

# ANNUAL REPORT 2011-2012

GOLDEN JUBILEE  
1962 - 2012



**MOIL LIMITED**  
(A Govt. of India Enterprise)

Adding **Strength** to Steel

# Vision & Mission & Objectives

GOLDEN JUBILEE  
1962-2012



## VISION / MISSION

- ♦ To become one among the best manganese mining companies in the world, through utilization & upgradation of skills/talents available.
- ♦ To globally expand the activities of the company in all possible areas keeping in view the value addition, through joint ventures/Technology Transfer.

## OBJECTIVES

- ♦ To maintain the status of market leader in manganese industry in India.
- ♦ To generate adequate surpluses and ensure best returns to the satisfaction of all stake holders.
- ♦ To maintain quality of manganese ore and related products at all stage and enhance total customer satisfaction through prompt delivery of quality materials and services.
- ♦ Through R&D and adoption of new technologies, to diversify and modernize, mining and beneficiation methods for upgrading low & medium grade ores and achieve growth through value addition.
  - (a) To improve productivity, capacity utilisation and cost effectiveness through optimising both human and physical resources.
  - (b) To explore all possibility of cost effective power services for Ferro Manganese Plant.
- ♦ To make mining areas clean, green and eco-friendly.
- ♦ To strive for a zero accident rate, by further improving safety practices.
- ♦ To ensure a high quality of life to the employees and other stake holders in the vicinity of the industry.

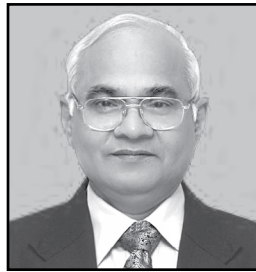
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## Important Communication to Members

**The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/ documents including annual report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participant. Members who hold shares in physical form are requested to register the same with MOIL Limited or our R&T Agent (M/s Bigshare Services Private Limited) to enable the Company to send the Annual Reports through e-mail instead of physical form.**

