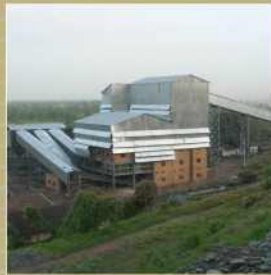




48th Annual Report 2009-10



MOIL LIMITED

(Formerly Manganese Ore (India) Ltd.)

(A GOVERNMENT UNDERTAKING)

MOIL Bhavan, 1-A, Katol Road, Nagpur-440013

website : www.moil.nic.in

Adding Strength to Steel...



National Safety Award-being presented by Vice President of India Shri Mohammad Hamid Ansari to Shri K.J. Singh, Chairman-cum-Managing Director of MOIL.



MOIL LIMITED

(FORMERLY MANGANESE ORE (INDIA) LTD.)
(A Government Undertaking)

REGISTERED OFFICE
MOIL Bhavan, 1-A, Katol Road
Nagpur- 440013 (Maharashtra)

BOARD OF DIRECTORS

Chairman-cum-Managing Director

Shri K.J. Singh

DIRECTORS

Dr. Dalip Singh

Shri A. M. Khan

Shri S. K. Mishra

Dr. S. K. Bhattacharyya

(From 25 - 06 -2010)

Shri Vijay Kale

(From 25 - 06 -2010)

Dr. Madhu Vij

(From 25 - 06 -2010)

Shri A. Balraj

(Up to 25 - 06 -2010)

Dr. D. D. Kaushik

(Up to 25 - 06 -2010)

Dr. M. Maharajan

(Up to 25 - 06 -2010)

Shri M. A. V. Goutham

Director (Finance)

Shri A. K. Mehra

Director (Commercial)

Shri G. P. Kundargi

Director (Production & Planning)

COMPANY SECRETARY

Shri Neeraj D. Pandey

Statutory Auditors

Shah Baheti Chandak & Co.

Chartered Accountants, Nagpur






Bankers

Syndicate Bank





Bank of India

IDBI Bank Ltd.

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PERFORMANCE AT A GLANCE

Rs. In Lakhs

Particulars	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
FINANCIAL(RS. LAKHS)							
Sales	96547.09	128484.06	97335.83	41762.99	33409.96	37877.58	22874.25
Other Income	13625.66	12314.68	5668.47	3419.26	2209.34	934.34	585.39
Total Income	110172.75	140798.74	103004.30	45182.25	35619.30	38811.92	23459.64
Gross Margin	73209.27	103142.25	75098.44	21020.78	17947.46	21065.17	5266.73
Profit Before Tax	70679.41	100675.67	73490.79	20114.58	16900.48	20226.73	4529.43
Profit After Tax	46634.71	66379.33	47981.77	13420.75	11451.71	12690.03	2851.60
Dividend	9408.00	13300.00	9660.00	2800.00	1992.27	919.51	459.75
Share Capital	16800.00	2800.00	2800.00	2800.00	1532.51	1532.51	1532.51
Reserves&Surplus	150937.10	129287.22	78468.22	43348.50	34404.57	25224.55	13584.16
Borrowings	- NIL -	- NIL -	- NIL -	- NIL -	- NIL -	- NIL -	- NIL -
Gross Block	35702.66	34199.97	30247.57	1715.97	13928.47	12638.97	11272.08
Working Capital	147127.32	111817.20	63200.54	34285.38	28278.00	20871.24	9833.00
Capital Employed	166781.37	132380.87	82088.42	41894.00	33772.00	26077.00	14207.00
Profit Before Tax to Capital Employed(%)	42.38	76.05	89.53	48.01	50.04	77.57	31.88
Profit Before Tax to Sales (%)	73.21	78.36	75.50	48.16	50.59	53.40	19.80
Net Worth	167737.10	132087.22	81268.22	45763.59	34603.86	25726.04	13969.84
Earnings per Share (Rs.)	27.76	2370.69	1713.63	479.31	697.82	828.06	186.07
Debt to Equity Ratio	- NIL -	- NIL -	- NIL -	- NIL -	- NIL -	- NIL -	- NIL -
CONTRIBUTION TO EXCHEQUER							
Income Tax	24611.61	34122.93	24112.29	6035.41	5501.49	7529.65	1719.17
Dividend Tax	1576.83	2260.33	1641.72	409.33	124.66	130.14	68.91
Sales Tax	2254.81	3072.00	2925.83	1524.00	1348.10	1642.24	914.64
Royalty & Cess	3469.42	3500.34	2688.17	1148.88	908.62	1036.53	586.52
Excise duty	293.26	464.00	763.49	381.85	460.87	408.15	481.25
M.P.Road Cess	1941.23	2511.12	2802.71	- NIL -	- NIL -	- NIL -	- NIL -
Total	34054.26	45930.72	34934.21	9499.47	8343.74	10746.71	3770.49
PHYSICAL Production							
Manganese Ore (Lakh Tonnes)	10.93	11.75	13.65	10.47	8.65	9.43	7.99
Ferro Grade(Lakh Tonnes)	5.95	6.31	6.44	6.06	5.72	5.49	5.43
E.M.D.(Tonnes)	1150.00	1240	1122	1312	1301	1123	975
Ferro Manganese(Tonnes)	9555.00	10120	11130	10200	6170	10325	10899
Output per Manshift (O.M.S.)/Tonnes	0.728	0.766	0.877	0.664	0.551	0.610	0.507

BOARD OF DIRECTORS

(As on AGM Date)



Shri K. J. Singh

Chairman-cum-Managing Director

GOVERNMENT DIRECTORS



Dr. Dalip Singh



Shri A. M. Khan



Shri S. K. Mishra

INDEPENDENT DIRECTORS



Dr. S. K. Bhattacharyya



Shri Vijay Kale



Dr. Madhu Vij

FUNCTIONAL DIRECTORS



Shri M.A.V Goutham



Shri A. K. Mehra



Shri G. P. Kundargi

COMPANY SECRETARY



Shri Neeraj D. Pandey

DIRECTORS RETIRED



Shri A. Balraj



Dr. D.D. Kaushik



Dr. M. Maharajan

C.V.O.



Shri Pradeep Gupta, IPS

SENIOR EXECUTIVES



Shri V. R. Sengupta
G.M.(Personnel)



Shri M. D. Sorathiya
G.M.(Safety & Environment)



Shri D. Shome
G.M.(Prod. & Qlty)

**Chairman's Speech delivered at the 48th AGM
Of MOIL held on 23rd July 2010 at Nagpur**



Dear Shareholders

On behalf of the Board of Directors, I extend a very warm welcome to all of you at this 48th Annual General Meeting of your Company. The Audited Annual Accounts and the Directors' Report for the year ended 31st March 2010 with the comments of Comptroller and Auditor General (C&AG) have already been circulated to all the shareholders and with your permission I take them as read.

Market Scenario

The Financial Year 2009-10 has been a year of challenge. But thanks to stimulus measures taken by Government of India, the year which began amidst the gloom of an economic downturn, ended with indication of vibrant economic rebound.

As the performance of Steel Industry and demand of Mn Ore are inter-linked, the Mn Ore market will be primarily driven by the growth prospects of steel industry.

The National Steel Policy 2005 had projected consumption to grow at 7% based on a GDP growth rate of 7-7.5% and production of 110 million tonne by 2019-20. These estimates will be largely exceeded and it has been assessed that, on a 'most likely scenario' basis, the crude steel production capacity in the country by the year 2011-12 will be nearly 124 million tonne.

The rejuvenated steel market in the country has already witnessed the announcements of mega expansion plans of leading domestic producers in the form of Greenfield and/or Brownfield projects in different parts of the country. The decision by various international companies to set up their steel plants in the country has given the Indian steel industry a feel of 'Globalization'.

The domestic Indian steel producers are also not much behind and performing exceptionally well. India has emerged as one of the largest crude steel producing country in the world and if proposed expansions plans are implemented as per schedule, India may become the second largest crude steel producer in the world by 2015-16.

Following the impact of the global financial crisis, the economic growth rate slipped to 6.7 per cent during 2008-09 from over 9 per cent during the preceding three years. However, it has bounced back

to 7.4% during 2009-10, and going ahead on the way of double digit growth, it may touch to 8.5 - 9% during the current fiscal, to becoming world's fastest growing economy in coming years.

The rising inflation resulting into higher input cost is a major area of concern for the industry. The government has taken a number of short-term and medium term measures to control the inflation and same is expected to be moderate in coming times.

Performance Overview

Despite the troublesome economy conditions all over the world, your company's performance during the previous year 2009-10 have been considerably remarkable. Salient features of performance of the Company during 2009-10, are as under-

Financial Performance

Particulars	Rs. in Crore		
	Actual	MoU Target	% Achieved
Sales Turnover	965.47	632.59	153
Profit before interest, depreciation and tax (EBIDTA)	732.09	392.05	187
Profit before tax for the year (PBT)	706.79	364.21	194
Profit after tax for the year (PAT)	466.35	240.42	194

I am glad to inform you that for the year 2009 -10 also, your company has received "NIL" comments from Comptroller and Auditor General (C&AG).

Physical Performance

Production: During 2009-10, MOIL has produced 10.93 lakh tonnes of various grades of manganese ore and successfully achieved MoU Target of 10.75 lakh tonnes for the year.

Sales: Your Company has sold 11.75 lakh tonnes of various grades of manganese ore during 2009-10, as against Target of 9.60 lakh tonnes.

Dividend: In order to fulfill its commitment towards creation of wealth of company's shareholders, your Board of Directors have recommended dividend of 56% (including 22% interim dividend which has already been paid) amounting to Rs. 94.08 Crores, on enhanced equity share capital.

Restructuring of Capital

With a view to bring its Share Capital to a level commensurate with operations of the Company, the Authorised Share capital of the Company has been increased from Rs.100 Crores to Rs.250 Crores. Further, in order to bring the share capital in line with capital employed, your Company has also issued bonus shares in the ratio of 1:5 and changed the face value of the shares from Rs.100/- to Rs.10/- each. The post bonus paid-up equity share capital of the company stands at Rs.168 Crores, divided into 16.8 Crores shares of Rs.10/- each.

Corporate Governance

Your Company strives to attain high standards of Corporate Governance while interacting with all its stakeholders. The Company has put its best efforts to comply highest level of Corporate Governance code as stipulated under DPE Guidelines. Corporate Governance in your company goes beyond compliance and involves a company wide commitment towards all its stakeholders, in particular shareholders, employees and customers. A report of Corporate Governance forms a part of the Directors' Report.

Human Resource Development

Human Resource is a most valuable asset to any organization and your company assigns a great deal of importance to this most precious resource. It has a full-fledged Personnel Department that seeks to attract and recruit the best possible talent and groom it to fulfill its vision for the future. The Directors wish to acknowledge the efforts of all employees in enhancing the performance of the Company.

The Company has implemented the new wage settlement and pay revision, for its employees during 2009-10

Commitment towards Society

CSR

Your Company is committed to its responsibilities towards society. It strives to adopt best practice of Corporate Social Responsibility ("CSR") efforts and demonstrate environmentally as well as ethically conscious behaviour.

CSR activities in the Company focus mainly on Environmental care, Education, Community Health care, People care, Peripheral Development, Cultural efflorescence, Help during natural calamities, Assistance to various schools, Providing Financial Assistance to various institutions being run for the benefits of the general public, Providing medical facilities and assistance such as providing ambulance, sponsoring free cataract surgeries and free eye examination etc. in the current year. The Company is envisaging to further enlarge its activities under CSR.



Environment

MOIL is committed to preserve mankind's precious heritage nature by maintaining a balance between preservation of environment and its business activities. It provides safe and healthy working environment. It has done cumulative plantation of about 16.61 lakhs saplings, till the end of previous year.

In order to be environmentally compliant and energy efficient company, your company has promoted non-conventional energy resources and commissioned a 20 MW capacity Wind Turbine Project at Nagda Hills, near Dewas in Madhya Pradesh. It has produced 96.30 million units of electricity till June, 2010 and put into the State Grid, to partially meet the State's Power requirements.

Recognitions :

The performance of MOIL has been widely recognized by various authorities and institutions. Some are:

Recall value, the Board of Directors have proposed to change the name of the Company as "MOIL Limited". The change in Company has also been approved by Ministry of Steel, Govt. of India.

- **National Safety Awards** for the year 2007 by Hon'ble Vice President of India:
- **MOU Excellence Award** for the year 2007 by Hon'ble Prime Minister of India.
- **National Energy Conservation Award** for Kandri Mine for the year 2009.
- **National Quality Circle Award 2009**
- **OHSAS 18001:2007** Certificate, for implementation of Occupational
- Health & Safety Management System
- Winner's Trophy for Longest Accident Free Period by Dongri Buzurg Mine. Trophy for Lowest Injury Frequency Rate Beldongri Mine.
- "ISO 9001:2008 Certification" for Vigilance Department of the Company



Change of Name of the Company

Your company was originally incorporated as "Manganese Ore (India) Ltd. But these days, it is better known by its abbreviated name "MOIL" among industry, customers and general public. Besides, the Company is also pursuing ambitious plans such as JVs, expansion programmes in the area of coal mining, power generation and acquisition of mines abroad, etc. In such case, if the company goes for diversification of its business, the existing name of the Company will not indicate its business activities. In view of this and also to give it the better recall value, the Board of Directors have proposed to change the name of the Company as "MOIL Limited". The change in Company has also been approved by Ministry of Steel, Govt. of India.



Initial Public Offer (IPO)

It gives me great pleasure to inform you that in line with Government's policy to encourage public participation in all profitable CPSEs by listing of their shares, Ministry of Steel, Government of India has also recommended name of your company for listing of its shares by way of Initial Public Offer of Government's stake in the Company. The proposed IPO of the Company will not only unlock the value for all concerned stakeholders but also make the company more accountable to the general public.

Future Outlook:

The market of Mn Ore is linked inextricably to the fortunes of the steel industry. The performance of the company, thus, would depend on performance of steel industry, in times to come.

The World Steel Association (WSA) has forecasted that world's apparent steel use will increase by 10.7% to 1,241 million tonnes in 2010. It has further stated that India's steel demand maintained stable growth during the crisis and is expected to grow by around 40 % in coming years.

The Steel production in India in the 2010-11 (April-March) fiscal year, is likely to be 65 million tonnes, compared to 60-61 million tonnes in the previous year. In 2011, India's apparent steel use will reach 71.6 million tonnes.

In comparison to other countries, India is very well poised for growth as the Government and industry are looking at achieving the targeted 121 million tonnes of capacity in the next 35 years, more than doubling country's present steel capacity

MOIL has the strength of holding about 60% of total demonstrated reserves of Ferro Grade Manganese Ore in the country. MOIL is also the largest producer of Manganese Ore in the country and accounts for about 50% of country's production. With its strong fundamentals, MOIL is well set to avail the opportunity of higher sales.

I am pleased to inform you that during the current financial year your company is going to improve its performance over earlier year. It has achieved Sales Turnover of Rs. 349 Crore for the quarter ended June, 2010, which is a highest ever sales turnover of the Company for any quarter since its inception.

To meet future requirements of the industry, MOIL has already taken up various steps and also has plans to take further initiative in coming times. Some of them are:

- It has already entered into separate Joint Venture Agreement with SAIL and RINL for setting up Ferro Alloys Plant in Chhattisgarh and Andhra Pradesh, respectively. The aggregate capacity of both these plants is about 1.63 lakh TPA. The total investment of MOIL in both the projects will be about Rs. 300 Crores. The projects are going as per schedule.

- In order to improve the existing level of production and also to augment the same in times to come, your company has initiated various developmental programs such as Sinking of Vertical Shaft at Gumgaon, Munsar and Ukwa mine, and Deepening the existing shafts at Balaghat and Beldongri. These projects are at various stages of implementation.

- It has done mechanization of mining operations, opencast and underground development and improvement in recovery through mineral beneficiation to increase the production



Here, I would like to share with you that your company is also exploring the opportunities for expansion of activities in the area of coal mining, power generation and acquisition of mines abroad, as a part of its expansion and diversification plans, to meet the future challenges. In line with the changed economic scenario and to meet the future requirements, MOIL is also working on its new Corporate Plan for next ten years.

Your company has also initiated action for assessment of its reserves and resources as per JORC standard, an internationally accredited practice, which will help it in confirming the status as well as value of its manganese ore reserves.

