

FPO NOTE

**NMDC
LIMITED**

09 March 2010

Snapshot of the Public Offer

Highlights

Issue Type	Book Built Offer
Issuer	NMDC Limited
Further Public Offer of 33,22,43,200 equity shares (Offer will constitute 8.38% of post offer fully paid up equity share capital)	
Face value of equity shares is Rs.1 per share	
Price Band	Rs.300-Rs.350
Issue Size	9967.30 crs -1162.90 crs
Issue is open	From March 10 to March 12, 2010
The application bid lot size for the issue is 20 shares	

Concerned Entities

Book Running Lead Managers to the offer are	UBS Securities India Limited Citigroup Global Markets India Private Limited Edelweiss Capital Limited Kotak Mahindra Capital Company Limited Morgan Stanley India Company Private Limited RBS Equities (India) Limited
Registrar to the offer is	KARVY Computershare Private Limited
Equity Shares of the company are listed on	NSE & BSE
IPO Grading	Not required as this is not an IPO

Allotment Basis

Employee Reservation Portion	17,43,200 equity shares
Retail Investors	Not less than 11,56,75,000 equity shares or 35% of the Net Issue on proportionate basis
Non-Institutional Investors	Not less than 4,95,75,000 equity shares or 15% of the Net Issue on proportionate basis
Qualified Institutional Buyers	Up to 16,52,50,000 equity shares or 50% of the Net Issue

Contact details of the Issuer

Registered & Corporate Office of the company is:

NMDC Khanij Bhavan, 10-3-311/A, Castle Hills, Masab Tank, Hyderabad – 500 173, Andhra Pradesh, India

Tel: (040) 2353 8757 **Fax:** (040) 2353 8711

Website: www.nmdc.co.in **Email:** divest2010@nmdc.co.in

Company Secretary & Compliance Officer:

Mr. Kumar Raghavan

About the Issuer

Brief Introduction

NMDC Company was the largest iron ore producer by volume in India during the last three fiscal years (according to a certificate of the Federation of Indian Mineral Industries dated as of February 8, 2010) and produced 28.5 million tonnes of iron ore in Fiscal 2009. The Company's principal operations include its three iron ore mining complexes at Kirandul and Bacheli in the State of Chhattisgarh and Donimalai in the State of Karnataka, each of which consists of several iron ore mines. Iron ore sales represented approximately 99% of our consolidated income from operations for Fiscal 2009 and for the nine months ended December 31, 2010. For Fiscal 2009, we had consolidated total revenues of Rs. 85,754.6 million, profit before depreciation, interest and taxes of Rs. 67,246.0 million and profit after tax of Rs. 43,722.5 million. It is a debt-free company with a strong balance sheet including cash and cash equivalents of about Rs 120 bn as on Dec'2009. It is the 6th largest iron ore mining company in the world and largest in the country with proven reserves of about 1,360 million.

Promoters

President of India, acting through the Ministry of Steel

Competitive Strengths

Company believes that its principle competitive strengths are: **1.** Large Reserves of High Grade Iron Ore. **2.** Largest producer of iron ore in India by volume. **3.** Resources making the Company a low-cost producer **4.** Well Positioned to Capitalise on India's Growth and Resource Potential **5.** Research and development center and in-house exploration capability

Business Strategies

1. Continue diversifying and expanding its mining activities and products. **2.** Expand and establish its presence as an integrated producer of iron and steel. **3.** Continue to be a low cost, efficient and environmentally friendly mining company. **4.** Augment resources, improve infrastructure and enhance technology through joint ventures and commercial tie-ups

09 March 2010

Objective of the Public Issue

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

Capital Structure of the Issuer

Particulars of the Capital	Nominal Value @ Rs.1 / share(in crs)
Authorized equity share capital: 4,00,00,00,000 shares	400.00
Equity share capital before Issue: 3,96,47,16,000 shares	396.48
Further public Offer: 33,22,43,200 shares	33.23
Equity Capital after Issue: 3,96,47,16,000 shares	396.48
The Share Premium Account	
Particulars	Value (in Rs. Crore)
Premium amount before the issue	Nil
Premium amount after the issue	Nil

Board of Directors

Mr. Rana Som, Chairman and Managing Director

Mr. Vinod Kumar Sharma, Whole-time Director (Commercial)

Mr. Santhanam Venkatesan, Whole-time Director (Production)

Mr. Narendra Kumar Nanda, Whole-time Director (Technical)

Mr. Swaminathan Thiagarajan, Whole-time Director (Finance)

Mr. Udai Pratap Singh, Non-Executive Director

Mr. Rajendra Nath Aga, Independent Director

Dr. (Mrs.) Indira Misra, Independent Director

Mrs. Teresa Bhattacharya, Independent Director

Mr. Yogendra Kumar Sharma, Independent Director

Mr. Abdul Kalam, Independent Director

Mr. Raju Satyanarayana Kanumuri, Independent Director

Key Financials

Key (consolidated) business performance figures of NTPC Limited are (in Rs. Crore):

Particulars	Nine Year ended 31/12/2009	Year ended 31/03/2009	Year ended 31/03/2008
Total Income	4882.54	8575.46	6412.01
Total Expenditure	1226.25	2275.85	1696.49
Profit after Tax	2389.65	4349.49	3285.98
Fixed Assets	1174.90	994.96	679.89
Investments	75.27	70.77	83.28
Current Assets, Loans & Advances	13668.36	11760.04	8284.10
Total Assets	14918.53	12825.77	9047.27
Total Liabilities & Provisions	1270.24	1220.25	768.53
Net Worth	13648.29	11605.52	8278.74
Earnings per Share (in Rs.)		(6.42)	(4.19)
Return on Net Worth	17.51%	37.48%	39.69%

IMPORTANT: Please read the Red Herring Prospectus of this issue carefully before investing in the same.

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