## BOARD OF DIRECTORS



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

## GOVERNMENT DIRECTORS



**Dr. Dalip Singh**



**Dr. K. Shivaji**



**Shri S.K. Mishra**

## INDEPENDENT DIRECTORS



**Dr. S.K. Bhattacharyya**



**Shri Vijay Kale**



**Dr. Madhu Vij**



**Shri Sanjeeva Narayan**



**Shri H.C. Disodia**



**Shri Bal Kishan Gupta**



**Dr. D.D. Kaushik**

## FUNCTIONAL DIRECTORS



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



**Shri A.K. Mehra**  
Director (Commercial)

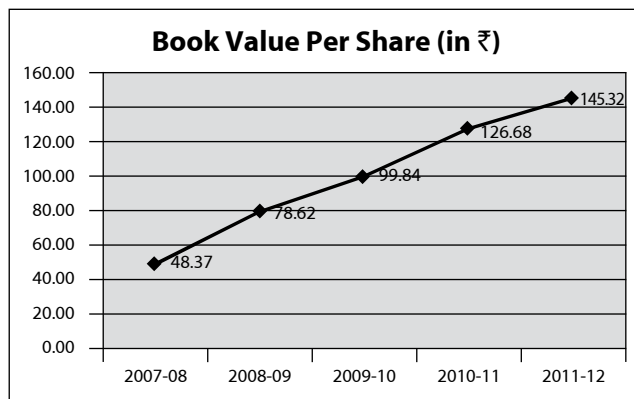
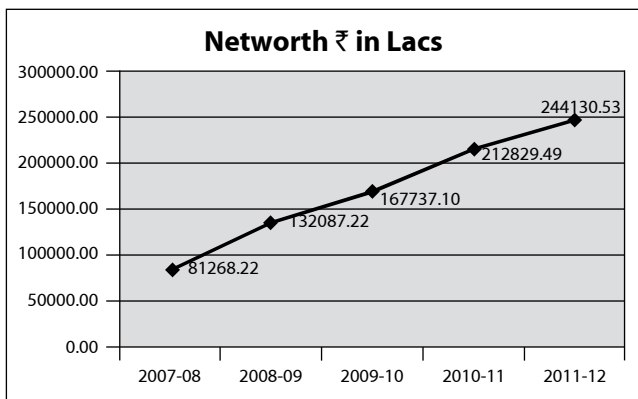
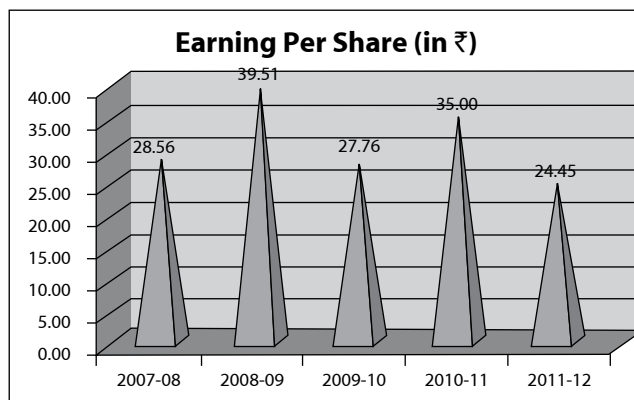
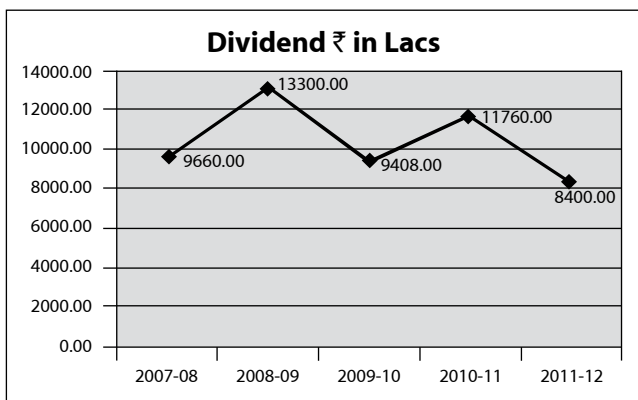
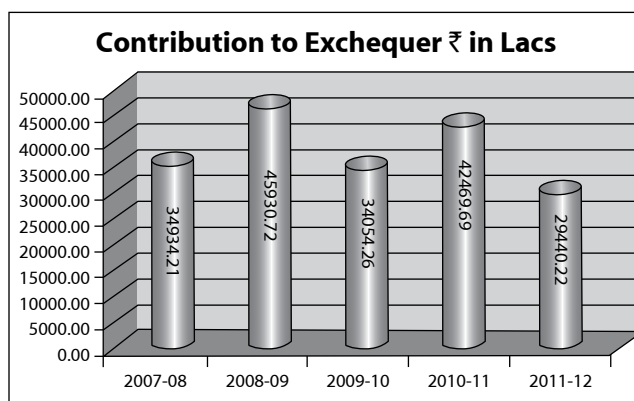
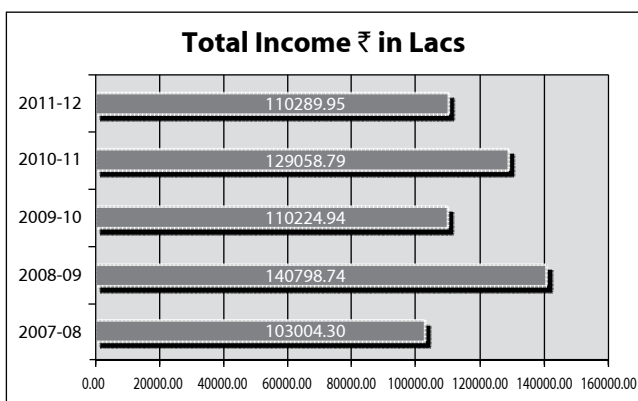
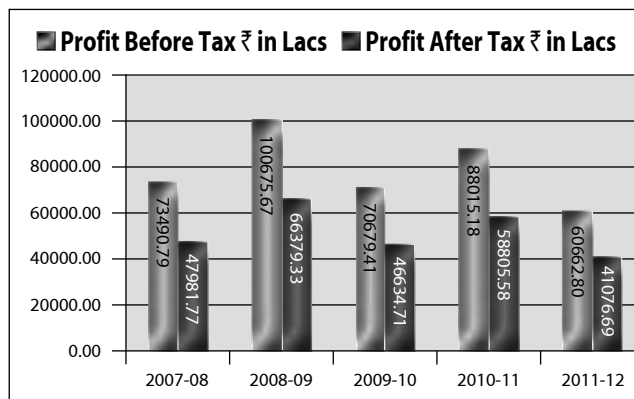
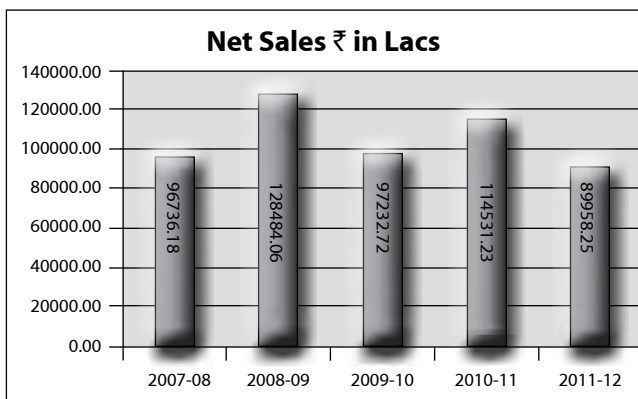