Acknowledgement:

The achievements of your company have been possible due to the dedication, diligence and commitment of its employees. I thank all the employees for their continued efforts in meeting the challenges posed before the organization. I would like to thank all the Directors of the Board for their valuable contribution and cooperation which enabled the Company achieve excellent performance. I take this opportunity to thank the help and support extended, in particular, by Ministry of Steel, Government of India, Government of Maharashtra, Government of Madhya Pradesh, other State Governments, Company's Bankers and our valued customers.

I sincerely assure you that with continued support of all its stakeholders, MOIL will scale new highs in times to come.

Thanks you all once again

Nagpur
23rd July 2010

K.J. Singh
Chairman - cum - Managing Director

DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Shareholders,

The Directors have pleasure in presenting the 48th Annual Report of the company together with audited accounts for the year ended 31st March, 2010.

FINANCIAL RESULTS

The financial results of 2009-10 and of the previous year are highlighted below:

	Rs. in Crore	
	2009-10	2008-09
Sales Turnover	965.47	1284.84
Other Income	136.26	123.15
Total Income	1101.73	1407.99
Profit before interest, depreciation and tax (EBIDTA)	732.09	1031.42
Depreciation	25.30	24.67
Profit before tax for the year (PBT)	706.79	1006.76
Less: Provision for Taxation	240.44	342.96
Profit after tax for the year (PAT)	466.35	663.80
Transfer to General Reserve	357.00	508.00

KEY Financial Ratios

	2009-10	2008-09
EBIDTA to Sales Turnover (%)	75.83	80.28
PAT on networth (%)	27.80	50.25
EBIDTA to average capital employed (%)	48.94	96.18
Earning Per share (Face Value Rs. 10/- each)	27.76	39.51
Book Value per share	99.84	78.62

Note:

During the year 2009 - 10 the company has issued bonus shares in the ratio of 1:5 and also the face value of the shares has been changed from Rs. 100/- to Rs. 10/- each. Accordingly, the EPS and Book Value of the shares have been re-worked, for the previous year also.

SHARE CAPITAL

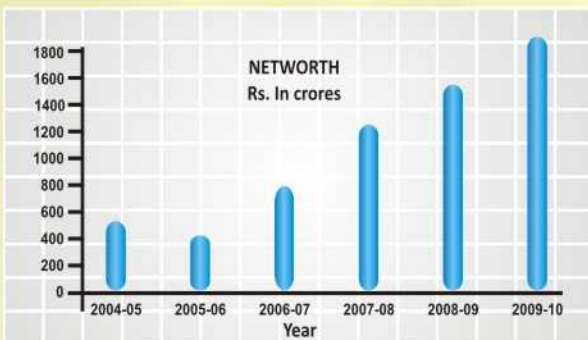
During the year under report, your company has issued bonus shares in the ratio of 1:5 and also the face value of the shares has been changed from Rs. 100/- to Rs. 10/- each. Consequent upon these, the number of shares and paid-up equity share capital has been increased from 28 lacs to 16.80 Crores and from Rs. 28.00 Crores to Rs. 168.00 Crores respectively. The Authorised Share capital of the Company has also been changed during the year from Rs. 100 Crores to Rs. 250 Crores divided into 25 Crores equity shares of Rs. 10/- each.

DIVIDEND

Your Company has been consistently complying with the guidelines of Department of Public Enterprises with regard to payment of dividend. During the year, an interim dividend of Rs. 36.96 Crores (Previous year Rs. 56.00 Crores) has been paid. The Board of Directors of your company has further recommended, subject to shareholders approval, payment of final dividend of Rs. 57.12 Crores (Previous year Rs. 77.00 Crores). The total dividend for the year 2009-10 works out to 56% on enhanced capital base. If the same is converted to pre bonus, same will work out to 336% (Previous Year 475%)

FINANCIAL PERFORMANCE

Indian steel sector witnessed a roller coaster ride in the year 2009-10, despite that your company has recorded turnover of Rs.965.47 Crores during the financial year 2009-10 as compared to Rs. 1284.84 Crores of previous year. Due to fall in price of manganese ore, there has been pressure in margin of the profit also. During the year under review, the company has implemented new pay scales of its executives and also given effect the wage revision of staffs and workers, which also has impact on the profit margin of the Company in current year as well as in coming years. In spite of that, the Company has earned a Profit after Tax (PAT) of Rs. 466.35 Crores as compared to Rs. 663.80 Crores in the previous year. Your Company continued its prudent cash planning during the year also, and deployed the surplus funds in fixed deposits as per the Government guidelines and earned an interest income of Rs. 121.68 Crores as compared to Rs. 103.87 Crores during the previous year.



SALES

Your Directors feel proud to register sale of a quantity of 11.75 lakh tonnes of manganese ore during the current year as against the target of 9.60 lakh tonnes resulting in an achievement of about 122%. The overall economy of the world was under pressure particularly till the first half of the year 2009-10. The market, however, has started showing some strength from later part of the year and the demand for steel, which fell drastically in the previous year, has started picking up resulting in increase in demand of the manganese ore as well. The prices of manganese, at the beginning of the current year 2009-10 were almost down by 60% vis-à-vis the price prevailing during the corresponding period last year. The prices, however, has started improving. Considering all such ups and downs, the performance of the company during the year 2009-10, has been quite remarkable. The Company, mainly due to its prudent marketing policy, has been able to achieve excellent sales turn over, even during the recessionary period. The sale of Electrolytic Manganese Dioxide (EMD) was 857 tonnes as against the target of 1000 tonnes achieving about 86% of the target. The sale of Ferro Manganese at 7479 tonnes has registered achievement of about 75% of the targeted production of 10000. However, in the first month of year 2010-11 itself, the company has booked order for 3450 tonnes of Ferro Manganese at better price than the previous year. In terms of value, the sales turnover during the year 2009-10 was Rs.965.47 Crores (including EMD, Ferro Manganese and W.T.G. Units turnover of Rs.5.80 Crores, Rs.40.27 Crores and 9.31 Crores respectively) as against the target of Rs.632.59 Crores (including EMD, Ferro Manganese and W.T.G. Units over target of Rs.5.63 Crores, Rs.48.83 Crores and Rs. 11.73 Crores respectively).

PRODUCTION AND PRODUCTIVITY

Your Company took the recession as an opportunity to streamline and re-orient its production activities in line with market condition and future requirement. It has successfully crossed the targeted production of 10.75 lakh tonnes of various grades of manganese ore and registered production of 10.93 lakh tonnes (Previous Year 11.75 lakh tonnes) in the current year, in spite of slow down in economy continuing particularly during the first half of the year. The production of Electrolytic Manganese Dioxide (EMD) was 1150 tonnes (previous year 1240 tonnes) as against the target of 1300 tonnes resulting in an achievement of about 88%. The shortfall in production of EMD was mainly due to shut down of the EMD Plant for two months during the year for annual maintenance. The production of Ferro Manganese was 9555 tonnes (previous year 10120 tonnes) as against a target of 8760 tonnes reflecting an achievement of about 109%. The Company has achieved productivity (Output Per Manshift) of 0.728 tonnes (previous year 0.766 tonnes) as against target of 0.500 tonnes.

The Company has a closing stock of 0.67 lakh tonnes of manganese ore valued at Rs.20.36 Crores as on 31.3.2010 as compared to 1.77 lakh tonnes of manganese valued at Rs.39.95 Crores as on 31.3.2009. The closing stock of EMD was 726.72 tonnes (including work in process of 30.72 tonnes) valued at Rs.4.52 Crores as on 31.3.2010 as compared to 414.60 tonnes (including work in process of 11.60 tonnes) valued at Rs.2.21 Crores as on 31.3.2009. The closing stock of ferro manganese was 4444 tonnes valued at Rs.16.32 Crores as on 31.3.2010 as against 2368 tonnes valued at Rs.9.50 Crores as on 31.3.2009. The stock of EMD and Ferro Manganese has mounted mainly because of prevailing market condition resulting in lower off-take. The Directors would like to mention that in the month of April of 2010-11, the company has booked order for 3450 tonnes of Ferro Manganese.

CAPITAL / VALUE ADDITION PROJECTS

1. Mining Projects:

(i) Sinking of Vertical Shaft at Gumgaon Mine:

The ore body of Gumgaon is containing high grade manganese ore with vast reserves. In order to exploit this ore safely and systematically, a vertical shaft is being sunk at this mine at an estimated cost of Rs.16.71 Crores including ore handling system. The project will improve the production level as well as productivity and safety. A sinking of 157 mtrs. has been achieved against the total sinking of 190 mtrs. The work of sinking and allied works such as installation of head gear, lining, equipping, etc. are progressing satisfactorily. The project is expected to be completed by April-2011.

(ii) Deepening of vertical shaft at Balaghat mine.

In order to sustain the existing level of production and also to augment the same in the coming year to meet the increased demand, the company has taken up the work of deepening of vertical shaft at Balaghat Mine beyond 10th level upto 15th level. The total work comprises of 157 mtrs. of sinking, lining and equipping etc. The total cost of the project is Rs.6.51 Crores and the expected date of completion is October 2010. So far 129 mtrs. of sinking has been completed and the work is progressing as per schedule.



(iii) Deepening of vertical shaft at Beldongri mine.

Consequent to exhaustion of reserves at the existing levels, the company has taken up deepening of vertical shaft at Beldongri mine to deeper horizons in order to sustain the production as well as increase the same in the coming years. The work was comprised of deepening of the shaft by 45 mtrs. The deepening of shaft and equipping have been completed in scheduled time during the year. The Shaft has also been commissioned. The total cost of the project is Rs.2.97 Crores.

(iv) Deepening of vertical shaft at Munsar mine.

In order to improve the existing level of production and also to augment the same in the coming years to meet the increased demand, the company is contemplating to take up sinking of new vertical shafts at Munsar and Ukwa mines. In respect of Munsar, tendering process has been completed and issue of work order is in pipeline. For Ukwa shaft tender has been floated and Part-I has been opened.

2.Strategic Investments

a. MOIL & SAIL: Your Company has entered into Joint Venture (50:50) with SAIL for setting up Ferro Alloys Plant of 1.06 lacs TPA capacity, comprising of 31,000 tonnes of Ferro Manganese and 75,000 tonnes of Silico Manganese, at Nandini, Near Bhilai in Chhattisgarh. All preliminary steps for implementing the project have been taken and tenders were released for procuring major equipments. This project is scheduled to be completed within time schedule of 24 months.

b. MOIL & RINL: Similarly, Your Company has also entered into Joint Venture (50:50) with Rashtriya Ispat Nigam Limited (RINL) for setting up Ferro Alloys Plant of 57,500 TPA capacity, comprising of 20,000 tonnes of Ferro Manganese and 37,500 tonnes of Silico Manganese at Bobbili, Vizag District of Andhra Pradesh. All preliminary steps for implementing the project have been taken and tenders were released for procuring major equipments. This project is scheduled to be completed within time schedule of 24 months.

RESEARCH & DEVELOPMENT

Your company has taken following initiatives under R&D:

- Adopted modified roof support system for improvements in safety standards in underground mines,
- Adopted higher level interval (from existing 30 mtrs. to 45 mtrs.) for faster rate of mining.
- Modern techniques of exploration geo physical exploration by gravity magnetic method have been used.
- Analytical works through introduction of XRF spectrophotometer for accurate and speedy analysis of ore were done. Two such machines are now located at Dongri Buzurg and Balaghat mines. Due to accurate and faster analysis, the company was able to maintain quality assurance which in turn has improved the level of customer satisfaction.
- Exploration for new deposits by exploratory drilling was done. Moreover, to further extend the exploration from underground, new machines have been procured to explore the new deposits at deeper horizons.
- High resolution scanner & printer have been provided in survey section to maintain accuracy in survey.

CONSERVATION OF ENERGY

Your Company has made a policy to allocate fund in capital for R&D and energy conservation to improve the overall energy efficiency as well as induct new technology to stop wastage of energy, wherever possible.

MOIL has been adopting various measures for energy conservation which includes conventional measures by improving the efficiency of existing equipment as well as introducing new Technology in line with the national policy of energy conservation.

The size of pumps as well as pumping levels is designed to optimise power consumed by water pumps in underground mines. On the technological front pumps and compressor used for pro-long hours are being provided with variable frequency drive and communication is being improved, so that the equipment can be stopped immediately after its use is over.

In order to promote non-conventional energy resources, MOIL has commissioned 20 MW Wind Farm at Ratedi Hills, Dist. Dewas in M.P.

The Company has secured National Energy Conservation Award 1st Prize for the Mining Sector continuously for three years for Balaghat Mine and Chikla Mine for the year 2006, 2007 respectively and second prize for Kandri Mine during the year 2008. The Company has been also awarded special prize by MEDA (Maharashtra Energy Development Corporation) for the year 2007. the Company has received National Energy Conservation Award - 2nd Prize in Mining Sector for Kandri Mine for the year 2009.

Electricity consumption during 2009-10 as compared to 2008-09 was as under:-

Consumption per tonne (in kWh)	2009-10	2008-09
Manganese Ore	17.64	15.90
EMD	2387	2300
Ferro Manganese	2988	3016

SAFETY AND OCCUPATIONAL HEALTH

Your Company lays special emphasis to ensure safety in the mines and also taking continuous efforts to reduce the accidents by constantly improving the standards of safety equipments through introduction of latest mining techniques and mechanization of mining operations. The following steps have been taken to improve the safety standards at the mines:

- Training and re-training of workers to inculcate safety consciousness.
- Regular meetings of Safety Committees in which accident analysis are made meticulously with a view to reduce the injury rate.
- A close inter-action with employees at all levels to prevent accidents to the maximum extent possible.

Your company is committed for creating, improving and assessing the occupational health and safety awareness with view to crate safe and comfortable environment together with maintenance of high safety standards. MOIL has been awarded OHSAS 18001:2007 Certificate, for implementation of Occupational Health & Safety Management System for its underground mine at Balaghat and opencast mine at Dongri Buzurg.

Your Company has participated in Zonal Safety Week Competitions and bagged more than 60 prizes. The Company has been selected for National Safety Awards and won the following prizes:

Winner's Trophy for Longest Accident Free Period by Dongri Buzurg Mine. Runners-up Trophy for Lowest Injury Frequency Rate Beldongri Mine.

The Company has been getting National Safety Award continuously for the last many years for its excellent safety record.

MINES RESCUE

Your company has set up one Rescue Station at Balaghat Mine with a team of 32 young and dynamic rescue trained persons posted at different mine. Like every year, this year also company has participated in All India Mines Rescue Competition (Coal & Metal) 2009 and won the following prizes:

- Overall Winner (Metal)
- Winner Recovery Drill (Metal)

ENVIRONMENTAL PROTECTION

The Company is conscious of its responsibility towards environmental protection in and around its leasehold areas. About 50000 samplings were planted during 2009-10 at different mines of the Company. The cumulative plantation till date is about 16.61 lakhs saplings. A drive has been initiated for plantation of Jatropha saplings in arid / dry areas and waste dumps whose seeds will be utilized for production of bio-fuel on trial basis.

VIGILANCE

As per the order of Central Government, a full time Chief Vigilance Officer (from Indian Police Service) has been appointed as Chief Vigilance officer of the company. Uptill now, there has been no full fledged Vigilance department in the Company and one of its senior officers was holding additional charge of CVO. The activity of establishing full-fledged multidisciplinary department as per the DPE guidelines is in progress. Once the full-fledged department starts working, all the mandatory duties of the vigilance department viz. preventive and punitive as well as investigative would be taken up more effectively..

The functioning of the Vigilance Department includes both Preventive as well as punitive, for all the establishments / mines / plants/ ventures of the company including corporate office at Nagpur.

Various activities of the Vigilance Department during the year under review are as under:

- Obtained a certificate of compliance from International Certification Services Pvt. Ltd., Mumbai which certifies that Quality Management System of various functions of Vigilance Department conform to ISO 9001:2008 standards. This certificate is valid for a period of three years.



- Issued various Circulars from time to time to streamline the procedures and bring transparency in works at different level of operations.

The tender enquiries in respect of all the open tenders have been uploaded to company's website to bring maximum transparency. The finalized tenders, above the threshold limit of Rs. 30 lacs, are also uploaded on the website in the prescribed format provided by the Ministry. The threshold value of Integrity Pact has been changed from Rs.15 Crores to Rs. 10 Crores, in order to cover more contracts / works under the purview of the pact.

