.	Particulars of Application	Date
1.	Application to the Secretary to Government of Odisha, Department of Steel & Mines, for renewal of mining lease by BPME for land admeasuring a total area of 778.762 hectares situated at Sading, Dalki, Karakolha, etc., Chapua subdivision, Keonjhar district, Odisha for a period of 20 years with effect from October 1, 2004 to September 30, 2024.	September 27, 2003

2. Dalki Manganese Miines (266.77 Hect) M/s B.P.M.E. Ltd.

S. No.	Particulars of Application	Date
1.	Application to the Secretary to Government of Odisha, Department of Steel & Mines, for renewal of mining lease by BPME for land admeasuring a total area of 266.77 hectares situated at Dalki vilage, Keonjhar district, Odisha for a period of 20 years with effect from October 1, 1994 to September 30, 2014.	August 23, 1993

3. Iron and Manganese Mines at Kolha-Roida (254.952 Hect) M/s B.P.M.E. Ltd.

S. No.	Particulars of Application	Date
1.	Application to the Secretary, Department of Steel & Mines, Government of Odisha, for renewal of mining lease by BPME for land admeasuring a total area of 254.952 hectares situated at village Kolha-Roida, Keonjhar district, Odisha for a period of 20 years with effect from August 16, 1996 to August 14, 2016.	July 14, 1995

4. Belkundi Iron & Manganese Mines (1276.79 Hect) M/s O.M.D.C. Ltd.

S. No.	Particulars of Application	Date
1.	Application to the Secretary to Government of Odisha, Department of Steel & Mines, for renewal of mining lease by OMDC for land admeasuring a total area of 1276.79 hectares situated at Nalda, Belkundi, Karakolha, Karakhendra, Barbil 7 & *, Uliburu reserve forest, etc., Chapua subdivision, Keonjhar district, Odisha for a period of 20 years with effect from August 16, 2006 to August 15, 2026	Acknowledgement dated August 12, 2005

5. Iron and Manganese Mine at Bhadrasai (998.70 hect.) M/s O.M.D.C. Ltd.

S. No.	Particulars of Application	Date
1.	Application to the Secretary, Department of Steel & Mines, Government of Odisha, for renewal of mining lease by OMDC for land admeasuring a total area of 998.70 hectares situated at Kolha-Roida, Bhuyan Roida, Kundrupani, Chattabar, Bichhakundi and Siddhamath Reserve Forest, Chapua subdivision, Keonjhar district, Odisha for a period of 20 years with effect from October 1, 2010 to September 30, 2030.	July 18, 2009

6. Bagiaburu Iron Mines (21.52 Hect) M/s O.M.D.C. Ltd.

S. No.	Particulars of Application	Date
1.	Application to the Secretary, Department of Steel & Mines, Government of Odisha, for renewal of mining lease by OMDC for land admeasuring a total area of 21.52 hectares situated at Uliburu reserve forest, Chapua subdivision, Keonjhar district, Odisha for a period of 20 years with effect from October 1, 2010 to September 30, 2030.	July 18, 2009

ANNEXURE-3

Table 3: JORC compliant Ore Reserves/ Mineral Resources: RINL leases- Limestone							
ML name	Proved Ore Reserves	Probable Ore Reserves	Total Ore Resrves	Measured Mineral Resources	Indicated Mineral Resources	Inferred Mineral Resources	Total Mineral Resources
	Mt	Mt	Mt	Mt	Mt	Mt	Mt
Jaggayyapeta	36.06	53.15	89.21			25.15	25.15

Table 4: JORC compliant Ore Reserves/ Mineral Resources: RINL leases- Dolomite							
ML name	Proved Ore Reserves	Probable Ore Reserves	Total Ore Resrves	Measured Mineral Resources	Indicated Mineral Resources	Inferred Mineral Resources	Total Mineral Resources
	Mt	Mt	Mt	Mt	Mt	Mt	Mt
Madharam	28.82	11.09	39.91				

Table 5: JORC compliant Ore Reserves/ Mineral Resources: RINL leases- Manganese							
ML name	Proved Ore Reserve	Probabl e Ore Reserves	Total Ore Resrves	Measure d Mineral Resource	Indicated Mineral Resource	Inferred Mineral Resource	Total Mineral Resource
	Mt	Mt	Mt	Mt	Mt	Mt	Mt
Garbham					0.389	0.478	0.867