**Shri G.P. Kundargi**  
Director (Prod. & Plng.)

## Performance at a Glance

Particulars	2011-12	2010-11	2009-10	2008-09	2007-08
<b>Financial (₹ Lakhs)</b>					
Net Sales	<b>89958.25</b>	114531.23	97232.72	128484.06	96736.18
Other Income	<b>20331.70</b>	14527.56	12992.22	12314.68	5668.47
Total Income	<b>110289.95</b>	129058.79	110224.94	140798.74	103004.30
Gross Margin	<b>63654.36</b>	91266.35	73209.27	103142.25	75098.44
Profit Before Tax	<b>60662.80</b>	88015.18	70679.41	100675.67	73490.79
Profit After Tax	<b>41076.69</b>	58805.58	46634.71	66379.33	47981.77
Dividend	<b>8400.00</b>	11760.00	9408.00	13300.00	9660.00
Share Capital	<b>16800.00</b>	16800.00	16800.00	2800.00	2800.00
Reserves & Surplus	<b>227330.53</b>	196029.49	150937.10	129287.22	78468.22
Borrowings	<b>0.00</b>	0.00	0.00	0.00	0.00
Gross Block	<b>42257.86</b>	39646.13	35702.66	34199.97	30247.57
Working Capital	<b>218435.76</b>	189281.25	147127.32	111817.20	63200.54
Capital Employed	<b>239140.55</b>	209879.26	166781.37	132380.87	82088.42
Profit before tax to Capital Employed %	<b>25.37</b>	41.94	42.38	76.05	89.53
Profit before tax to Sales %	<b>67.43</b>	76.85	72.69	78.36	75.50
Debt to Equity Ratio	<b>0.00</b>	0.00	0.00	0.00	0.00
Earnings per Share (₹)	<b>24.45</b>	35.00	27.76	2370.69	1713.63
Networth	<b>244130.53</b>	212829.49	167737.10	132087.22	81268.22
	<b>145.32</b>	126.68	99.84	471.74	290.24
<b>Contribution to Exchequer</b>					
Income Tax	<b>20401.07</b>	30343.08	24611.61	34122.93	24112.29
Dividend Tax	<b>1375.66</b>	1953.19	1576.83	2260.33	1641.72
Sales Tax	<b>2185.31</b>	2837.12	2254.81	3072.00	2925.83
Royalty & Cess	<b>3309.59</b>	4349.81	3469.42	3500.34	2688.17
Excise Duty	<b>609.88</b>	534.39	293.26	464.00	763.49
M.P.Road Cess	<b>1558.71</b>	2452.10	1848.33	2511.12	2802.71
Total	<b>29440.22</b>	42469.69	34054.26	45930.72	34934.21
<b>Physical Production</b>					
Manganese Ore (Lakhs tonnes)	<b>10.71</b>	11.51	10.93	11.75	13.65
Ferro Grades (Lakhs tonnes)	<b>5.06</b>	5.19	5.95	6.31	6.44
E.M.D. (Tonnes)	<b>714.00</b>	805.00	1150.00	1240.00	1122.00
Ferro Manganese (Tonnes)	<b>8694.00</b>	9081.00	9555.00	10120.00	11130.00
Output per Man Shift (O.M.S. / Tonnes)	<b>0.71</b>	0.78	0.73	0.77	0.88





## CHAIRMAN'S STATEMENT



Dear Shareholders,

I feel extremely privileged and delighted to communicate with you on the occasion of Golden Jubilee Year and 50<sup>th</sup> Annual General Meeting of your Company and present the Annual Report for the financial year 2011-12.

As the year 2011-12 is the Golden Jubilee year of your Company, I heartily congratulate all its employees, stake holders, associates and all others who have contributed in the success of this great organization. During the long journey of 50 years since its inception, your Company has come across many challenges and every single time it has come out successfully through sheer hard work, dedication and the pragmatic approach adopted by the management both present and the past.

The year 2011-12 has been a year of challenge for MOIL, as manganese ore prices were under heavy pressure during the entire year. High Manganese Ore inventory, especially in international market, led to fall in prices of Manganese Ore and your Company had no option but to reduce prices of Manganese Ore almost upto 40%. Even after the ups and down in manganese ore industry and steep fall in manganese ore prices, your Company's performance has been quite satisfactory during 2011-12.

Your Company has produced 10.71 lakh Tonnes of various grades of Manganese Ore as against 11.50 lakh Tonnes in the previous year. The Company has recorded sales turnover of ₹ 899.58 Crores during the financial year 2011-12, as compared to ₹ 1139.97 Crores in the previous year. The Company has posted PBT and PAT of ₹ 606.63 Crores and ₹ 410.77 Crores, respectively.

MOIL is a dividend paying Company since many years and this year also it has already paid Interim Dividend @ 20% i.e. ₹ 2.00 per Equity Share, in the month of March, 2012. The

Board of Directors of your Company has further recommended a final dividend @ 30% i.e. ₹ 3.00 per Equity Share. The total dividend for the year 2011-12 works out to ₹ 5.00 per equity share.

Your Company always strives to attain highest level of Corporate Governance practices. Implementation of Integrity Pact, adoption of code of conduct and a well-defined Internal Control Framework add to the transparency of the Company's business practices. At MOIL, we are complying with the Government Guidelines and listing agreement on Corporate Governance. A report on Corporate Governance compliances has been made part of the Directors' Report.

Being a good Corporate Citizen of the Nation, your Company always endeavors to contribute in the development and improvement of the quality of life of internal as well as external stakeholders and society at large with its continued commitment towards Corporate Social Responsibility and ethical behaviour. Your Company has undertaken a number of CSR initiatives in the area of health, education, construction/renovation of roads & schools, water supply facilities, peripheral development, sports and culture, development etc. for community living in and around its area of operations as well as in other areas. I am pleased to mention that your Company has successfully achieved the MoU excellent target of CSR expenditure by spending ₹ 6.56 Crores as against target of ₹ 6.28 Crores fixed by the Government of India for 2011-12.