Extensive use of website as a tool for communication with the stakeholders and also for curbing corruption and bringing transparency in maximum possible areas of working, has been implemented by MOIL.

Accordingly, following initiatives have been taken by the Company:

E-sales: has been implemented for Ferro Manganese, Fe. Mn slag. The oxide and dioxide grade of ore from Dongri Buzurg mine have also been included in e-auction. During the year 2009-10, total 13 events of e-sale have been conducted.

E-procurement: MOIL has fixed threshold limit of Rs. 1 Crores and above for the purpose of e-procurement. Accordingly, MOIL has identified and earmarked HSD, Lubricants, Explosives (Reverse auction), Coke & Coal for e-procurement which constitutes almost 76% of total annual purchases.

E-payments: Company's units / mines are located at remote places and nearby banks are not equipped with e-banking facility, hence all the payments are not made through e-payments, however inter unit transfer of funds are made through RTGS. The payments to the suppliers having Bank A/c with the RTGS membership are made through RTGS. The Company, wherever possible, making payments of contractor's bill through e-payment from Nagpur.

During the year under report, no instance involving disciplinary action has been identified

IMPLEMENTATION OF RTI

With the advent of the Right to Information Act 2005 in our Country, your Company has taken the major initiatives for implementation of RTI Act, 2005 in the letter and spirit.

MOIL has appointed CPIOs at the Corporate Office and PIOs/APIOs have also been appointed in all its Mining Units. Director (P&P) has been appointed/designated as Appellate Authority under the Act. The names of all the PIOs/APIOs and the Appellate Authority has been also hoisted in Company's website www.moil.nic.in.

The information in respect of company, its employees etc. has been prepared under 17 heads as prescribed in Section 4(1)(b) of the RTI Act, and the same been hoisted in Company's portal. MOIL has been submitting necessary information and returns to the prescribed authorities and updating the same regularly.

A lot of awareness has been generated in order to make Company's employees aware about the intention and true spirit of this Act. The various provisions of the Act has been highlighted by issue of the circulars and asked them to keep transparency in day-to-day work and maintain all the records in a proper/systematic manner. Further, the Company has also hoisted/updated in Company's website as much information suo-moto at regular intervals for the public, so that public has minimum resort to use the various provisions under the RTI Act to obtain information.

For the awareness of employees at large, seminars have been organised to make them understand the importance of RTI Act in the present scenario and highlighted the provisions of the Act.

During the year under report, the company has received 45 applications under RTI and all have been disposed off during the period.

TRAINING PROGRAMMES

During the year 2009-10, total 378 training programmes were conducted as against 370 programmes in the year 2008-09. It includes 285 Vocational training programmes which were conducted for workers at Vocational training centre at the Mines. Almost all Executives, 1500 Non-Executives and 4110 Workers along with 2197 Vocational/Trade Trainees PDPT were imparted training during the year. Thus, in the year under review total 1,11,536 Mandays of training were completed on the various topics through, in Company training programme, outside programmes, Munsar Technical programmes, V.T.C. Training programme and apprentice training programme.

LABOUR WELFARE SCHEMES, RECREATION & MEDICAL FACILITIES

Your Company has implemented various Welfare Schemes for its employees such as:

- Majority of the employees have been provided with free living accommodation at the mines. Taking into consideration the improved living standards and aspiration of employees, your Company had constructed new and modern living quarters at various mines and the same were allotted to the employees.
- The Company is also providing adequate drinking water to the employees residing in the colonies at the mines by conventional wells, bore wells, pipelines supply etc., and periodical chlorination of wells and tanks are being made.
- The colonies and the streets are well illuminated and the employees have been provided electricity at their residences on concessional rates.
- The Company has set up hospitals at the mines maintained by qualified doctors supported by duly trained para-medical staff. The arrangement of OPD as well as indoor ward separately for male and female are provided. Ambulances are provided to all the hospitals for attending to emergencies. The patients are also being referred for medical treatments to specialized hospitals as per the requirement.
- The Company has assisted in running primary schools at some of the mines where free education is imparted to the employee's children. School buses are also provided at all the mines enabling the children of employees to attend to nearby high schools and colleges.
- The Company has a scheme for reimbursement of tuition fees. The Company has also introduced scholarship scheme for meritorious wards of employees. Reimbursement of tuition fees to the children of the workers are provided for taking education in engineering etc.
- The Company has provided infrastructure at all the mines for sports and recreational activities by providing musical instruments, TV & other material for organizing cultural and sports events. Providing financial assistance to organize sports activities in the mines area to encourage youth to participate in the activities.

WELFARE MEASURES TAKEN FOR SC/ST

MOIL is a labour intensive organization with 6734 employees on its rolls as on 31.03.2010. About 72.73% of the total strength belongs to

SC/ST/OBC out of which 44% belongs to SC/ST. The Company is also taking keen interest in development of the down trodden people living in the vicinity of the mines situated in remote areas as detailed below

- Adopted villages near the mines and provided drinking water facilities, road maintenance, periodical medical check ups and treatment to the people living in these villages.
- Providing financial aid, stationery, books etc. to the school adjacent to the mining areas.
- Providing sewing machines to women for their development and self-employment.
- Organising training classes for self employment scheme.
- Provided tri-cycles to the physically challenged persons to be independent.
- Other welfare measures for the development and upliftment of tribal women such as conducting sewing classes, adult literacy classes, AIDS Awareness programmes, propagating such other programmes by display of posters, notices and banners, leprosy awareness programme etc.
- Providing training to the physically challenged persons under Apprenticeship Act.



PAY REVISION

In accordance with the Department of Public Enterprises' (DPE) Office Memorandum No. (70)/08-DPE (WC) dt. 26/11/2008 and 02/04/2009, your company, during the year under review, has implemented new pay revision of its executives due from 01/01/2007, The Company has also implemented New Wage Settlement, as per Memorandum of Understanding (MOU) signed between Management and recognized Union namely MOIL Kamgar Sanghathan.

PERSONNEL

The manpower as on 31.3.2010 of your Company is given below:

Category	Executives	Non -Executives	PR Workers	Total
Male	303	2312	3313	5928
Female	13	158	635	806
Total	316	2470	3948	6734

The category-wise details of employees strength as on 31.3.2010 are as under:

Group	Scheduled Caste	Scheduled Tribe	O.B.C.	Others	Total
A	35	8	43	149	235
B	25	4	42	99	170
C	350	233	394	608	1585
D	857	1394	1457	980	4688
Sweeper	56	-	-	-	56
Total	1323	1639	1936	1836	6734
% to total	18.97	24.54	28.99	27.49	100

The Company also ensures compliance with requirement of Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995, to the extent possible and applicable.

GRIEVANCE REDRESSAL MECHANISM

- Employees Grievances MOIL has its own grievance redressal procedure for Executives as well as non-executive employees. The grievances of employees are accordingly dealt with as per the rule.
- The redressal of grievance machinery in MOIL consists of one Grievance Officer nominated for the purpose at each unit. The Grievance Officer nominated at Head Office co-ordinates with the Grievance Officers at the units for their effective performance.
- Public Grievance All Grievance officials have been apprised of the manner in which the Public Grievance received are to be disposed. The system adopted for dealing the grievance of Public was constituted on the basis of instructions received from various authorities in the past.
- Public Grievance Redressal Mechanism (PGRM) is periodically monitored by the Company.
- Similarly, PGRM of units / mines are monitored at Head Office on the basis of assessment of data received from respective Grievance Officer through the monthly report as well as through inspection by

CORPORATE SOCIAL RESPONSIBILITY

As a good corporate citizen, the Company continued its efforts and carried several welfare programmes under CSR. The Company has undertaken following major activities under CSR:

- A sum of Rs.40 lakhs has been released towards setting of Biological Park at Nagpur.
- Donated 2 Nos. ambulances 1 No. to Indian Medical Association, Chandrapur and 1 No. to Government Health Unit, Saoner, Nagpur district. Both the ambulances are for the use of rural areas where there is no ambulance facilities earlier.
- Sponsored 500 Nos.free cataract surgeries and free eye examination of 1000 children including providing of spectacles wherever necessary.
- Contributed Rs.10 lakhs to National Foundation for Communal Harmony (an autonomous body under Ministry of Home Affairs, Govt. of India).
- Constructed a state of art audiometric room for deaf and dumb children in the Deaf and Dumb Residential School, Saoner, Nagpur District.
- Provided financial assistance for construction of class rooms in Saraswati Vidyalaya, Nagpur.
- Provided financial assistance for construction of rooms for outlet of organic and natural resources products for SHGs through Nisarg Vindyan Mandal.
- Provided financial assistance for construction of toilets and educational aids such as computers, printers, etc., to the inmates of Deaf and Dumb Institute, Nagpur.

In addition, the Company has carried out a number of schemes under CSR such as construction of roads, cremation sheds, renovation of schools, construction of additional class rooms, drains, water supply facilities, etc., in the villages adopted by the Company and also at other villages surrounding the mines of the Company.



PROGRESSIVE USE OF HINDI

During the year, your Company continued its efforts in propagating and implementing the provisions of Official Language Act, 1963. The Company is publishing in-house Hindi journal "SANKALP" in order to create interest about Hindi among the employees and to encourage them to participate in various competitions like essay competition, noting, drafting, poetry and writing articles for propagating Hindi.

Around 97% of the work is being done in Hindi at Mines. The Unicode System has been implanted in computers of the Company. The Company has provided Hindi Language software in various computers and imparting training to its employees, so that they can use the Hindi more and more in their workings.

From last two years, MOIL has been awarded with "Ispat Rajbhasha Trophy" for excellent works done in Hindi. Under the "Hindi Education Scheme" of the Ministry of Home, employees are being re-trained. Under this scheme 85 employees have already been given training for *Pragya* (Higher Level) and such training program for another 40 staff /officers of the company is also going on.

"Nagar Rajbhasha Karvanvyan Sammittee" Nagpur has also given consolation prize to MOIL for excellent works done in Hindi and MOIL's in-house Hindi journal "SANKALP" has also been awarded. Rajbhasha Sansthan, New Delhi has also awarded company's in-house Hindi journal "SANKALP"

AWARDS AND ACCOLADES

Your Company is one of the public sector enterprises in the country known for its continuous excellent performance. The Company has been getting national /regional recognition for its good work in almost all the fields of activities. It is one of the few PSEs in the country which has been signing Memorandum of Understanding with the Government and getting Excellent rating continuously for the last several years. The followings are the some of recognition the company has received:

- **National Safety Awards** given away by Hon'ble Vice President of India:

Mines	Category
Dongri Buzurg Mine	Longest Accident Free Period for the year 2007
Beldongri Mine	Lowest Injury Frequency Rate for the year 2007

- **MOU Excellence Award** for the year 2007 given away by Hon'ble Prime Minister of India
- **National Energy Conservation Award - 2nd Prize** in Mining Sector for Kandri Mine for the year 2009.
- **National Quality Circle Award 2009** In NCQC-2009, team Pancharatna QC from Dongri Buzurg Mine bagged Par Excellent Award and Parakh QC from Tirodi Mine bagged Excellent Award.

DIRECTORS

During the year under review, there has been no change in the Board of the Company except retirement of Shri S.K. Banerjee, Independent Director, w.e.f. 28th June, 2009, on completion of his tenure.

None of directors of the company posses any disqualification under section 274(1)(g) of the Companies Act, 1956.



DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies (Amendment) Act 2000, it is hereby stated as under:

I. In the preparations of the Annual Accounts, applicable accounting standards have been followed along with proper explanation relating to Materials Department.

II. The Directors have selected such accounting policies and applied them consistently and judgments, estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or the loss of the Company for that period.

III. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the asset of the Company and for preventing and detecting fraud and other irregularities.

IV. The Directors have prepared the annual accounts on a growing concern basis.

DEPOSITS

The Company has not accepted any Fixed Deposits during the year under review.

AUDITORS

M/s Shah Baheti Chandak & Co, Chartered Accountants, Nagpur have been appointed by the Comptroller & Auditor General of India as auditors of your Company for the year under report.

OTHER DISCLOSURES

Particulars with respect to R&D and Technology Absorption etc.:

The particulars with respect to R&D and technology absorption, as required under the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, forming part of this report, is annexed as Annexure-I, to this report.

Foreign Exchange earnings and Outgo: The Company has not made any export of manganese ore during the Financial Year 2009-10. During the year under review, the Company has incurred expenditure in foreign currency of Rs. 7.00 lakhs as against Rs. 6.47 lakhs in the previous year. The expenditure has been incurred in respect of foreign travelling only and there is no other expenditure in foreign currency during the year.

Particulars of Employees: The information in respect of employees covered within the purview of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975, as amended from time to time, is as under:

(A) Employees who were employed throughout the aforesaid year and were in receipt of remuneration for the said year which in the aggregate, was not less than Rs. 24,00,000/-

Name and Last Qualification	Age (Yrs)	Designation and nature of employment	Remuneration (Rs.)	Total Exp (Yrs)	Date joined	Last Employ - ment	Shares held in the Company
Shri M.A.V. Goutham (Bsc., ACA, ICWA)	58	Director (Finance) and Contractual Employment.	24,57,437.58 *	30 Years	28/12/2001	Chief Manager in Lubrizol India Ltd.	One** (less than 1%)

*The remuneration includes arrears of Rs. 6,73802.55, for previous years.

** Share held as a nominee of President of India.

CORPORATE GOVERNANCE

The Company strives to attain high standards of Corporate Governance. Hence, a separate section on Corporate Governance is annexed and forms part of the Director's Report, as Annexure-II.

MANAGEMENT DISCUSSION AND ANALYSIS

A report on Management Discussion and Analysis is placed at Annexure III.

INDUSTRIAL RELATIONS

Industrial Relations in your Company continued to be cordial and peaceful during the year under report. There has been no stoppage of work or any such labour agitation in the company. The tempo for better production and productivity was maintained. Various committees are constituted at mine level and Corporate level for discussing various issues for smooth functioning of the organisation and expeditious decisions for the settlement of grievances has been functioning satisfactorily.

ACKNOWLEDGEMENT

Your Directors gratefully acknowledge the valuable guidance and support extended by the Govt. of India, Ministry of Steel, State Governments of Maharashtra and Madhya Pradesh, Company's Bankers, valued customers and suppliers.

The employees of the Company have continued to display their total commitment towards the pursuit of excellence. Your Directors take this opportunity to place on record their appreciation for the valuable contribution made by the employees and look forward to their services with zeal and dedication in the years ahead to enable the Company to scale even greater heights.

Your Directors are thankful to the shareholders for their faith and continued support in the endeavours of the Company.

On behalf of the Board of Directors

Place: New Delhi

Date: 21/05/2010

K. J. Singh

Chairman-cum-Managing Director

Annexure-I to Directors Report to Shareholders

FORM-B

Disclosure of particulars with respect to technology absorption as required under section 217(1) (E) of the Companies Act, 1956 amended in 1988.

(I) Research and Development		
Sl. No.	Specific area in which R&D carried out by the Company. The following are the areas in which the company has taken R&D works.	Benefit derived as a result of the R&D
1	Improvement of safety standard	Mechanical props, in addition to the existing stope back support system were introduced, thereby creating a better and safer mining environment.
2	Increasing level intervals from 30 mtrs. to 45 mtrs. at Balaghat	M/s CIMFR were appointed for advising on the feasibility of increasing vertical level intervals from 30 mtrs. to 45 mtrs. below 12 th level at Balaghat mine and according new levels shall be taken up at 13 ^{1/2} L & 15 L.
3	Exploration by Geophysical gravity Magnetic method.	The method of Geophysical exploration by gravity magnetic method & has been used for possible mineralization of manganese ore below the existing ore body. Because of this study by GSI some locations at Tirodi have been earmarked for dirling.
4	Introduction of XRF analyzer.	The company has successful introduced 3 XRF analyzers at Nagpur, Dongri Buzurg & Balaghat mines to quickly analyze the samples of finished product. This has effectively helped in analyzing the true composition of ore and reduction of customer complaints.
5	Exploration of ore reserves.	It is an ongoing process by which the ore body and surrounding areas in lease hold are being drilled by Co. owned drilling machines for location of additional ore reserves. For the year 2009 -10, by this process, the Company has been able to add 0.9 million tonnes of ore reserve.