Table 6: JORC compliant Ore Reserves/ Mineral Resources: OMDC leases- Iron ore							
ML name	Proved Ore Reserves	Probable Ore Reserves	Total Ore Resrves	Measured Mineral Resources	Indicated Mineral Resources	Inferred Mineral Resources	Total Mineral Resources
	Mt	Mt	Mt	Mt	Mt	Mt	Mt
Tahkurani					69.31	41.24	110.55
Bhadrasahi					57.09	17.32	74.41
Kolha Roida					21.951	5.726	27.68
Bagiaburu					3.57	2.13	5.70
Belkundi				9.89	0.00	17.23	27.12
Total				9.89	151.92	83.65	245.46

Table 7: JORC compliant Ore Reserves/ Mineral Resources: OMDC leases- Manganese ore							
ML name	Proved Ore Reserves	Probable Ore Reserves	Total Ore Resrves	Measured Mineral Resources	Indicated Mineral Resources	Inferred Mineral Resources	Total Mineral Resources
	Mt	Mt	Mt	Mt	Mt	Mt	Mt
Tahkurani						1.27	1.27
Bhadrasahi					7.69	4.67	12.36
Kolha Roida					1.14	0.85	1.99
Dalki						4.59	4.59
Belkundi					9.88	2.38	12.26
Total					18.71	13.76	32.47

Table 8: JORC compliant Ore Reserves/ Mineral Resources: BSLC leases- Limestone							
ML name	Proved Ore Reserves	Probable Ore Reserves	Total Ore Resrves	Measured Mineral Resources	Indicated Mineral Resources	Inferred Mineral Resources	Total Mineral Resources
	Mt	Mt	Mt	Mt	Mt	Mt	Mt
Birmitrapur		192.00	192.00			83.00	83.00

Table 9: JORC compliant Ore Reserves/ Mineral Resources: BSLC leases- Dolomite							
ML name	Proved Ore Reserves	Probable Ore Reserves	Total Ore Resrves	Measured Mineral Resources	Indicated Mineral Resources	Inferred Mineral Resources	Total Mineral Resources
	Mt	Mt	Mt	Mt	Mt	Mt	Mt
Birmitrapur		114.00	114.00			71.00	71.00

Table 10: JORC compliant Ore Reserves/ Mineral Resources: Limestone								
ML name	Lessee name	Proved Ore Reserves	Probable Ore Reserves	Total Ore Reserves	Measured Mineral Resources	Indicated Mineral Resources	Inferred Mineral Resources	Total Mineral Resources
		Mt	Mt	Mt	Mt	Mt	Mt	Mt
Jaggayyapeta	RINL	36.06	53.15	89.21			25.15	25.15
Birmitrapur	BSLC		192.00	192.00			83.00	83.00
Total		36.06	245.15	281.21			108.15	108.15

Table 11: JORC compliant Ore Reserves/ Mineral Resources: Dolomite								
ML name:	Lessee name	Proved Ore Reserves	Probable Ore Reserves	Total Ore Reserves	Measured Mineral Resources	Indicated Mineral Resources	Inferred Mineral Resources	Total Mineral Resources
		Mt	Mt	Mt	Mt	Mt	Mt	Mt
Madharam	RINL	28.82	11.09	39.91				
Birmitrapur	BSLC		114.00	114.00			71.00	71.00
Total		28.82	125.09	153.91			71.00	71.00

Table 12: JORC compliant Ore Reserves/ Mineral Resources: Iron ore								
ML name:	Lessee name	Proved Ore Reserves	Probable Ore Reserves	Total Ore Reserves	Measured Mineral Resources	Indicated Mineral Resources	Inferred Mineral Resources	Total Mineral Resources
		Mt	Mt	Mt	Mt	Mt	Mt	Mt
Thakurani	OMDC					69.31	41.24	110.27
Bhadrasahi	OMDC					57.09	17.32	74.41
Kolha Roida	OMDC					21.95	5.73	27.68
Bagiaburu	OMDC					3.57	2.13	5.70
Belkundi	OMDC				9.89		17.23	27.12
Total					9.89	151.92	83.65	245.18

Table 13: JORC compliant Ore Reserves/ Mineral Resources: Manganese ore								
ML name:	Lessee name	Proved Ore Reserves	Probable Ore Reserves	Total Ore Reserves	Measured Mineral Resources	Indicated Mineral Resources	Inferred Mineral Resources	Total Mineral Resources
		Mt	Mt	Mt	Mt	Mt	Mt	Mt
Thakurani	OMDC						1.27	1.27
Bhadrasahi	OMDC					7.69	4.67	12.36
Kolha Roida	OMDC					1.14	0.85	1.99
Dalki	OMDC						4.59	4.59
Belkundi	OMDC					9.88	2.38	12.26
Garbham	RINL					0.39	0.48	0.87
Total						19.10	14.24	33.34