With a vision to become one of the largest and best manganese ore mining companies of the world, the Company has formulated a Corporate Plan for the period up to the year 2020. Long-term planning horizons, maintaining financial stability with strong balance-sheet, good cash flow and focus on operational costs and productivity, determine our major decisions.

The performance of manganese ore industry mainly depends on the performance of steel industry. Despite the various negative



events in 2011, signs of stability are now emerging and it is expected to regain from 2<sup>nd</sup> quarter of this year, leading to a higher growth forecast for 2013. India has become 4<sup>th</sup> largest producer of crude steel in the world as against the 8<sup>th</sup> position in 2003 and is expected to become the 2<sup>nd</sup> largest producer of crude steel in the world by 2015.

As per forecast of World Steel Association (WSA), in year 2012, India's steel usage is projected to grow by 6.9% to reach 72.5 MT. The growth rate in coming years is forecast to accelerate to 9.4% on the back of urbanisation and surging infrastructure investment. The global apparent steel usage is expected to increase by 3.6% to 1,422 Mt in 2012, following growth of 5.6% in 2011 and in 2013, world steel demand will grow further by 4.5% to around 1,486 Mt.

I am very much confident that backed by infrastructure development policy of Government of India, steel being backbone for infrastructure development, its demand is expected to grow in coming times, which in turn will increase the demand of manganese ore as well.

MOIL is the largest manganese ore producer in India with its market share of about 42%. Your Company holds about 30% of proven reserves with around 73.5 MT of reserves and resources of manganese ore. It is very well positioned to capitalize on India's steel demand growth, given its dominant position, medium- to high-grade ore reserves, centrally located mines, low cost of production and strong customer ties. Your Company has also planned huge investments for developments of its existing mines which will further increase/sustain the production and productivity, to meet the future requirements.

Your Company has already made its mark is in the field of promoting green and clean energy by setting up wind farm with present capacity of 20 MW in Dewas Dist. in the State of Madhya Pradesh. In consonance with this ideology of "Energy saved is energy produced", MOIL has won National Energy Conservation Awards continuously since 2007 for its efforts in conservation of energy. MOIL's wind farms have got registered under CDM by UNFCCC.

The Government of Maharashtra has reserved an area of 814.71 Hector land in Nagpur & Bhandara districts of Maharashtra. I am feeling great pleasure to inform you that recently Government of India, Ministry of Mines, have conveyed their prior approval to the grant of Prospecting License for 597.44 hectares land out of reserved area to MOIL. This project is expected to add to the production of the manganese ore to cater its demand in future and to achieve planned production of 2.2 million tonnes by 2020.

Your Company is also in process of search of good mining property outside the country and has invited expression of interest relating to potential investment opportunities primarily for manganese ore and other minerals both within India and globally. Your Company is a debt free Company carrying good cash reserve, which provides opportunity to go for various brown field as well as green field projects in coming times.

I would like to take this opportunity to thank the Government of India, Ministry of Steel, State Governments of Maharashtra and Madhya Pradesh, valued customers, Company's bankers, suppliers and all MOILIANS for their immense contribution to Company's performance. At the same time, I wish to acknowledge the valuable guidance given by the Board of Directors of the Company without which it would not have been possible to lead the Company in the growth direction. I look forward to their continued support and commitment to your Company's reaching greater heights and enhancing stakeholders' value.

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



## NOTICE

NOTICE IS HEREBY GIVEN THAT the 50<sup>th</sup> Annual General Meeting of the Members of MOIL Limited will be held on Friday, 27<sup>th</sup> July, 2012 at 2.30 P.M. at MOIL Ltd. Golden Jubilee Hall, West Court Premises In-front of Z.P. (Ex-Govt.) Girls High School, Katol Road, Nagpur - 440 013 to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2012 and Statement of Profit and Loss Account for the financial year ended on that date together with Report of the Board of Directors and Auditors thereon.
2. To declare Final Dividend for the Financial Year 2011-12.
3. To appoint a Director in place of Shri M.A.V. Goutham, who retires by rotation and being eligible, proposed to be re-appointed
4. To appoint a Director in place of Shri A.K. Mehra, who retires by rotation and being eligible, proposed to be re-appointed
5. To appoint a Director in place of Shri G.P. Kundargi, who retires by rotation and being eligible, proposed to be re-appointed
6. To appoint a Director in place of Dr. S.K. Bhattacharya, who retires by rotation and being eligible, proposed to be re-appointed
7. As per the provisions of Section 224(8)(aa) of the Companies Act, 1956, the remuneration of Auditors of Government Companies, appointed by Comptroller and Auditor-General of India, shall be fixed by the Company in General Meeting or in such manner as the Company in General Meeting may determine. Hence, it is proposed that the members may fix the remuneration of the Statutory Auditors of the Company for the year 2012-13, as may be deemed fit.