(II)	Technology absorption, adaptation and innovation.			
	Efforts in brief towards technology Absorption, and adaptation and innovation.	Benefits derived as a result of the above efforts.		
	1) R&D efforts in mining as above.	1) As a result of the above, the efforts have shown improvement in production, cost reduction and safer work environment, especially by increasing underground intervals & locating new mineralised zone due to Geographical Prospecting.		
	2) Introduction of Variable Frequency Drive (VFD) compressor	2) Energy consumption is expected to be reduced by 10-12% with use of VFD compressors.		
(III)	Future Plan of action	LED cap lamps & use of solar energy are proposed for use in future.		
(IV)	Expenditure on R&D	(R. in Crore)		
		Capital (A)	Recurring (B)	Total (C)
				Total R&D expenditure as % of turnover
		0	2.88	2.88
				0.30

In case of imported technology during the last five years reckoned from the beginning of the financial year	Year of import	Has technology been fully absorbed	If not, fully absorbed areas where this has not taken place reasons therefore and future plans of action.
(A)	(B)	(C)	(D)
Nil	Nil	Nil	Nil
Nil	Nil	Nil	Nil

Annexure-II to Directors Report to Shareholders

CORPORATE GOVERNANCE REPORT

MOIL is committed to doing business in an efficient, responsible, honest and ethical manner. Good Corporate Governance goes beyond compliance and involves a company-wide commitment. This commitment starts with the Board of Directors, which executes its corporate governance responsibilities by focusing on the Company's strategic and operational excellence in the best interests of all stakeholders, in particular shareholders, employees and customers in a balanced fashion with long term benefits to all.

The core values of the Company's governance process include independence, integrity, accountability, transparency, responsibility and fairness. The business policies are based on ethical conduct, health, safety and a commitment to building long-term sustainable relationships.

MOIL is committed to constantly evolving and adopting appropriate corporate governance best practices.

1. BOARD OF DIRECTORS

1.1 Composition of the Board of Directors as on 31st March, 2010.

1.	Functional Directors including CMD (whole time)	4
2.	Non-Executive Government Directors	3
3.	Non-Executive Independent Directors (Non-official)	3
	Total	10

As per Articles of Association of MOIL, the President of India appoints Chairman & Managing Director. The President may, from time to time, also appoint one or more whole time Directors and other Directors on the Board of MOIL in consultation with the Chairman/Managing Director of the Company. The Part-time Non-official Directors (Independent Directors) on the Board of MOIL are also appointed by the President of India. The Independent Directors are selected from a panel of eminent personalities having wide experience of Management, Finance, Engineering, Administration and Industry.

DPE Guidelines requires that not less one third of the Board Members should be Independent directors. However, consequent upon completion of tenure of one of the Independent Directors of the company, there are only three independent directors as against requirement of four directors, as on 31st March, 2010. The Company has already taken up this matter with administrative Ministry i.e. Ministry of Steel.

1.2 Board Meeting

Four Board Meetings were held during the financial year 2009-10, on 27th May, 2009, 28th August, 2009, 29th December, 2009, and 12th March, 2010.

1.3 Board Agenda and Material

The meetings of the Board are normally scheduled well in advance unless there is any urgency. The Company Secretary in consultation with Chairman and Managing Director, sends notice of each Board meeting in writing to each Director. The Board agenda, backed by comprehensive background information to enable the Board to take decision, is circulated to the Directors in advance. The members of the Board have access to all information of the Company and are free to recommend inclusion of any matter in agenda for discussion. In case of need, the senior management is invited to attend the Board Meetings to provide additional inputs relating to the items being discussed and / or giving presentation to the Board. The Board meets at least once in a quarter. However, additional meetings are held, when necessary. In case of exigencies the resolution is also passed by circulation.

1.4 Particulars of the Directors including their attendance at the Board Meetings from 1st April, 2009 to 31st March, 2010 and the last AGM

Name of the Directors	Period	No. of Board Meetings held.	No. of Board Meetings attended.	Last AGM held on 28.08.09	Nos. of Directorships Held-in other companies as on 31.03.10	No. of shares held in the Company
I. Functional Directors						
1. Shri K.J. Singh, Chairman-cum-Managing Director	1/4/2009 to 31/3/2010	04	04	Yes	NIL	1*
2. Shri M.A.V. Goutham, Director (Finance)	1/4/2009 to 31/3/2010	04	04	Yes	2	1*
3. Shri A. K. Mehra, Director (Commercial)	1/4/2009 to 31/3/2010	04	04	Yes	2	1*
4. Shri G. P. Kundargi, Director (Production & Planning)	1/4/2009 to 31/3/2010	04	04	Yes	2	1*
II. Government Directors						
1. Dr. Dalip Singh	1/4/2009 to 31/3/2010	04	04	Yes	8	1*
2. Shri A.M. Khan	1/4/2009 to 31/3/2010	04	NIL	—	4	NIL
3. Shri S. K. Mishra	1/4/2009 to 31/3/2010	04	NIL	—	13	NIL
III. Independent Directors						
1. Shri S.K. Banerjee	1/4/2009 to 28/6/2009	01	01	—	NIL	NIL
2. Shri A. Balraj	1/4/2009 to 31/3/2010	04	04	Yes	1	NIL
3. Dr. D.D. Kaushik	1/4/2009 to 31/3/2010	04	04	—	NIL	NIL
4. Dr. M. Maharajan	1/4/2009 to 31/3/2010	04	04	—	NIL	NIL

* Holding share as a nominee of President of India.

The remuneration of the Functional Directors is fixed by the Government of India as MOIL is a Government Company in terms of Section 617 of the Companies Act, 1956. The Government Nominee Directors are not eligible for sitting fees for the meeting attended by them. The non official independent directors are paid sitting fee, as per the provision of the Companies Act, 1956 and Government's Guidelines for attending each meeting of the Board/ Committee(s) of the Board and reimbursed actual expenditure for attending the meeting of Board/Board Committees. At present, the company is paying sitting fees of Rs. 7,500/- for each such meeting.

2. COMMITTEE

Constitution of Committees of Board of Directors:

The Company has been granted the status of “Miniratna” Category-I by the Govt. of India. The restructuring of the Board of Directors, which is precondition for exercising enhanced financial and operational autonomy, was done by appointing initially four part time non official directors by the Central Government on the Board. Moreover, the Board constituted various committees as detailed below:

I. Audit Committee of Board.

The primary function of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing the financial reports; the Company's systems of internal controls regarding finance, accounting and legal compliance that management and the Board have established; and the Company's auditing, accounting and financial reporting process generally. The Audit Committee reviews reports of the Internal Auditors, meets Statutory Auditors and discusses their findings, suggestions and other related matters and reviews major accounting policies followed by the Company. The Audit Committee reviews with management financial statements.

The terms of reference of the committee are as spelt out in Section 292A of the Companies Act, 1956 and DPE Guidelines on Corporate Governance.

The Audit Committee of MOIL comprises of four members, out of which three are non executive independent directors and one is executive director.

The Audit Committee presently comprises of Shri A. Balraj, Chairman of the Committee, Dr. D.D. Kaushik, Dr. M. Maharajan and Shri G. P. Kundargi, members of the committee. The Company Secretary of the Company, is acting as the Secretary to the Committee. The Director (Finance), Head of Corporate Internal Audit and Statutory Auditors are also invited to attend the meetings of the Audit Committee.

The Audit Committee met four times on 27th May, 2009, 28th August, 2009, 29th December, 2009, and 11th March, 2010, in the year 2009-10. The attendance of Committee members are as under:

Name of the Directors	Period	No. of Meetings held.	No. of Meetings attended.
1. Shri S.K. Banerjee	1/4/2009 to 28/6/2009	01	01
2. Shri A. Balraj	1/4/2009 to 31/3/2010	04	04
3. Dr. D.D. Kaushik	1/4/2009 to 31/3/2010	04	04
4. Dr. M. Maharajan	1/4/2009 to 31/3/2010	04	04
5. Shri G. P. Kundargi	1/4/2009 to 31/3/2010	04	04

II. Remuneration Committee

The remuneration of the Directors is fixed by the Government of India, as MOIL is a Government Company in terms of Section 617 of the Companies Act, 1956. The pay scales of the other employees are also fixed in line with guidelines issued by the Department of Public Enterprises [DPE]. However, MOIL has constituted a Remuneration Committee, headed by an Independent Director of the Company, for the purpose of determining the Performance Related Pay (PRP) of its executives, in line with DPE Guideline dated 26.11.2008 and 02.04.2009. The Committee presently comprises of Dr. M. Maharajan, Chairman of the Committee, Shri M.A.V. Goutham and Shri A. K. Mehra, members of the committee. The Company Secretary of the Company is acting as the Secretary to the Committee.

III. Corporate Governance Committee

The Company always strives to adopt the best practise of Corporate Governance and to ensure the same a Committee on Corporate Governance, headed by an Independent Director of the Company, has been constituted by the Board. Presently, the Committee comprises of Dr. M. Maharajan, Chairman of the Committee, Dr. D.D. Kaushik and Shri M.A.V. Goutham, members of the committee. The Company Secretary of the Company is also acting as the Secretary to the Committee.

In addition to above, your company is also having a Project Committee, headed by an Independent Director of the Company. The Committee reviews progress of various projects being undertaken by the Company from time to time.

3. Remuneration received by existing Functional Directors during 2009-10

Name of the Directors	Remuneration* (Rs.)
1. Shri K.J. Singh, Chairman-cum-Managing Director	15,29,846.00
2. Shri M.A.V. Goutham, Director (Finance)	24,57,437.58
3. Shri A. K. Mehra, Director (Commercial)	22,14,730.23
4. Shri G. P. Kundargi, Director (Production & Planning)	22,29,088.38

*The remuneration includes arrears for previous year(s).

4. GENERAL BODY MEETING

The details of the last three Annual General Meetings of the Company are given below:

Year	Date	Time	Venue
2006-07	30 th July, 2007	11.00 A.M.	Registered Office of the Company at 3, Mount Road Extension, Nagpur 440 001.
2007-08	29 th July, 2008	11.00 A.M.	Registered Office of the Company at 1A, Katol Road, MOIL Bhawan, Nagpur 440 013
2008-09	28 th August, 2009	3.00 P.M.	Registered Office of the Company at 1A, Katol Road, MOIL Bhawan, Nagpur 440 013.

During the year 2009-10, the Company has passed one special resolution at Extra Ordinary General Meeting held on 28.08.2009, in respect of change in Articles of Association to give effect the change in Authorised Capital and Face Value of the shares of the Company.

5. CODE OF CONDUCT

As a part of MOIL's persisting endeavour to set a high standard of conduct for its employees a 'Code of Business Conduct and Ethics' has been laid down for all Board Members and Senior Management personnel. A copy of the said Code has been placed on the company's website www.moil.nic.in. All Board members and Senior Management personnel have affirmed compliance with MOIL's Code of Business Conduct and Ethics" for the financial year 2009-10. Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certificate is attached.

6. DISCLOSURES ON MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS

The Company has not entered into any materially significant related party transactions that may have potential conflict with the interests of the company at large. Nonetheless, transactions with related parties have been disclosed in Note No. 13 of Schedule 19 to the Accounts in the Annual Report.

7. WHISTLE BLOWER POLICY

MOIL has not established a Whistle Blower Policy for the employees. Nonetheless, no personnel have been denied access to the audit committee.

8.SHAREHOLDING

No.	Shareholder	No. of Share	%
1	President of India	13,70,35,680	81.57
2	Governor of Maharashtra	1,61,57,400	9.62
3	Governor of Madhya Pradesh	1,48,06,920	8.81
Total		16,80,00,000	100

The above equity shares have been admitted for dematerialisation with both depositories i.e. NSDL and CDSL. However, all above share are presently held in physical form.

9.NON-COMPLIANCES / PENALTIES & STRICTURES IMPOSED ON THE COMPANY BY THE STATUTORY AUTHORITY ON ANY MATTER RELATED TO ANY GUIDELINES ISSUED BY GOVERNMENT DURING THE LAST THREE YEARS

No such noncompliance has occurred nor any penalty or stricture has been imposed on the company in the last three years. The company has set the highest standards with respect to observance and conformity with laws and all compliances.

10.TRAINING OF BOARD MEMBERS

No specific training programmes were arranged for Board Members. However, at the Board/ Committee Meetings, detailed presentations are made by senior executives/ professionals/ consultants on business related issues, risk assessment etc. The Company also nominates its directors for various seminars and training programmes conducted by various institutions.

11.COMMUNICATION OF FINANCIAL AND OTHER INFORMATION

The Financial Results and other information including Annual Reports are displayed on the company's website www.moil.nic.in Official news releases including important events/ developments in the company are also displayed on the Company's website. The Certificate on Corporate Governance is attached.

Annexure-III MANAGEMENT DISCUSSION AND ANALYSIS REPORT FOR 2009-10

Preface

The Management Discussion and Analysis Report (MDAR) aims to elucidate the developments in the business environment, performance of the company in comparison to last report and the future outlook. MDAR is a part of the Directors' Report. The performance of any company is linked with various factors including demand, supply, climatic conditions, economic conditions, political condition, government regulations & policies, taxation and natural calamities, which are beyond the control of the company and could make a significant difference to the Company's operations. Owing to this, certain statements made in this report pertaining to the projections, outlook, expectations, estimates etc. may differ from actual.

A. Industry Structure, Market Scenario, Opportunities and Threats

Till the middle of the financial year 2008-09, the Indian Steel industry was witnessing phenomenal growth. The Production and consumption of Steel was showing upward trend mainly due to high infrastructure activity and industrial growth. However, the global recession which started from October, 2008, adversely affected almost all the industries, in particular steel industry. Major domestic and international producers of Steel slashed their production, resulting in lower production of Ferro Alloys and lower off-take of Manganese Ore.

Though the global melt down has made the world to redefine their growth strategy, the emerging economies are expected to be less affected, particularly country like India, whose growth is driven by domestic consumption. In comparison to other countries, India is very well poised for growth as the Government and industry are looking at achieving the targeted 121 million tonnes of capacity in the next 35 years, which would mean more than doubling country's steel capacity from the present level. The World Steel Association (WSA) has forecasted that world's apparent steel use will increase by 10.7% to 1,241 million tonnes in 2010 after contracting by 6.7% in 2009. It has further stated that India's steel demand maintained stable growth during the crisis and is expected to grow by 13.9% and 13.7% in 2010 and 2011 respectively, after 7.7% in 2009. In 2011, India's apparent steel use will reach 71.6 million tonnes.

The Steel production in India in the 2010-11 (April-March) fiscal year, is likely to be 65 million tonnes, compared to 60-61 million tonnes in the current year. MOIL has the strength of holding about 60% of total demonstrated reserves of Ferro Grade Manganese Ore in the country. MOIL is also the largest producer of Manganese Ore in the country and accounts for about 50% of country's production. It has tied up separately with Steel Authority of India Ltd. (SAIL) and Rashtriya Ispat Nigam Ltd. (RINL) for having Joint Ventures (JV) to produce Ferro Alloys (Ferro Manganese and Silico Manganese), which will provide a ready market for its good share of Manganese Ore production. However, large imports of Manganese Ore will always be threat and challenge for the company. In addition to that, the rising inflation is matter of great concern for the growth of the nation. Nevertheless, with its strong fundamentals, MOIL is well set to avail the opportunity of higher sales. As MOIL is a debt free company, there is no debt to service which shows its internal strength.

B. Segmentwise or Productwise Performance

Sales Performance

Value

The sales turnover during the year 2009-10 was Rs.965.47 Crores (including EMD, Ferro Manganese and W.T.G. Units turnover of Rs.5.80 Crores, Rs.40.27 Crores and 9.31 Crores respectively) as against the target of Rs.632.59 Crores (including EMD, Ferro Manganese and W.T.G. Units over target of Rs.5.63 Crores, Rs.48.83 Crores and Rs. 11.73 Crores respectively). However, the sales turnover during the same period in previous year, was Rs.1284.84 Crores (including EMD, Ferro Manganese and W.T.G. Units turnover of Rs.9.28 Crores, Rs. 80.03 Crores and Rs. 8.25 Crores respectively).

Quantity

During the year 2009-10, a quantity of 11.75 lakh tonnes of manganese ore has been sold as against the target of 9.60 lakh tonnes resulting in an achievement of about 122%. The sale of Electrolytic Manganese Dioxide (EMD) was 857 tonnes, registering about 86% of targeted sale of 1000 tonnes. The sale of Ferro Manganese during the year at 7479 tonnes has registered achievement of about 75% of the targeted sales of 10000 tonnes.



E-Sales

The CVC has desired for giving thrust on e-commerce to bring in transparency in the transactions. With this view and to elicit better price of manganese ore and participation of maximum customers, the company has continuously been giving due thrust on e-sale during the year also. During the year under report, a quantity of 68255 tonnes of various grades of Mn Ore, Ferro Mn & slag at a value of Rs. 154.99 Crores, was successfully auctioned through 13 events of e-auctions.

Production

The Company has registered production of 10.93 lakh tonnes of various grades of manganese ore (11.75 lakh tonnes during the previous year) in current year, successfully achieving the MoU Target of 10.75 lakh tonnes. The production of Electrolytic Manganese Dioxide (EMD) was 1150 tonnes (previous year 1240 tonnes) as against the target of 1300 tonnes registering an achievement of about 88%. The production of Ferro Manganese was 9555 tonnes (previous year 10120 tonnes) as against a target of 8760 tonnes, reflecting an achievement of about 109%.

C. Internal Control Systems and Their Adequacy

The Company has an internal audit system for assessing suitability of the internal controls, adherence to policies, procedures and taking corrective action to address any gaps. The Internal Audit Department and the Internal Audit is a multi disciplinary function which is conducted by a team of experienced Professionals.

These controls have been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls, monitoring of operations, protecting assets from unauthorized use or losses, compliances with regulations and for ensuring reliability with financial reporting. The Company has continued with its efforts to align all its processes and controls with best global practices in these areas as well. It also brings out a systematic and disciplined approach for implementing the risk management initiative aimed at Good Corporate Governance.

The Internal Audit is subject to overall control environment under the supervision of the Audit Committee constituted by the Board to focus on transparency in the systems and internal control mechanisms. The Audit Committee of the Board actively reviews the adequacy and effectiveness of internal control systems and suggests improvements to strengthen the same. Annual Audit Programmes are drawn up covering critical areas of various departments in order to bring overall improvements in the Company.

The Internal control systems are commensurate with the size of the Company. However, the company always strives to strengthen its internal control systems and internal audit. The reports containing significant Audit findings are submitted to the Audit Committee of the Company and to the Board through the Audit Committee.

D. Outlook, Risks and Concerns

The Manganese Ore market was showing historical growth, particularly till the mid of 2008-09 and registered highest ever price in the history of Indian manganese market. But, in the later part of that year, the Steel Market, both at domestic and international level, fell all of a sudden and, the prices of the steel as well as manganese ore come down nearly by 60% from their peak. The uptrend of Steel Industry was driven mainly because of heavy demand from China, which started declining drastically from Oct., 2008.

The market of Mn Ore is linked inextricably to the fortunes of the steel industry. The performance of the company, thus, would depend on performance of steel industry in times to come. However, the Government of India is committed for development of infrastructure. The Government of India released various stimulus packages during the year to boost Indian economy, which helped the industries to strengthen their performances on all fronts and come out from recession. The infrastructure development in India is poised for an excellent growth. One of the major inputs required for infrastructure is steel and its demand is likely to pick up in coming period. As MOIL sells its entire Mn Ore to domestic buyers, it is expected to maintain its performance in the coming years. India's budget for 2010-11 has proposed to invest Rs 1.73 trillion on infrastructure. The demand of Steel driven by huge infrastructure spending across the country is seen rising by 10% in the fiscal year to March 2011.

The country's existing crude steel capacity is 73 million tons and it is expected that by 2012, it shall be 121 million ton approximately i.e. a growth of 65%. The per capita steel consumptions are good indicators of a nation's development. The apparent steel used per capita in India during the last 3 years has increased from 41 Kgs to 48 Kgs and it would continue to grow further, due to infrastructure growth as well considering the addition in country's crude steel capacity with the coming up of various brown field and green field projects. These developments indicate that there shall be large requirement of Manganese Ore by the domestic steel producers.

MOIL is a labour intensive organization. Though, the industrial relation has been excellent in the Company, the risk factor associated with labour may always play significant role on its production performance. The Policy of Government of India for manganese ore sector such as lease policy, forest clearance policy, labour policy etc. have always been vital factors for the Company and any change therein may impact the company's performance. The import of manganese ore and policy thereon, would always be a matter of concern for MOIL. Any hike in cost of transportation, labour, power and other raw material cost may also affect the profitability of the company. Nonetheless, with the past track record of good performance and ability to sustain even during the severe global recession seen in last one and half year, MOIL can again outperform in future.

E. Discussion on Financial Performance with respect to

Financial Performance

	Rs. In Crore	
	2009-10	2008-09
Sales Turnover	965.47	1284.84
Total Income	1101.73	1407.99
Total Expenditure	355.75	407.98
Gross Margin	732.09	1031.42
Depreciation	25.30	24.67
Profit before tax for the year	706.79	1006.76
Income Tax provision	240.44	342.96
Profit after tax for the year	466.35	663.80
Transfer to General Reserve	357.00	508.00
Profit Carried Over	0.58	0.58

In spite of global recession, financial year 2009-10 saw a turnover of Rs.965.47 Crores as compared to Rs. 1284.84 Crores of previous year. The Company has earned a Net Profit of Rs. 466.35 Crores as compared to Rs. 663.80 Crores in the previous year. The Company continued its prudent cash planning during the year and deployed the surplus funds in fixed deposits as per the Government guidelines and earned an interest income of Rs.121.68 Crores (Previous Year Rs.103.87 Crores).

Operational Performance

The year 2009-10 has again been a significant one for global economy, as the year started with uncertainty continuing in world economy. However, it has managed to come out with recession to some extent, in later part of the year. In spite of all these, the performance of the Company has been noteworthy.

Production Review

The Company has successfully crossed targeted production of 10.75 lakh tonnes of various grades of manganese ore in current year, in spite of poor market conditions continuing in first part of the year. In comparison to MOU Target, the Company has registered production of all grades of manganese ore at about 102% at 10.93 lakh tonnes. In case of, Electrolytic Manganese Dioxide (EMD) and Ferro Manganese, it has recorded production of 88% and 109% respectively. The Company has achieved productivity (Output per Manshift) of 0.728 tonnes as against a target of 0.500 tonnes.

With the aim of continuing growth of revenue and market share, the company has been focusing on valued added products like EMD and Ferro Manganese which will help to withstand the market fluctuations and sustainability in the long term and will also contribute in profitability.

The Company has is vigorously pursuing the R&D activities on continuous basis, including:

- Optimization of Stope designs
- Studies for reclamation of waste dumps and investigation of other environmental protection measures
- Studies for beneficiation of low grade ores
- Development of alternative mining methods and support systems for underground mines.

F. Material developments in Human Resources, Industrial Relations front, including number of people employed;

G. Environmental protection and conservation, technological conservation, renewable energy developments, foreign exchange conservation;

H. Corporate Social Responsibility

The Directors' Report 2009-10 may kindly be referred as it contains the details in respect of items i.e. F, G and H.

SHAH BAHETI CHANDAK & CO.
Chartered Accountants

205, Ghatate Chambers,
Panchasheel Square, Nagpur-440012
Phone : (o) 2422719, 2453009, 2452856
Fax : 0712-2445589
E-Mail : sbcngp@sbc.ca.com

AUDITOR'S REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of MANGANESE ORE (INDIA) LIMITED, NAGPUR, as at 31st March 2010 and also the Profit & Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1 As required by the Companies (Auditors Report) Order, 2003 as amended by the Companies (Auditors Report) (Amendment) Order, 2004, issued by the Central Government in terms of section 227 (4A) of the Companies Act 1956, we enclose in Annexure A, a statement on the matters specified in paragraph 4 & 5 of the said order.

2 Further to our comments in the Annexure referred to in Para 1 above; We report that:

A) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our Audit.

B) In our opinion, proper books of account as required by Law have been kept by the Company, so far as appears from our examination of those books.

C) The Balance Sheet, Profit & Loss Account & Cash Flow Statement dealt with by this report are in agreement with the books of account of the Company.

D) In our opinion, the Balance Sheet, Profit and Loss Account & Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956.

E) The Company has informed that, in terms of Notification No. GSR 829 (E) dated 21/10/2003 issued by the Department of Company Affairs, the provisions of Section 274(1)(g) of Companies Act, 1956 are not applicable to Government Companies.

F) The company has neither paid nor provided for the cess payable under Section 441(A) of Companies Act, 1956, pending notification from Government specifying the manner of payment.

G) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with notes thereon and Statement of Accounting Policies, give the information required by the Companies Act, 1956, in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India.

i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2010 :

ii) In the case of Profit and Loss Account, of the Profit of the Company for the year ended on that date; and

iii) In the case of the Cash Flow statement, of the Cash Flows of the Company for the year ended on that date.

For SHAH BAHETI CHANDAK & Co..
CHARTERED ACCOUNTANTS
FRN No. 109513 W

(CA P.M. SHRAWAK)
PARTNER
M.No. 109237

Place : New Delhi
Date : 21/05/2010

SHAH BAHETI CHANDAK & CO.
Chartered Accountants

205, Ghatate Chambers,
Panchasheel Square, Nagpur-440012
Phone : (o) 2422719, 2453009,2452856
Fax : 0712-2445589
E-Mail : sbcngp@sbc.ca.com

ANNEXURE TO THE AUDITOR'S REPORT

REFERRED TO IN PARA 1 OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS OF MANGANESE ORE (INDIA) LIMITED FOR THE YEAR 2009-10.

1.The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

The Management has physically verified fixed assets during the year and no material discrepancies were noticed on such verification. In our opinion verification of fixed assets at the year end is reasonable having regard to the size of the Company and the nature of Assets.

Disposal of fixed assets made during the year does not affect going concern status of the company.

2. As explained to us, the stocks of Manganese Ore, Ferro Manganese, E.M.D., Stores and Spares were physically verified by the Management at reasonable intervals, during the year.

In our opinion and according to the information and explanations given to us, the procedures of physical verification of Inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.

In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and the discrepancies noticed on such physical verification between physical stock and book records were not material and have been adequately dealt with in the books of account.

3. According to the information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured to or from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956

4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in internal control system in respect of these areas.

5. According to the information and explanations given to us there are no transactions that need to be entered in the register required to be maintained under section 301 of the Companies Act, 1956

6. The company has not accepted any deposits from the Public and consequently the directives issued by the Reserve Bank of India, the provisions of Section 58-A and 58-AA of the Companies Act, 1956 and the rules framed thereunder are not applicable.

7.The Company is having Internal Audit system. However, in our opinion Company's Internal Audit system needs to be strengthened to make it commensurate with its size and nature of its business.

8. The Central Government has not prescribed maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956.

9. According to the information and explanations given to us, and on the basis of our examination of the books of account, the company has generally been regular in depositing with appropriate authorities the undisputed statutory dues including Provident Fund, Income-tax, Sales-Tax, Excise duty, Cess and other statutory dues applicable to it during the year.

Further, since Central Government has till date not prescribed the amount of cess payable under section 441A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.

There are no dues outstanding of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise duty and cess on account of any dispute.

10. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the financial year immediately preceding such financial year.



11. The Company has neither taken any loans from a financial institution and a bank nor issued any debentures.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund, nidhi, mutual benefit fund or a society. Accordingly clause 4(xiii) of the order is not applicable.
14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, clause 4(xiv) of the order is not applicable.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. According to the information and explanations given to us, the Company has not taken any term loans during the year.
17. According to the information and explanations given to us, the Company has not raised any funds on short-terms basis. All assets have been funded by shareholder's funds.
18. The Company has not made any preferential allotment of shares during the year to parties and Companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The company has not issued any debentures during the year.
20. The Company has not raised any money by public issues during the year.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

Place : New Delhi
Date : 21/05/2010

For SHAH BAHETI CHANDAK & Co..
CHARTERED ACCOUNTANTS
FRN No. 109513 W

(CA P.M. SHRAWAK)
PARTNER
M.No. 109237

CEO and CFO Certification

To,
The Board of Directors
Manganese Ore (India) Ltd.
Nagpur

(A) We have reviewed financial statements and the cash flow statement of Manganese Ore (India) Ltd for the year ended 31st March, 2010 and that to the best of our knowledge and belief:

(i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

(ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(B) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2009-10 which are fraudulent, illegal or violative of the Company's Code of Conduct.

(C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(D) We have indicated to the auditors and the Audit Committee

(i) significant changes in internal control over financial reporting during the year 2009-10;

(ii) significant changes in accounting policies during the year 2009-10 and that the same have been disclosed in the notes to the financial statements; and

(iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

sd/-
M.A.V. Goutham
Director (Finance)

sd/-
K. J. Singh
Chairman - cum - Managing Director

Place: New Delhi
Date: 21/05/2010



PRAGATI VED (KAKANI)
M.COM, L.I.I.I., A.C.S.

PRAGATI VED & CO,
(COMPANY SECRETARIES)
D-200 R.M.S. COLONY,
TAGORE NAGAR,
RAIPUR 492 001 (C.G.)
09665301248
Mob: 98901-27067
email: vedpragati@rediffmail.com

To,
The Members
Manganese Ore (India) Ltd.
MOIL Bhawan, 1-A, Katol Road,
Nagpur

Sir,

We have examined the compliance of conditions of Corporate Governance by Manganese Ore (India) Ltd. for the year ended on 31st March 2010 as stipulated in Department of Public Enterprises' (DPE) Office Memorandum No. 18(8)/2007-GM dated 22.06.2007 regarding Corporate Governance as applicable on Central Public Sector Enterprises (CPSE).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned O.M., subject to the following:-

i) The above O.M. requires that not less one third of the Board Members should be Independent directors. It is observed that as on 31st March, 2010 there are only three independent directors as against requirement of four directors. The Company has informed that due to completion of tenure of one of the Independent Directors, the company could not meet the condition. However, they have already taken up this matter with their administrative Ministry i.e. Ministry of Steel.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For Pragati Ved & Co.
Company Secretaries

Nagpur,
Date: 19/05/2010

Pragati Ved(Kakani)
Proprietor
C.P. No. 5329

BALANCE SHEET AS AT 31ST MARCH, 2010

Rupees in lakhs

Particulars	Schedule	As at 31st March, 2010		As at 31st March, 2009	
		Rs.	Rs.	Rs.	Rs.
A SOURCES OF FUNDS					
1 Shareholders' funds					
(a) Share capital	1	16800.00		2800.00	
(b) Reserves and surplus	2	150937.10		129287.22	
			167737.10		132087.22
2 Deferred tax liability	19 (14)		1283.31		1850.22
			169020.41		133937.44
B APPLICATION OF FUNDS					
1 Fixed assets	3				
(a) Gross block		35702.66		34199.97	
(b) (-) Depreciation		16048.61		13636.30	
(c) Net block		19654.05		20563.67	
(d) (+) Capital work-in-progress		2217.76		1545.28	
			21871.81		22108.95
2 Investments	4		21.28		11.28
3 Current assets, loans and advances	5				
(a) Current assets					
(i) Inventories		4753.94		5836.53	
(ii) Sundry debtors		8574.47		6108.88	
(iii) Cash and bank balances		148709.79		123217.21	
(iv) Other current assets		5977.81		5414.07	
		168016.01		140576.69	
(b) Loans and advances	6	6262.84		4283.16	
		174278.85		144859.85	
Less :					
Current liabilities and provisions					
(a) Current liabilities	7	14586.53		18667.62	
(b) Provisions	8	12565.00		14375.02	
		27151.53		33042.64	
Net current assets			147127.32		111817.21
			169020.41		133937.44

Schedule No. 1-20 form an integral part of financial statements
This is the balance sheet referred to in our report of even date

For Shah Baheti Chandak & Co.,
Chartered Accountants,
FRN No. 109513W

CA P. M. Shrawak
Partner [Membership No. 109237]

Place : New Delhi
Date : 21st May, 2010

Neeraj Pandey
Company Secretary

M.A.V.Goutham
Director (Finance)

K.G.Kavishwar
D.G.M. (Finance)

K.J.Singh
Chairman-cum-Managing Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