By order of the Board of Directors

Sd/-

**Neeraj D. Pandey**  
(Company Secretary)

Place: Nagpur

Dated: 2<sup>nd</sup> July, 2012

Regd. Office:

MOIL LIMITED, MOIL Bhawan, 1A Katol Road,  
Nagpur - 440 013

### NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. THE PROXY FORM IS ENCLOSED.**
2. Brief Resume of the Directors seeking appointment/re-appointment as mandated under Clause 49 of Listing Agreement with the Stock Exchanges is annexed hereto and forms part of the notice.
3. None of the Directors of the Company is in any way related with each other.
4. Members are requested to:-
  - Note that copies of Annual Report will not be distributed at the Annual General Meeting.
  - Bring their copies of Annual Report, Notice and Attendance Slip duly completed and signed, at the meeting.
  - Deliver duly completed and signed Attendance Slip at the entrance of the meeting venue as entry to the hall will be strictly on the basis of the entry slip available at the counter at the venue to be exchanged with the attendance slip.
  - Quote the Folio/Client ID & DP ID Nos. in all correspondence.
  - Note that due to strict security reasons, mobile phones, brief cases, eatables and other belongings are not allowed inside the Meeting Hall.
  - Note that no gifts/coupons will be distributed at the Annual General Meeting.
5. Corporate Members are requested to send a duly certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote on their behalf at the Annual General Meeting.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 20<sup>th</sup> July, 2012 to Friday, 27<sup>th</sup> July, 2012 (both days inclusive).



The final dividend on equity shares, as recommended by the Board of Directors, is subject to the provisions of Section 206A of the Companies Act, 1956.

7. All the documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company on all working days (barring Saturday and Sunday), between 11.00 AM to 1.00 PM up to one day prior to the date of AGM i.e. 27<sup>th</sup> July, 2012.
8. Members seeking further information on the Accounts or any other matter contained in the Notice are requested to write to the Company at least 7 days before the meeting so that relevant information can be kept ready at the meeting.
9. Pursuant to Section 619(2) of Companies Act, 1956, the Auditors of a Government Company are to be

appointed or re-appointed by the Comptroller and Auditor General of India and in terms of Section 224(8) (aa) of the Companies Act, 1956, their remuneration has to be fixed by the Company in General Meeting or in such manner as the Company in General Meeting may determine. The Members of the Company in the 49<sup>th</sup> Annual General Meeting held on September 23, 2011 authorised the Board of Directors to fix the remuneration of Statutory Auditors for the year 2010-11. Accordingly, the Board of Directors has fixed audit fee of ₹ 2.50 lakh plus service tax and out of pocket expenses. In line with the previous practice, the Members may authorise the Board to fix an appropriate remuneration of Statutory Auditors as may be deemed fit by the Board.

## Brief Resume of Directors proposed to be Re-appointment at 50<sup>th</sup> AGM

Name	Shri M.A.V. Goutham	Shri A.K. Mehra	Shri G.P. Kundargi	Dr. Subir K. Bhattacharyya
Date of Birth	01.08.1952	19.01.1955	15.08.1956	25.12.1945
Date of Appointment	23.08.2004	01.05.2007	02.06.2008	25.06.2010
Qualification	B.Sc., CA, ICWA	B.E. (Mech.) MBA, GDMM, LL.B.	Master of Applied Science (M.A.Sc./M. Tech.)	Graduate from BE College in Metallurgy and doctorate in science in Metallurgy from MIT, USA
Expertise in specific functional area	Mr. M. A. V. Goutham is currently Director (Finance) of our Company. He started his career with A.P. State Financial Corporation and subsequently worked in Hindustan Shipyard, Visakhapatnam and Lubrizol India Limited, Mumbai. Mr. Goutham has approximately 36 years experience in the field of finance, Accounts and Taxation.	Shri A.K. Mehra is currently Director (Commercial) of our Company. He has been declared an honorary citizen of Dickson and Pulaski, and appointed Colonel Aide de camp of the Governor's staff in the state of Tennessee, USA. He has been awarded a many prestigious awards such as the 'Best Chairman Award' and outstanding performance, 2004 by Indian Institute of Materials Management. He is also a life member of the Administrative Staff College of India and the Indian Institute of Materials Management. He has approximately 36 years of experience in the Commercial discipline.	Shri G.P. Kundargi is currently Director (Production & Planning) of our Company. He is in-charge of production, planning, projects, personnel and the technical wing. He began his career as a lecturer with Karnataka University. He joined the organization as a Deputy Mineral Dressing Engineer. Mr. Kundargi has more than 30 years experience in the mining and mineral processing field. He is a Member of the Occupational Health, Environment and Safety (OHES) Committee of International Manganese Institute (IMnI), Paris. He is also a Member of International Society for Rock Mechanics and life member of Quality Circle Forum of India. He has been awarded a prestigious award such as Golden Jubilee Award for contribution in Mineral Industry by Indian Mining & Engineering Journal (IMEJ)	Dr. Bhattacharyya has worked as Director for Alloy Steels Plant and R&D Centre for Iron & Steel, SAIL and has been on the board of directors of SAIL and TAYO Rolls Limited. He has been the MD of Durgapur Steel and CMD IISCO, Burnpur Plant and the chairman of the Expert Committee on Steel and Allied Industries, Government of West Bengal. He has been the national President of the Indian Institute of Metals. He has over 37 years of experience in the field of research and technology, technical administration and managing large public sector undertakings.
Directorship held in other Companies	1. SAIL & MOIL Ferro Alloys (P) Ltd. 2. RINMOIL Ferro Alloys (P) Ltd.	1. SAIL & MOIL Ferro Alloys (P) Ltd. 2. RINMOIL Ferro Alloys (P) Ltd.	1. SAIL & MOIL Ferro Alloys (P) Ltd. 2. RINMOIL Ferro Alloys (P) Ltd.	1. Tayo Rolls Ltd.
Membership / Chairmanship of Committees across all Public Companies	Shareholders' / Investors' Grievance Committee 1. MOIL Limited	Shareholders' / Investors' Grievance Committee 1. MOIL Limited	Audit Committee 1. MOIL Limited	Audit Committee 1. MOIL Limited 2. Tayo Rolls Ltd.
No. of Shares held	NIL	NIL	NIL	NIL

## DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Member,

On behalf of Board of Directors, I feel great pleasure in presenting the Annual Report of your Company in its Golden Jubilee year, together with the Audit Report and Audited Accounts, for the year ended 31<sup>st</sup> March, 2012.

### FINANCIAL RESULTS

The financial results of 2011-12 and of the previous year are highlighted below:

	₹ in Crores	
	<b>2011-12</b>	2010-11
Net Sales	<b>899.58</b>	1139.97
Other Income	<b>203.32</b>	145.49
Total Income	<b>1102.90</b>	1285.46
Profit before interest, depreciation and tax (EBIDTA)	<b>636.54</b>	912.66
Depreciation	<b>29.92</b>	32.51
Profit before tax for the year (PBT)	<b>606.63</b>	880.15
Less: Provision for Taxation	<b>195.86</b>	292.10
Profit after tax for the year (PAT)	<b>410.77</b>	588.05
Transfer to General Reserve	<b>300.00</b>	450.00

### KEY Financial Ratios

	<b>2011-12</b>	2010-11
EBIDTA to Sales Turnover (%)	<b>70.76</b>	80.06
PAT on networth (%)	<b>16.83</b>	27.63
EBIDTA to average capital employed (%)	<b>25.37</b>	41.94
Earning Per share (Face Value ₹ 10/- each)	<b>24.45</b>	35.00
Book Value per share	<b>145.32</b>	126.68

### DIVIDEND

Continuing the previous many years dividend paying practice, during the year 2011-12, an Interim Dividend @ 20% i.e., ₹ 2.00 per Equity Share, has been paid/dispatched in the month of March, 2012. Taking into consideration the profit and free reserves, the Board of Directors of your Company has further recommended a final dividend @

30% i.e., ₹3.00 per Equity Share. The total dividend for the year 2011-12 works out ₹ 5.00 per equity share as against ₹ 7.00 paid in previous year. The total dividend payout for the year works out ₹ 84 Crores @50% (Previous year @70% i.e. 117.60 Crores), which is in line with the previous years' declared dividend i.e. 20% of profit after tax.

### FINANCIAL PERFORMANCE

Your company has recorded net sales (excluding excise duty) of ₹ 899.58 Crores during the financial year 2011-12, as compared to ₹ 1139.97 Crores of previous year. Profit before tax (PBT) for the year has decreased by 31.08%, to ₹ 606.63 Crores, as compared to previous year. The Company has earned a Profit after Tax (PAT) of ₹ 410.77 Crores as against ₹ 588.05 Crores in the previous year. Reduction in profit is mainly due to substantial fall in sale realization compared to the year 2010-11.

### SALES

The Board is pleased to inform that the Company has sold 10.78 Lakh tonnes of Manganese ore in comparison to 9.99 Lakh tonnes of Manganese ore last year. The year 2011-12 was a year of challenges for the Company, during the year under report there has been pressure on prices of the Manganese ore and Company had to reduce prices of Manganese Ore upto 40%. High Manganese Ore inventory, especially in international market, less demand resulted in fall of prices of Manganese Ore. In spite of all these challenges your Company has managed net sale of Manganese Ore of ₹ 810.39 Crores against ₹ 1069.25 Crores during 2011-12. Hence, though the Company has registered an increase of 7.33% in sales quantity but a decline of 24.21% in sales turnover has been registered, mainly due to reduction in price of Manganese ore.

In respect of manufactured products viz. Ferro Manganese, EMD, Ferro Manganese Slag, net sale during the year 2011-12 was ₹ 80.73 Crores in comparison to ₹ 62.39 Crores during the year 2010-11, registering growth of 29.40% as compared to previous year. The sale of Electrolytic Manganese Dioxide (EMD) was 1005 tonnes, as against the previous year 911 tonnes. Whereas sale of Ferro Manganese at 13239 tonnes has registered achievement of about 191.79% in comparison to sales of 6903 tonnes during 2010-11.

## PRODUCTION AND PRODUCTIVITY

During the year the company has produced 10,70,717 Tonnes of various grades of Manganese Ore as against previous year 11,50,742 Tonnes. The production of Electrolytic Manganese Dioxide (EMD) was 714 tonnes as against 805 tonnes during 2010-11. The production of Ferro Manganese was 8694 tonnes as against previous year's production of 9081 tonnes. The Output per Manshift of the Company has been 0.711 tonnes (previous year 0.779 tonnes).