Rupees in lakhs

Particulars	Schedule	For the year 2009-10		For the year 2008-09	
		Rs.	Rs.	Rs.	Rs.
A INCOME					
(a) Gross sales	9	96547.09		128484.06	
(-) Excise duty		241.07		304.14	
Net sales			96306.02		128179.92
(b) Other income	10		13625.66		12314.69
(c) Provisions written back	11		5.79		10.36
(d) Accretion/-decretion to stocks	12		-1152.22		3435.93
Total income			108785.25		143940.90
Less :					
B EXPENDITURE					
(a) Ore raising and operating expenses	13	25232.67		28809.06	
(b) Manufacturing and electricity generation expenses	14	3718.52		4432.43	
(c) Administrative and selling expenses	15	6152.25		7217.36	
(d) Research and development expenses	16	287.71		167.19	
(e) Write offs and provisions	17	92.68		165.99	
(f) Expenses for diversion of forest land		92.15		6.62	
Total expenditure			35575.98		40798.65
Gross margin before interest and depreciation			73209.27		103142.25
Less : Depreciation			2529.86		2466.58
Profit before tax			70679.41		100675.67
Less :					
Tax provisions					
(a) Provision for income tax -					
(i) For current year		24460.35		34099.82	
(ii) For earlier years		161.41		-3.50	
		24621.76		34096.32	
(b) Provision for fringe benefits tax					
(i) For current year		0.00		29.63	
(ii) For earlier years		-10.15		-3.02	
		-10.15		26.61	
(c) Deferred tax liability/(-)-asset for the year		-566.91		173.41	
			24044.70		34296.34
Net profit after tax			46634.71		66379.33
Balance of profit from previous year			58.43		39.43
(+) Transfer from research and development reserve			50.00		0.00
Profit available for appropriations			46743.14		66418.76

Particulars	Rupees in lakhs	
	For the year 2009-10	For the year 2008-09
C APPROPRIATIONS		
(a) Proposed final dividend @ 34% (275%) #	5712.00	7700.00
Interim dividend @ 22% (200%) #	3696.00	5600.00
	9408.00	13300.00
(b) Tax on final dividend including surcharge and cess	948.69	1308.61
Tax on interim dividend including surcharge and cess	628.14	951.72
	1576.83	2260.33
(c) Transfer to general reserve	35700.00	50800.00
(d) Balance carried forward	58.31	58.43
Total	46743.14	66418.76
# After issue of bonus shares in the ratio of 1:5 during 2009-10		
Earnings per share		
(a) Net profit after tax - Rupees in lakhs	46634.71	66379.33
(b) Number of shares of Rs. 10 (restated after bonus issue - Rs. 10) each	168000000	168000000
(c) Earnings per share of Rs. 10 (restated after bonus issue - Rs. 10) each (Basic and diluted) - In Rupees	27.76	39.51

Schedule No. 1-20 form an integral part of financial statements
 This is the Profit & Loss account referred to in our report of even date

For Shah Baheti Chandak & Co.,
 Chartered Accountants,
 FRN No. 109513W

CA P. M. Shrawak
 Partner [Membership No. 109237]

Place : New Delhi
 Date : 21st May, 2010

Neeraj Pandey
 Company Secretary

M.A.V.Goutham
 Director (Finance)

K.G.Kavishwar
 D.G.M. (Finance)

K.J.Singh
 Chairman-cum-Managing Director

SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2010

Rupees in lakhs

Particulars	As at 31st March, 2010		As at 31st March, 2009															
	Rs.	Rs.	Rs.	Rs.														
Schedule 1 - Share capital																		
Authorised																		
250000000 (10000000) Equity shares of Rs. 10 (Rs. 100) each		25000.00		10000.00														
Issued, subscribed and paid-up																		
168000000 (28000000) Equity shares of Rs. 10 (Rs. 100) each		16800.00		2800.00														
Particulars of bonus shares issued by capitalisation of reserves are as under.																		
<table border="1"> <thead> <tr> <th rowspan="2">Financial year</th> <th rowspan="2">No. of shares</th> <th colspan="2">Reserves capitalised</th> </tr> <tr> <th>General reserve</th> <th>Capital reserve</th> </tr> </thead> <tbody> <tr> <td>2006-07</td> <td># 1267486</td> <td>1267.49</td> <td>0.00</td> </tr> <tr> <td>2009-10</td> <td># 140000000</td> <td>13993.39</td> <td>6.61</td> </tr> </tbody> </table>					Financial year	No. of shares	Reserves capitalised		General reserve	Capital reserve	2006-07	# 1267486	1267.49	0.00	2009-10	# 140000000	13993.39	6.61
Financial year	No. of shares	Reserves capitalised																
		General reserve	Capital reserve															
2006-07	# 1267486	1267.49	0.00															
2009-10	# 140000000	13993.39	6.61															
# Shares of face value of Rs. 100 each are split into shares of face value of Rs. 10 each in financial year 2009-10																		
Schedule 2 - Reserves and surplus																		
Capital reserve																		
As per last balance sheet		6.61		6.61														
(-) Capitalised by issue of bonus shares		6.61		0.00														
			0.00	6.61														
Research and development reserve																		
As per last balance sheet		50.00		50.00														
(-) Transfer to profit and loss account		50.00		0.00														
			0.00	50.00														
General reserve																		
As per last balance sheet		129172.18		78372.18														
(-) Capitalised by issue of bonus shares		13993.39		0.00														
(+) Transfer from profit and loss account		35700.00		50800.00														
			150878.79	129172.18														
Profit and loss account																		
Balance of profit			58.31	58.43														
Total		150937.10		129287.22														

Schedule 3
FIXED ASSETS 2009-2010

Sr No	Description of assets	Gross block		Depreciation		Net block				
		As on 31.03.2009	Additions 31.03.2010	Deductions 31.03.2010	As on 31.03.2009	For the year	Deductions 31.03.2010	As on 31.03.2010	As on 31.03.2009	
1	Land	859.31	123.10	0.00	982.41	0.00	0.00	0.00	982.41	859.31
2	Leasehold land	1394.35	0.00	0.00	1394.35	69.71	0.00	563.64	830.71	900.42
3	Land and buildings	6365.88	417.17	0.27	6782.78	279.01	0.24	1586.54	5196.24	5058.11
4	Data processing machinery	156.42	34.73	4.66	186.49	23.88	4.43	138.46	48.03	37.41
5	Plant and machinery	14748.42	921.85	104.89	15565.38	1076.97	95.12	10509.41	5055.97	5220.86
6	Wind turbine generators	9701.74	0.00	0.00	9701.74	1003.16	0.00	2460.98	7240.76	8243.92
7	Railway sidings	38.18	0.00	0.00	38.18	3.09	0.00	18.99	19.19	22.28
8	Furniture and office equipments	453.88	26.61	3.10	477.39	21.83	2.67	355.35	122.04	117.69
9	Vehicles	481.79	109.07	16.92	573.94	52.21	15.09	415.24	158.70	103.67
10	Capital work in progress	34199.97	1632.53	129.84	35702.66	2529.86	117.55	16048.61	19654.05	20563.67
11	Previous year	30247.57	4160.02	207.62	34199.97	2466.58	189.97	13636.30	22108.95	19743.20

For 2009-10 **For 2008-09**

- | | | | |
|---|---|---------|--------|
| 1 | Land and buildings at Nagpur office have been regrouped together for the purpose of depreciation as the value of land has not been determined | 47.39 | 36.97 |
| 2 | Depreciation for the year includes depreciation on - | 21.71 | 24.05 |
| | (a) EMD plant assets | 1006.71 | 958.98 |
| | (b) Ferro Manganese Plant assets | 0.00 | 10.18 |
| | (c) Wind Mills Division assets | | |
| 3 | Advances to contractors on capital account included in capital work in progress | | |
| 4 | Title deeds in respect of land measuring 112.18 acres at Bobbili are under execution | | |

SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2010

Rupees in lakhs

Particulars	As at 31st March, 2010		As at 31st March, 2009	
	Rs.	Rs.	Rs.	Rs.
Schedule 4 - Investments (Unquoted) - At cost				
Fully paid-up shares of Co-operative Stores/Societies at mines :				
(a) 500 (500) Shares of Rs. 5 each of Co-operative Stores (unregistered)	0.03		0.03	
(b) 1612 (1612) Shares of Rs. 25 each of Co-operative Societies	0.40		0.40	
(c) 8556 (8556) Shares of Rs. 10 each of Co-operative Societies	0.85		0.85	
		1.28		1.28
Investment in joint ventures (Initial subscription) :				
(a) 100000 (100000) Equity shares of Rs. 10 each fully paid-up in SAIL-MOIL Ferro Alloys Pvt. Ltd.	10.00		10.00	
(b) 100000 (Nil) Equity shares of Rs. 10 each fully paid-up in RINMOIL Ferro Alloys Pvt. Ltd.	10.00		0.00	
		20.00		10.00
		21.28		11.28
Schedule 5 - Current assets				
(a) Inventories [Certified by the management]				
(i) Stock of raw materials valued at cost		74.58		78.41
(ii) Stock of stores and spares valued at cost	557.28		593.26	
(-) Provision for loss on sale of obsolete stores and spares	4.20		4.20	
		553.08		589.06
(iii) Stock in transit at cost		6.01		1.96
(iv) Stock-in-trade at cost or net realisable value, whichever is less		4101.18		5160.91
(v) Work-in-process		19.09		6.19
Total		4753.94		5836.53
(b) Sundry debtors				
(i) Considered good				
Debts outstanding for a period exceeding six months	9.90		12.24	
Others	8564.57		6096.64	
		8574.47		6108.88
(ii) Considered doubtful		42.02		47.81
		8616.49		6156.69
(-) Provision for doubtful debts		42.02		47.81
Total		8574.47		6108.88
(c) Cash and bank balances				
(i) Cash in hand		6.12		7.50
(ii) Balance with scheduled banks				
In fixed deposits		146501.67		122555.50
In current accounts		2202.00		654.21
		148709.79		123217.21
(d) Other current assets				
(i) Interest accrued on fixed and other deposits		5884.12		5317.73
(ii) Sundry receivable		93.69		96.34
Total		5977.81		5414.07
Grand Total		168016.01		140576.69

SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2010

Rupees in lakhs

Particulars	As at 31st March, 2010		As at 31st March, 2009	
	Rs.	Rs.	Rs.	Rs.
Schedule 6 - Loans and advances (Considered good)				
(a) Secured				
Loans to employees		151.48		146.42
(b) Unsecured				
(i) Advances to employees		99.48		71.35
(ii) Advances for purchase of stores, spares and machinery	109.30		54.34	
(-) Provision for doubtful advances	0.57		0.57	
		108.73		53.77
(iii) Advances to contractors and others		175.82		186.05
(iv) Claims receivable	0.53		0.53	
(-) Provision for doubtful claims	0.53		0.53	
		0.00		0.00
(v) Pre-paid expenses		32.61		22.39
(vi) Deposit with railway, electricity boards and others		418.24		412.86
(vii) Advance payment of income tax (Net)		5276.48		3390.32
		<u>6262.84</u>		<u>4283.16</u>
Schedule 7 - Current liabilities				
(a) Sundry creditors		2278.14		2005.84
(b) Advances from customers		1193.90		1279.63
(c) Security deposits from suppliers, contractors and others		1530.37		1188.95
(d) Liabilities for expenses		9106.37		13913.80
(e) Other liabilities		477.75		279.40
		<u>14586.53</u>		<u>18667.62</u>
Schedule 8 - Provisions				
(a) Proposed dividend on equity shares		5712.00		7700.00
(b) Provision for tax on dividend		948.69		1308.61
(c) Provision for unavailed leave - Liability on balance sheet date	3192.48		2564.97	
(-) Fund with Life Insurance Corporation of India	2717.10		1400.30	
		475.38		1164.67
(d) Provision for gratuity		1674.86		1759.32
(e) Provision for pension fund		3354.27		2115.88
(f) Provision for final mine closure expenses		399.80		326.54
		<u>12565.00</u>		<u>14375.02</u>

SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

Rupees in lakhs

Particulars	For financial year 2009-10		For financial year 2008-09	
	Rs.	Rs.	Rs.	Rs.
Schedule 9 - Sales				
(a) Sale of manganese ore		91009.40		118728.26
(b) Sale of electrolytic manganese di-oxide		579.60		928.21
(c) Sale of ferro manganese		4026.86		8003.01
(d) Sale of power to MPEDCL		931.23		824.58
		<u>96547.09</u>		<u>128484.06</u>
(-) Excise duty -				
(a) On sale of electrolytic manganese di-oxide	44.89		109.37	
(b) On sale of ferro manganese	196.18		194.77	
		<u>241.07</u>		<u>304.14</u>
Net sales		<u>96306.02</u>		<u>128179.92</u>
Schedule 10 - Other income				
(a) Interest				
(i) On deposits	12167.91		10387.04	
(ii) On advances	15.69		13.73	
(iii) On outstanding	230.94		12.46	
(iv) On income/sales tax refund	5.89		8.30	
		<u>12420.43</u>		<u>10421.53</u>
(b) Recoveries from employees				
(i) Rent	2.69		2.11	
(ii) Electricity	8.67		6.63	
(iii) School bus	2.38		2.22	
		<u>13.74</u>		<u>10.96</u>
(c) Sale of scrap		2.75		0.47
(d) Rent on buildings		12.77		12.98
(e) Reimbursement from Welfare Commissioner		0.88		2.02
(f) EMD forfeiture		400.06		386.62
(g) Sales tax set-off/refund		101.20		113.84
(h) Sale of ferro manganese slag	685.63		1314.31	
(-) Excise duty	52.19		159.87	
Net		<u>633.44</u>		<u>1154.44</u>
(i) Miscellaneous income		40.39		211.83
		<u>13625.66</u>		<u>12314.69</u>
Schedule 11 - Provisions written back				
(a) Provision for doubtful debts		0.00		5.15
(b) Provision for doubtful advances		0.00		4.24
(c) Provisions no longer required		5.79		0.69
(d) Provision for anticipated loss on sale of obsolete stores		0.00		0.28
		<u>5.79</u>		<u>10.36</u>

SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

Rupees in lakhs

Particulars	For financial year 2009-10		For financial year 2008-09	
	Rs.	Rs.	Rs.	Rs.
Schedule 12 - Accretion/(decretion) to stocks				
(a) Manganese ore				
Closing stock	2036.48		3995.24	
(-) Opening stock	3995.24		999.40	
		-1958.76		2995.84
(b) Electrolytic manganese di-oxide				
Closing stock	451.93		221.44	
(-) Opening stock	221.44		296.65	
		230.49		-75.21
(c) Ferro manganese				
Closing stock	1631.85		950.42	
(-) Opening stock	950.42		438.57	
		681.43		511.85
	A	-1046.84		3432.48
Less :				
Excise duty on closing stock				
(a) Electrolytic manganese di-oxide				
On closing stock	42.20		16.86	
(-) On opening stock	16.86		37.39	
		25.34		-20.53
(b) Ferro manganese				
On closing stock	152.39		72.35	
(-) On opening stock	72.35		55.27	
		80.04		17.08
	B	105.38		-3.45
Net accretion/-decretion [A - B]		-1152.22		3435.93

SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

Particulars	Rupees in lakhs			
	For financial year 2009-10		For financial year 2008-09	
	Rs.	Rs.	Rs.	Rs.
Schedule 13 - Ore raising and operating expenses				
(a) Employee cost				
Salaries, wages and bonus	12388.13		15478.08	
Contribution to provident fund and other funds	4334.00		5341.01	
Welfare expenses	776.06		483.11	
		17498.19		21302.20
(b) Transport, raling and other works through contractors		3005.25		2948.78
(c) Consumption of stores and spares		2816.96		2855.21
(d) Power and fuel		999.43		933.09
(e) Repairs and maintenance to				
(i) Buildings	250.14		160.17	
(ii) Plant and machinery	809.06		589.32	
(iii) Others	164.06		160.41	
		1223.26		909.90
(f) Rent		0.83		1.01
(g) Rates and taxes		103.98		84.93
(h) Insurance		29.70		29.71
(i) Printing and stationery		22.90		33.25
(j) Postage, telegrams, telephone and fax		10.81		12.44
(k) Travelling and conveyance		72.53		86.99
(l) Management training		45.39		38.87
(m) Miscellaneous expenses		179.10		169.40
		26008.33		29405.78
(-) Cost of manganese ore transferred to electrolytic manganese di-oxide and ferro manganese plants		775.66		596.71
		25232.67		28809.06
Schedule 14 - Manufacturing and electricity generation expenses				
(a) Employee cost				
Salaries, wages and bonus	259.10		323.57	
Contribution to provident fund and other funds	97.39		120.78	
Welfare expenses	12.08		6.42	
		368.57		450.77
(b) Payments to contractors		152.64		179.64
(c) Consumption of raw materials		1714.22		2295.28
(d) Consumption of stores and spares		69.71		51.20
(e) Repairs to plant and machinery		66.15		31.11
(f) Insurance		2.52		2.98
(g) Power and fuel		1308.78		1352.52
(h) Travelling and conveyance		3.71		5.11
(i) Miscellaneous expenses		32.22		63.82
		3718.52		4432.43
Notes				
1 Repairs and maintenance of assets for ore raising expenses include -				
(a) Salaries and wages		649.88		445.25
(b) Stores and spares		105.99		54.68

SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

Rupees in lakhs

Particulars	For financial year 2009-10		For financial year 2008-09	
	Rs.	Rs.	Rs.	Rs.
Schedule 15 - Administrative and selling expenses				
A Administrative expenses				
(a) Employee cost				
Salaries, wages and bonus	976.97		1203.55	
Contribution to provident fund and other funds	392.70		483.19	
Welfare expenses	76.80		70.43	
		1446.47		1757.17
(b) Power and fuel		50.92		51.26
(c) Repairs and maintenance to				
(i) Buildings	71.68		89.37	
(ii) Plant and machinery	7.23		7.44	
(iii) Others	19.63		14.71	
		98.54		111.52
(d) Rent		0.90		1.33
(e) Rates and taxes		127.93		11.51
(f) Insurance		18.02		35.00
(g) Printing and stationery		25.89		36.16
(h) Postage, telegram, telephone and fax		22.15		20.36
(i) Travelling and conveyance		135.87		132.34
(j) Legal/professional fees and expenses		17.72		28.82
(k) Auditor's remuneration		3.83		3.08
(l) Directors' sitting fees		2.54		1.65
(m) Advertisements		79.82		44.34
(n) Management training		12.89		23.92
(o) Donations		0.20		0.05
(p) Expenditure on corporate social responsibility		156.97		542.12
(q) Miscellaneous expenses		126.22		79.36
(r) Interest on income tax		144.31		0.00
		2471.19		2879.99
B Selling expenses				
(a) Royalty and cess		3469.42		3500.34
(b) Cash discount on sales		100.57		86.50
(c) Compensation against arbitration award		2.63		639.15
(d) Service charges on e-auctions		87.93		95.84
(e) Sampling expenses		20.51		15.54
		3681.06		4337.37
Grand total		6152.25		7217.36
Schedule 16 - Research and development expenses				
(a) Exploratory drilling at mines		248.97		137.64
(b) Expenditure on blasting/rock mechanics/stop design studies, etc.		38.74		29.55
		287.71		167.19
Schedule 17 - Write off and provisions				
(a) Write off of discarded assets		12.29		17.65
(b) Write off of stores and spares shortage		1.26		1.34
(c) Write off of bad debts		5.79		0.70
(d) Write off of advances to suppliers		0.00		4.24
(e) Write off of old medical/other advances		0.08		0.13
(f) Write off of V.R.S. expenses		0.00		63.83
(g) Provision for bad and doubtful debts		0.00		0.06
(h) Provision for final mine closure expenses		73.26		78.04
		92.68		165.99

SCHEDULE 18

ACCOUNTING POLICIES

1. Accounting for fixed assets

(a) Valuation of fixed assets

Fixed assets are maintained at original cost.

(b) Depreciation

Company is charging 100% depreciation on fixed assets up to the value of Rs. 5000 as prescribed in Schedule XIV to Companies Act. Depreciation is calculated (i) on straight line method in case of Wind Turbine Generators and (ii) on written down value method on all other assets, at the rates prescribed by the Schedule XIV, as amended from time to time, on *pro-rata* basis. However, depreciation for full month is calculated when any asset is first put to use on any day during that month.

Cost of leasehold land, including net present value of diverted forest land, is amortised over the period of lease.

(c) Write-off losses on assets

All assets dismantled/discarded are written off assuming that scrap value for the same is Nil. If and when such discarded assets are disposed off partially or fully, the amounts realized during the year on account of sale are credited to profit and loss account of that year.

(d) Expenditure during construction period

All expenditure during construction period on specific projects, identifiable as relating to such projects, is debited to the said projects up to the date of completion and commissioning there of.

(e) Interest during construction period

Interest on loans (including other related financing costs on loans) pertaining to specific assets incurred during construction period upto completion is capitalized.

2. Valuation of closing stock

Inventories are valued on following basis.

(a) Finished goods

(i) Manganese ore of all grades (except fines, hutch dust and HIMS rejects) :- At cost at mines including depreciation on mine assets or net realizable value, whichever is less.

(ii) Manganese ore fines, hutch dust and HIMS rejects :- At cost per tonne on jigging/processing, transportation, etc., allocated on technical estimates or net realizable value, whichever is less.

(iii) Manganese ore at port :- At landed cost at the port or net realizable value, whichever is less. Landed cost includes freight, unloading charges, sampling charges, etc.

Difference between physical and book stocks are not adjusted, so long as the overall position of stocks at mines is found to be excess when compared with overall book stocks. As and when ore is actually dispatched, excess or shortage after railing/shipment against each stack is ascertained and the same is accounted for in the books of the company in that year.

(iv) Electrolytic manganese di-oxide (including stock in process on 31st March at different stages of production, ascertained by technical estimation as to percentage of completed units of EMD) :- At current year's cost of production including EMD plant's depreciation or net realizable value, whichever is less.

(v) (a) Ferro manganese/silico manganese including stock in cake form on 31st March, determined by technical assessment :-

At Current year's cost of production, including ferro manganese plant's depreciation or net realizable value, whichever is less.

(b) Stock in process :- The quantity of ferro manganese/silico manganese in process cannot be weighed, seen or assessed and hence, no value is assigned.

(c) Stock of slag :- Slag is a molten mass of impurities generated during manufacture of ferro manganese, which is treated as scrap and, accordingly, not valued. It is accounted for as other income, in the year in which sale takes place.

(b) **Stores inventory** (Stores, spares, timber, explosives, fuel and lubricants and raw materials) :- At cost on weighted average method.

(i) Physical verification of all stores, spares, etc., is conducted at the end of each year. Difference between physical stock and book stock is investigated and necessary adjustments are carried out in the books of accounts.

(ii) In case of ferro manganese plant, stock of raw materials, except manganese ore at plant, is valued at cost on weighted average method. The stock of manganese ore at plant is valued at current year's cost of production or net realizable value, whichever is less, plus cost of transport and other charges, if any. Opening and closing stock of ore at the plant is grouped under the head "Stock of raw materials".

3. Sales

Sales invoices are raised and revenue is recognized in the books of accounts only after dispatch of goods based on railway receipt/lorry receipt/delivery challan.

(a) Manganese ore sales

(i) Supplementary invoice are raised for variation in quality and/or quantity on receipt of analysis report. These bills are raised in the year of receipt of analysis report and the adjustment is made in the same year.

(ii) Sales include royalty.

(b) EMD/ferro manganese/silico manganese sales

Sales of EMD and ferro manganese include excise duty and education cess applicable there on.

(c) Sale of electricity to M. P. Electricity Distribution Company Limited

Revenue is recognized on the basis of energy injected into grid for sale, at tariff rate agreed in power purchase agreement.

4. Other income

(a) Interest income from sundry debtors is recognized in line with AS-9 of the Institute of Chartered Accountants of India as under

(i) In as far as the realization is supported by letter of credit through bank from the debtors, where there is certainty of its realization, the recognition is made on accrual basis.

Interest billed to customers for credit terms beyond current financial year is recognized in the year to which it pertains.

(ii) In as far as the realization is not supported by letter of credit through bank and directly billed by the company where its realization is uncertain, based on management's experience, as and when actual realization made is recognized as income.

(b) Interest income on deposits and advances is recognized on accrual basis.

(c)Memorandum records have been kept in respect of replaced/worn-out parts/scrap capital items. When they are disposed off, proceeds are taken as miscellaneous receipt of that year.

5. Captive consumption

Manganese ore

Manganese ore, fines, HIMS rejects issued as raw material for production of EMD/ferro manganese is valued at current year's cost of production and fines/HIMS rejects are valued at per tonne rate, as adopted for valuation of stock. Consumption of the ore is accounted on average cost. Value of ore issued is reduced from ore raising/operating expenses and is considered as raw material consumption in "Manufacturing Expenses".

Electricity

Power generated at wind turbine generator units and consumed at mine/plant, are charged to respective units at the cost of generation.

6. Sales tax, income tax, etc.

(a)In respect of sales tax, income tax, etc., the amounts payable or receivable as per assessment order is accounted for in the year in which the said order is received and accepted by the company, irrespective of the year to which the order relates.

Set off is claimed on sales tax on purchases. Difference between set off claimed and actual set off allowed is accounted for in the year in which the assessment order is received and accepted by the company.

7. Employee benefits:

(a)Short term employee benefits

Short term employee benefits are recognized as expense at the undiscounted amount in the profit and loss account in the year in which the related service is rendered.

(b) Post-employment benefits

(i) Defined benefit plans

Post-employment and other long term employee benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered services. The expenses are recognized at the present value of the amounts payable, determined using actuarial valuation techniques. Actuarial gains and losses in respect of post-employment and other long term benefits are charged to the profit and loss account

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans, under which the company pays fixed contributions into separate entities (funds). The company's contribution to defined contribution plans is recognized in the profit and loss statement in the financial year to which it relates.

8. V.R.S. Expenditure

The company charges full amount of the expenditure in profit and loss account in the year of incurrence.

9. Accounting for subsidies from Welfare Commissioner

(a)Labour quarters

The company has constructed/under construction some labour quarters, for which the company is receiving subsidy from the Welfare Commissioner. Since the land on which such quarters are constructed is surrendered to the Welfare Commissioner and the property (quarters constructed) vests with the Welfare Commissioner, the entire expenditure incurred by the company is charged to and the subsidy received is also credited to revenue in the year in which the expenditure is incurred/subsidy is received.

Charged to and the subsidy received is also credited to revenue in the year in which the expenditure is incurred/ subsidy is received

(b) Welfare assets

Entire expenditure for acquisition of assets like school bus, ambulance, water supply scheme, etc., under welfare schemes is debited to relevant asset account in the year in which expenditure is incurred. Amount of subsidy received is credited to the same asset head in the year of receipt and depreciation is then charged on such reduced value of the asset from that year.

10. Claims by the company

Amount of claims lodged with insurance company/railways are accounted for on the basis of amount claimed during the year on assessing reasonable certainty of their realisation and the difference, if any, is adjusted on settlement of the claims.

11. Prepaid expenses

Expenses are treated as prepaid only where the payments exceed Rs. 100000 in each case.

12. Provision for doubtful debts

Provision for bad and doubtful debts is made based on a case-to-case review of sundry debtors outstanding for more than two years. Debts outstanding from private parties for more than three years are invariably provided.

13. Research and development expenditure

Research and development expenditure is charged to profit and loss account in the year of incurrence. However, expenditure on fixed assets relating to research and development is treated in the same way as other fixed assets.

14. Mine closure expenditure

Financial implications towards final mine closure plans under relevant Acts and Rules are technically estimated, based on total available ore reserves. The same are provided in accounts, on year to year basis, after taking into consideration the annual production.

15. Net present value for diversion of forest land for non-forest purposes

The liability is recognized on receipt of necessary permission from the concerned authorities.

16. Corrections of fundamental errors of commission or omission in earlier year(s) are done by debiting/crediting prior period adjustments account.

17. Significant events occurring after balance sheet date

Impact of significant events after the date of balance sheet and approval thereof is given effect to either by moderation of the balance sheet and profit and loss account or by specific mention in the Directors' Report.

SCHEDULE 19

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010

1 Contingent liabilities

(a) Claims against the company not acknowledged as debts

		Rupees in Lakhs	
PARTICULARS		31-03-2010	31-03-2009
(i)	Claims for wages and other benefits to employees	40.48	28.66
(ii)	Claims by South East Central Railway for payment of arrears of rent pertaining to railway sidings	109.68	109.68
(iii)	Claims by contractors for non-fulfilment of contractual obligations	26.42	26.42
(iv)	Claims by Forest Department for payment of transit fee on production of ore at Tirodi mine	72.28	Nil
(v)	Claims by Forest Department for payment of net Present value in respect of leases already granted	97.34	Nil

(b) Income tax assessments are completed upto assessment year 2007-08. Income tax payments made/refunds adjusted by the department against the disputed demands are shown under loans and advances. Adjustment of these advances against disputed demand is made only after final settlement of appeals, pending at various levels. Demands made by the department, which are disputed by the company, and payments made against these demands, are as under -

Assess-ment year	Disputed demand Rs.-Lakhs	Amount paid Rs.-Lakhs	Balance as on 31 st Mar'10 Rs.	Pending with
2007-08	83.03	83.03	Nil	Commissioner of Income Tax (Appeals)

There will not be any additional financial implications over and above the provisions already made as per company's assessment.

(c) Company has given financial assurance of Rs. 181.67 (Rs. 170.93) lakhs to IBM by way of bank guarantees, towards progressive mine closure plans. Fixed deposit receipts of identical amount are held by banks/Government departments against these bank guarantees.

(d) Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. 904.01 (Rs. 1631.99) lakhs. Advance paid for such contracts is Rs. Nil (Rs. 10.18) lakhs.

2 Land measuring 761.60 Sq. Mtrs. belonging to the company is acquired by Nagpur Improvement Trust for its Integrated Road Development Plan. Writ petition filed by the company seeking compensation is admitted by the High Court, Nagpur. Pending writ petition, no adjustment is done in books.

3 (a) Production and inventory of manganese ore is arrived on weight-volume ratio basis

(b) Inventories of bulk raw materials and finished goods in respect of ferro manganese plant are determined as per weight-volume ratio by the production/technical department and the same are accounted for accordingly.

(c) Inventory of raw materials includes stock of manganese ore of 292 (266) MT valuing Rs.11.15 (Rs. 6.36) lakhs lying in ferro manganese plant site on 31.03.10.

4 Letters for year-end balance confirmation of sundry debtors and sundry creditors have been sent to the parties. In respect of confirmations received, the company is under process of scrutinizing and reconciling the balances.

5 Documentation in respect of secured loans to employees is pending in some cases.

6. Loans and advances (Schedule 6) include

		Rupees in lakhs	
Particulars		31-03-2010	31-03-2009
(a)	Advances to officers	0.00	0.10
	Maximum outstandings against individual officers during the year	2.97	0.10
(b)	Advances to Chairman-cum-Managing Director	0.00	0.00
	Maximum outstanding during the year	1.88	0.00
(c)	Interest-bearing deposits with electricity boards (included in deposits)	327.42	324.77

7. The company has made provision of Rs. 1238.39 (Rs. 2115.88) lakhs for superannuation benefits to employees based on Board approval for which Ministry's approval is awaited.

8. For anticipated loss on disposal of obsolete stores/spares, provision of Rs. 4.20 (Rs. 4.20) lakhs made in accounts is considered adequate.

9. Income tax deducted at source from interest and rent received by the company amounts to Rs. 1626.85 (Rs. 2198.43) lakhs.

10. Sundry creditors include a sum of Rs. Nil (Rs. Nil) lakhs payable to S.S.I. units, in excess of Rs. 1.00 lakh outstanding for more than thirty days.