The Company has a closing stock of 1.58 lakh tonnes of manganese ore valued at ₹ 57.08 Crores as on 31.03.2012 as compared to 1.91 lakh tonnes of manganese valued at ₹ 66.82 Crores as on 31.03.2012. The closing stock of Ferro manganese was 2078 tonnes valued at ₹ 8.15 Crores as on 31.03.2012 as against 6622 tonnes valued at ₹ 19.53 Crores as on 31.3.2011. The closing stock of EMD as on 31.03.2012 was 299 tonnes (Previous Year 590 Tonnes) valued at ₹ 2.08 Crores (Previous Year ₹ 4.05 Crores).

## OTHER INCOME

As per the Government Guidelines, your Company deployed the surplus funds in fixed deposits and earned an interest income of ₹ 193.84 Crores (Previous Year ₹ 133.93 Crores) which is included in other income.

## CAPITAL / VALUE ADDITION PROJECTS

MOIL is planning to increase production from present level, to 2.2 million tonnes by year 2020. In order to implement this plan, your company planned huge investments for development of existing mines, acquisition of new mines in and outside the country, procurement of license for land in Maharashtra etc. The capital/value addition projects of the Company are as under:

### On-Going Projects

- **Sinking of vertical shaft at Gumgaon Mine:**

As informed in previous Annual Report, Gumgaon mine has vast reserves of manganese ore of high grade quality. In order to exploit this ore, a project of sinking of vertical shaft at Gumgaon Mine was started in the year 2007-08, which is now completed and only allied underground horizontal & vertical development at -300'L is left which will be completed by July, 2012. The project is expected to improve the production level from 60000 Ton per annum (TPA) to 110000 TPA in phases and also increase life of mine.

- **Deepening of production shaft and deepening Holmes shaft at Balaghat Mine:**

In order to sustain the existing level of production and also to augment the same in the coming years, the company took up the work of deepening of production shaft from 10<sup>th</sup> Level to 15<sup>th</sup> Level. The project is completed and will increase the production by 60000 TPA and also increase life of mine. The production is expected to commence in the year 2012-13.

- **Sinking of Vertical shaft at Munsar mine:**

With a view to improve the existing level of production and productivity, company has started work of sinking of vertical shaft upto 156 Meters depth of 4.5 mtrs dia. Vertical shaft sinking work started in May – 2010 and scheduled completion period is 48 months. Sinking upto depth of 82 Meters has already been achieved against the total sinking of 156 Meters. The project is expected to increase production from 50000 TPA to 100000 TPA and also life of mine.

- **Sinking of Vertical shaft at Ukwa Mine:**

The ore body of Ukwa mine contains high grade manganese ore with vast reserves. In order to exploit these reserves a sinking of vertical shaft was started in Feb., 2011. Total depth of this shaft will be 134 Meters out of which 52 Meters has already been achieved. The project scheduled to be completed in Aug., 2014 and expected to increase production from 50000 TPA to 100000 TPA and also life of mine.

### Up-coming Projects

- **Sinking of large dia. high speed vertical shaft at Balaghat Mine:**

Sinking of large dia. high speed vertical shaft at Balaghat Mine at capital cost of ₹ 250 Crores is proposed. The project is expected to increase production from 450000 TPA to 800000 TPA and also life of mine. This Shaft will serve as Production and service Shaft for the lower levels below 400 Mtrs and enable to expedite the development work at lower levels.

- **Deepening of Holmes shaft at Balaghat Mine**

The Company has proposed deepening of Holmes shaft at Balaghat Mine at capital cost of ₹ 20 Crores to increase production by 60000 TPA and also increase life of mine.



- **Deepening of vertical shaft at Chikla Mine**

The Company has proposed deepening of vertical shaft at Chikla Mine at capital cost of ₹ 9.2 Crores to increase production by 55000 TPA and also increase in life of mine.

**Proposed new mining projects**

- **Sinking of high speed vertical shaft (2<sup>nd</sup>) at Gumgaon Mine**

Gumgaon mine holds huge deposits of high quality Mn. Ore. In view of the importance of requirement of higher rate of winning ore from lower levels, it is proposed to sink a high speed vertical shaft of a large dia. of 6.5 Mtrs. to a depth of 300 Mtrs. with provisions for further deepening. It will serve the purpose of faster development, improve ventilation and help in increasing productivity of mine. After becoming fully operational this shaft is expected to augment the production of the mine by 1 Lakhs Ton per annum. The project has capital cost of ₹ 150 Crores.

- **Sinking of vertical shaft (2<sup>nd</sup>) at Munsar Mine**

Sinking of an additional shaft is proposed to win the ore from lower levels of KL Pit and Parsoda area. The shaft is proposed to be of 4.5 Mtrs. dia. and to be sunk to a depth of 160 Mtrs. approx. with other allied works. It will serve the purpose of faster development and also aid to provide service to lower levels and help in improving ventilation. By its operation, the production and productivity of mine will go up. Execution of the works is expected to be completed in 36 Months expected to start in March 2013. The project has estimated capital cost of ₹ 45 Crores.

- **Sinking of vertical shaft (2<sup>nd</sup>) at Chikla Mine**

An additional shaft is proposed to be sunk for augmenting production from this mine and for this purpose it is proposed to take up designing of the shaft together with head gear, winder etc., in house. The proposed shaft shall be of 4.5 Mtrs. Dia. as per standard design of MOIL and shall be sunk to a depth of 190 Mtrs. On its' full operations, production from this vertical expected to about 0.80 Lakhs TPA. The project has estimated capital cost of ₹ 45 Crores.