11. Administrative expenses (Schedule 15) include -

		Rupees in lakhs	
Particulars		2009-10	2008-09
1	Travelling expenses of		
	(a) Chairman-cum-Managing Director	14.05	17.07
	(b) Directors	41.72	42.01
2	Auditor's remuneration		
	(a) Audit fee	2.76	2.21
	Out of pocket expenses	0.15	0.14
	(b) Other services	0.92	0.73
		<u>3.83</u>	<u>3.08</u>
3	Advertisements include expenditure on public relations and publicity	38.21	22.01

12. Defined obligations - Disclosures as per Accounting Standard 15 are as under.
I. Reconciliation of opening and closing balance of defined obligation

	Rupees in lakhs			
Change in the present value of obligation	Gratuity (Funded) (2009-10)	Gratuity (Funded) (2008-09)	Leave Encashment (Funded) (2009-10)	Leave Encashment (Funded) (2008-09)
At the beginning of the year	6790.87	4870.68	2564.97	1364.65
Current service cost	458.93	357.26	212.15	181.75
Interest cost	543.27	389.66	205.20	109.17
Actuarial (gain)/loss	1251.08	1449.75	255.48	996.52
Benefits paid	(403.22)	(276.48)	(45.32)	(87.12)
At the close of the year	8640.93	6790.87	3192.48	2564.97

II. Reconciliation of opening and closing balance of fair value of plan assets

	Rupees in lakhs			
Change in fair value of plan assets	Gratuity (Funded) (2009-10)	Gratuity (Funded) (2008-09)	Leave Encashment (Funded) (2009-10)	Leave Encashment (Funded) (2008-09)
At the beginning of the year	5031.55	3817.57	1400.30	1214.93
Expected return on plan assets	475.48	360.76	125.33	114.81
Actuarial (gain)/loss	101.88	67.04	72.12	8.27
Employer contribution	1760.38	1026.21	1164.67	149.41
Benefits paid	(403.22)	(240.03)	(45.32)	(87.12)
At the close of the year	6966.07	5031.55	2717.10	1400.30

III. Reconciliation of fair value of assets and obligation

	Gratuity (Funded) (2009-10)	Gratuity (Funded) (2008-09)	Leave Encashment (Funded) (2009-10)	Leave Encashment (Funded) (2008-09)
Fair value of Plan assets at the beginning of the year	6966.07	5031.55	2717.10	1400.30
Present value of obligation at the end of the year	8640.93	6790.87	3192.48	2564.97
Liability recognized in balance sheet	1674.86	1759.32	475.38	1164.67

IV. Expenses recognized in the profit and loss account

	Gratuity (Funded) (2009-10)	Gratuity (Funded) (2008-09)	Leave Encashment (Funded) (2009-10)	Leave Encashment (Funded) (2008-09)
Current service cost	458.93	357.26	212.16	181.75
Interest cost	543.27	389.66	205.20	109.17
Expected return on plan assets	(475.48)	(360.76)	(125.33)	(114.81)
Actuarial (gain)/loss	1149.20	1382.70	183.35	988.25
Total expenses recognized in the profit & loss account	1675.92	1768.86	475.38	1164.36

V. Actuarial assumptions

	Gratuity (Funded) (2009-10)	Gratuity (Funded) (2008-09)	Leave Encashment (Funded) (2009-10)	Leave Encashment (Funded) (2008-09)
Mortality Table (LIC)	(1994-96) ultimate	(1994-96) ultimate	(1994-96) ultimate	(1994-96) ultimate
Discount rate (per annum)	8%	8%	8%	8%
Expected return on Plan assets (per annum)	9.45%	9.45%	8.90%	9.45%
Rate of escalation in salary (Per annum)	5%	5%	5%	5%

13. Transactions with related parties – Disclosures of transactions with related parties as per Accounting Standard 18 are as under.

(i) List of related parties with whom transactions have taken place and relationship

1	Shri K.J.Singh	Key management personnel
2	Shri M.A.V. Goutham	Key management personnel
4	Shri A. K. Mehra	Key management personnel
5	Shri G.P.Kundargi	Key management personnel
6	SAIL & MOIL Ferro Alloys Pvt. Ltd.	Joint venture company
7	RILMOIL Ferro Alloys Pvt. Ltd.	Joint venture company

(ii) Transactions during the year with related parties

Particulars		Rupees in lakhs	
		2009-10	2008-09
1	Managerial remuneration		
	(a) Salaries and allowances	92.22	30.23
	(b) Contribution to provident fund	7.28	2.90
	(c) Actual/estimated value of perquisites	<u>10.73</u>	<u>6.61</u>
	(d) Total	<u>110.23</u>	<u>39.74</u>
2	Reimbursement of traveling expenses	55.77	59.08
3	Initial subscription towards equity share capital in joint venture companies	10.00	10.00
4	Sitting fees to part-time Directors	2.54	1.65

14. Deferred tax liability – Disclosures as per Accounting Standard 22 are as under. Rupees in lakhs

Sr No	Particulars	2009-10/ 31 st March, 2010	2008-09/ 31 st March, 2009
1	Deferred tax liability Related to depreciation	2993.01	3203.58
2	Deferred tax assets Disallowance under the Income Tax Act	1709.70	1353.36
3	Closing balance as on 31 st March	1283.31	1850.22
4	Deferred tax for profit and loss account - Increase in liability	-566.91	173.41

15. Joint ventures - Disclosures as per Accounting Standard 27 are as follows.

(a) Particulars about joint venture companies

Name of joint venture company	Incorporation details		Proportion of owner-ship	Initial subscription Rs.-Lakhs
	Country	Date		
SAIL-MOIL Ferro Alloys Pvt Ltd	India	31.07.2008	50%	10.00
RINMOIL Ferro Alloys Pvt Ltd.	India	29.07.2009	50%	10.00

(b) Financial particulars Rupees in lakhs

Particulars	Position as at	
	31.03.2010 (Unaudited)	31.03.2009 (Audited)
Company's share of contingent liabilities	Nil	9.30
Company's share of capital commitments	Nil	Nil
Guarantees given on behalf of the joint ventures	Nil	Nil
Aggregate amount of company's interest as per accounts of joint venture companies –		
(i) SAIL-MOIL Ferro Alloys Pvt. Ltd.		
Shareholders' funds	10.00	10.00
Secured/unsecured loans	Nil	Nil
Deferred tax liability (Net)	Nil	Nil
Fixed assets and capital work in progress	16.56	11.09
Net current assets	-13.84	-1.55
Debit balance in profit and loss account	6.42	0.46
Miscellaneous expenditure (Not written off)	0.86	Nil
Income	Nil	Nil
Expenditure	Nil	0.46
(ii) RINMOIL Ferro Alloys Pvt. Ltd.		
Shareholders' funds	10.00	N.A.
Secured/unsecured loans	29.10	N.A.
Deferred tax liability (Net)	0.00	N.A.
Fixed assets and capital work in progress	0.65	N.A.
Net current assets	8.56	N.A.
Miscellaneous expenditure (Not written off)	29.89	N.A.
Income	0.00	N.A.
Expenditure	0.00	N.A.

16. Provisions – Disclosure of particulars as per Accounting Standard 29 are as under. Rs. In lakhs

Particulars of provisions	Opening balance as on 01.04.09	Additional provisions during the year	Amount used - write off/write back during the year	Closing balance as on 31.03.10
Final mine closure expenses	326.54 (248.50)	73.26 (78.04)	-- (--)	399.80 (326.54)
Bad and doubtful debts	47.81 (53.59)	-- (0.06)	5.79 (5.84)	42.02 (47.81)

In respect of provision for final mine closure expenses, cash outflow is expected at the time of closure of mines.

17. Imports of capital goods, stores/spares and raw materials - Rs. Nil (Rs. 87.24) lakh.

18. Expenditure in foreign currency for traveling - Rs. 7.00 (Rs. 6.47) lakh.

19. Additional information to profit and loss account

(a) Major raw materials consumed

	Year ended 31-03-2010		Year ended 31-03-2009	
	Qty (MT)	Rs.in lakhs	Qty (MT)	Rs.in lakhs
Ferro Manganese plant –				
(i) Manganese ore	24680.00	758.45	26120.00	586.31
(ii) Coke	5255.49	634.81	5565.10	1201.24
(iii) Carbon paste	137.30	36.02	142.00	34.47
E.M.D. plant –				
(i) Manganese ore	4161.00	12.42	4428.00	6.09
(ii) Sulphuric acid	345.00	13.20	396.35	51.96
(iii) Sodium carbonate	20.07	4.08	22.38	4.46

(b) Production, sales, opening and closing stocks -

	Year ended 31-03-2010		Year ended 31-03-2009	
	Qty (MT)	Rs.in lakhs	Qty (MT)	Rs.in lakhs
a) Production -				
Manganese ore	1093363	--	1175318	--
E.M.D.	1150	--	1240	--
Ferro manganese	9555	--	10120	--
Wind power (KwH)	33101066	--	30039353	--
b) Sales -				
Manganese ore	1175230	91009.40	1023486	118728.26
E.M.D.	857	579.60	1419	928.21
Ferro manganese	7479	4026.86	9425	8003.01
Power to MPEDCL (Kwh)	24055800	931.23	20510400	824.58
c) Opening stock –				
Manganese ore	177443	3995.24	56328	999.40
E.M.D.	403	221.44	582	296.65
Ferro manganese	2368	950.42	1673	438.57
d) Closing stock –				
Manganese ore	66709	2036.48	177443	3995.24
E.M.D.	696	451.93	403	221.44
Ferro manganese	4444	1631.85	2368	950.42

(c) Closing stock of manganese ore is arrived after adjustment of issue of 4161 (4428) tonnes for production of EMD and 24706 (26289) tonnes for production of ferro manganese.

(d) Generation of power from wind mills includes 9045266 (9528953) KwH utilized for captive consumption at Balaghat mine and ferro manganese plant.

(e) Licensed and installed capacity

E.M.D. plant	1000 MT per annum
Ferro manganese plant	10000 MT per annum
Wind turbine generators	40000000 KwH per annum

(f) Actual production/generation

E.M.D.	1150 (1240) MT
Ferro manganese	9555 (10120) MT
Electricity	33101066 (30039353)KwH

(g) Capacity utilization

E.M.D. plant	115% (124%)
Ferro manganese plant	96% (101%)
Wind turbine generators	83% (75%)

20 Corresponding figures for previous year have been regrouped to make them comparable with those of the year under review. Figures in brackets in the schedules indicate corresponding figures of the previous year.

Schedule No. 1 to 20 form an integral part of financial statements.

**For Shah Baheti Chandak & Co.,
Chartered Accountants
FRN No. 109513W**

**CA P.M.Shrawa k
Partner
M.No.109237**

**Neeraj Pandey
Company Secretary**

**K.G.Kavishwar
D.G.M.(Finance)**

Place : New Delhi
Date : 21st May, 2010

**M.A.V.Goutham
Director (Finance)**

**K.J.Singh
Chairman-cum-Managing Director**

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE -
AS PER PART IV OF COMPANIES ACT**

SCHEDULE 20 :

Particulars	Details
I Registration details	
1 Registration number	012398
2 State code	11
3 Balance sheet date	31.03.2010
	Rupees in thousands
II Capital raised during the year	
1 Public issue	Nil
2 Rights issue	Nil
3 Bonus issue	1400000
4 Private placement	Nil
III Position of mobilisation and deployment of funds	
1 Total liabilities	19617194
2 Total assets	19617194
A Sources of funds	
1 Paid up capital	1680000
2 Reserves and surplus	15093710
3 Deferred tax liability	128331
4 Secured loans	Nil
5 Unsecured loans	Nil
B Application of funds	
1 Net fixed assets	1965405
2 Capital work-in-progress	221776
3 Investments	2128
4 Net current assets	14712732
IV Performance of the company	
1 Turnover	9654709
2 Net turnover	9630602
3 Total expenditure	2562661
4 Profit before tax	7067941
5 Profit after tax	4663471
6 Basic and diluted earnings per share (Rs.)	27.76
7 Dividend rate (%)	56%
V Generic names of three principal products/services of the company	
Product description -	I T C Code
1 Manganese ore above 46%	26020001
2 Manganese ore from 44% to 46%	26020002
3 Electrolytic manganese di-oxide	28201001
4 Ferro manganese	72021100
5 Electricity through wind turbine generators	3601

Schedule No. 1-20 form an integral part of financial statements

For Shah Baheti Chandak & Co.,
Chartered Accountants,
FRN No. 109513W

Neeraj Pandey
Company Secretary

K.G.Kavishwar
D.G.M. (Finance)

CA P. M. Shrawak
Partner [Membership No. 109237]

M.A.V.Goutham
Director (Finance)

K.J.Singh
Chairman-cum-Managing Director

Place : New Delhi
Date : 21st May, 2010

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

Rupees in lakhs

Particulars	For financial year 2009-10		For financial year 2008-09	
	Rs.	Rs.	Rs.	Rs.
A Cash flow from operating activities				
Net profit before tax and dividend		70679.41		100675.67
<u>Adjustment for -</u>				
(a) Depreciation	2529.86		2466.58	
(b) Discarded assets written off	12.30		17.65	
		2542.16		2484.23
Operating profit before working capital changes		73221.57		103159.90
<u>Adjustments for -</u>				
(a) Inventories	1082.59		-3567.07	
(b) Sundry debtors	-2465.59		9784.06	
(c) Interest accrued/receivable	-566.39		-3237.48	
Other current assets	2.65		-25.41	
(d) Loans and advances	-1979.68		-3155.88	
(e) Current liabilities and provisions	-5891.12		13947.05	
		-9817.54		13745.27
Cash generated from operations		63404.03		116905.17
Provision for taxation during the year		-24611.61		-34122.93
Net cash from operating activities		38792.42		82782.24
B Cash flow from investing activities				
(a) Purchase of fixed assets	-2305.01		-4849.98	
(b) Purchase/sale of investments	-10.00		-10.00	
Net cash used in investing activities		-2315.01		-4859.98
C Cash flow from financing activities				
(a) Dividend (including dividend distribution tax)		-10984.83		-15560.34
D Net increase/(-) decrease in cash and cash equivalents		25492.58		62361.92
E Opening cash and cash equivalents		123217.21		60855.29
Closing cash and cash equivalents		148709.79		123217.21
Net increase/(-) decrease in cash and cash equivalents		25492.58		62361.92

Schedule No. 1-20 form an integral part of financial statements

This is the cash flow statement referred to in our report of even date

For Shah Baheti Chandak & Co.,
 Chartered Accountants,
 FRN No. 109513W

CA P. M. Shrawak
 Partner [Membership No. 109237]

 Place : New Delhi
 Date : 21st May, 2010

Neeraj Pandey
 Company Secretary

M.A.V.Goutham
 Director (Finance)

K.G.Kavishwar
 D.G.M. (Finance)

K.J.Singh
 Chairman-cum-Managing Director

STATEMENT OF SOCIAL AMENITIES - EXPENSES AND INCOME

Rupees in lakhs

Sr. No.	Particulars	Current year				Total	
		Township	Education	Medical #	Welfare \$	For 2009-10	For 2008-09
1	Salaries and wages	31.69	74.91	58.27	142.23	307.10	286.23
2	Contribution to provident fund	3.20	8.85	6.72	14.52	33.29	33.18
3	Consumption of stores	24.59	15.60	5.38	44.54	90.11	87.97
4	Power	122.31	0.00	8.19	32.76	163.26	128.77
5	Drugs and injections	0.00	0.00	47.52	0.00	47.52	58.50
6	Miscellaneous expenses	1.79	38.91	61.30	313.17	415.17	282.11
7	Contractors - Repairs to buildings/others	146.34	0.67	0.43	101.06	248.50	112.16
	Sub total A	329.92	138.94	187.81	648.28	1304.95	988.92
8	Depreciation	177.58	21.19	10.51	1.49	210.77	202.77
9	Interest	0.00	0.00	0.00	0.00	0.00	0.00
	Sub total B	177.58	21.19	10.51	1.49	210.77	202.77
10	Total expenses [A + B]	507.50	160.13	198.32	649.77	1515.72	1191.69
	Less :						
	Income from electricity	7.82	0.00	0.00	0.85	8.67	6.63
	Receipts from school bus	0.00	1.15	0.00	1.23	2.38	2.22
	Reimbursement from Welfare Commissioner for sports/medical/others	0.00	0.00	0.00	0.88	0.88	2.02
	Sub total D	7.82	1.15	0.00	2.96	11.93	10.87
11	Net expenses [C - D]	499.68	158.98	198.32	646.81	1503.79	1180.82

* Over and above statutory requirements

Including social and cultural activities



Shri K.J. Singh, Chairman-cum-Managing Director, presenting dividend cheque to Hon'ble Minister of Steel Shri Virbhadra Singh, also presents Shri A. Chaturvedi, Secretary MoS and Dr. Dalip Singh, Jt. Secretary MoS