- **Sinking of vertical shaft (2<sup>nd</sup>) at Ukwa Mine**

An additional shaft is proposed at this mine to win Mn. Ore from lower levels beyond 1250' levels upto 950' level with provisions for further deepening. The

shaft is proposed to be of a dia. of 5.5 Mtrs. to be sunk to a depth of 325 Mtrs. with equipping and provisions for a new double drum winding engine. It will serve the purpose of faster development and also aid to provide service to lower levels and help in improving ventilation. The projected cost of the project is ₹60 Crores and expected to start in March 2013 and will take 36 months.

- **Joint Ventures**

(i) **SAIL & MOIL Ferro Alloys Pvt. Ltd:** Your Company has Joint Venture (50:50) with Steel Authority of India Limited (SAIL) for setting up Ferro Alloys Plant of 1.06 Lakhs TPA capacity, comprising of 31,000 tonnes of Ferro Manganese and 75,000 tonnes of Silico Manganese, at Nandini, Near Bhilai in Chhattisgarh. The JV Company has floated tender for main Furnace and offers are received. Price negotiations are in progress. MOEF Delhi has granted Environmental Clearance for the Project. Application for Consent to establishment to Chhattisgarh Environment Conservation CG Govt. has been submitted. Approval has been received in respect of supply of water and 220 KV Sub-Station. Tender are floated for main furnace and JV Company is evaluating the bids received.

(ii) **RINMOIL Ferro Alloys Pvt. Ltd:** MOIL has another Joint Venture (50:50) with Rashtriya Ispat Nigam Limited (RINL) for setting up of Ferro Alloy Plant of 57,000 TPA capacity, comprising of 20,000 Tonnes of Ferro Manganese and 37,000 Tonnes of Silico Manganese at Bobbili, Vizianagaram District of Andhra Pradesh. Various works such as Geo Technical investigation works, survey & contouring at site have already been completed. MOEF has given TOR and waived off public hearing. The Draft Environmental Impact Assessment report is prepared. The state government has also agreed to provide water, electricity, etc for the project. Regarding Power Supply, inspection by AP Transco officials for power connection for both construction and permanent purpose is completed. Construction of Store cum Office building is in progress. The JV Company is evaluating the tenders received from bidders.

**RESEARCH & DEVELOPMENT**

In the light of growing competition in the Industry, R & D activities are essential for efficient exploration and

exploitation of Manganese Ore resources. In every stage of transmission, there are challenges to be met. In order to address these issues effectively, your Company has identified R&D for the following thrust areas:

- Modern environmental friendly hydro-static drill machine has been deployed in opencast mine.
- Hydro-geological studies for stope design in underground mining operations at Kandri Mine are being carried out by Central Institute of Mining & Fuel Research, Dhanbad for better safety & productivity.
- Studies of controlled blasting techniques for fly rock & ground vibration are undergoing at opencast mines.
- Inception of Load Haul & Dump (LHD) machine, tyre mounted, in underground mines for development & stopping operations.
- GPS has been provided at the mines for accurate location & identifications of the lease hold area.
- Optimization of stope designs for safety & productivity improvement.
- Increased interval level (from existing 30 Meters to 45 Meters) for rapid mining operations at Balaghat Mine.
- For proposed Independent high speed shaft sinking operation for underground mining at Balaghat Mine, hydrological studies & stress monitoring has been done by CIMFR, Dhanbad at site, for ascertain safety parameters of the project.
- Commissioning of PLC driven compressors in Kandri, Ukwa, Gumgaon & Balaghat Mine, for energy saving.
- Studies of reclamation of waste dumps and investigations for other environmental protection measures are going on at sites.
- A collaborative research study is going on for use of overburden material for consolidated hydraulic stowing operation for the underground mining operation with Visvesvaraya National Institute Technology, Nagpur.
- Studies are going on for the development of alternative mining methods and support systems for underground mines.
- Installation of additional indigenously developed IMB plant of 100000 TPA capacity for secondary recovery of manganese ore from the rejects of integrated

manganese beneficiation plant and dumps at Balaghat Mine and a study for beneficiation of low grade ore/ fines is in progress there.

- Modern techniques of exploration like geophysical exploration by gravity magnetic and Hydro-static drilling machines.
- Analytical works through XRF spectrophotometer for accurate and speedy analysis of manganese ore were done.
- Ventilation networking studies for deeper levels at Balaghat Mine is going on by Indian School of Mines, Dhanbad.
- Introduction of Total Stations - High speed survey instrument with high accuracy level for maintaining accurate survey of mines.
- For deeper exploration of manganese ore reserves/ resources, core drilling is taken up through MECL at various mines.
- For sintering of manganese fines, samples have been given to IBM. This study will help to conserve the manganese ore.

#### CONSERVATION OF ENERGY

MOIL has made a policy to allocate fund for R & D and energy conservation to improve the overall energy efficiency as well as induct new technology to minimize the consumption of energy in the productive activities.

The company 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. During the year 2011-12 the company installed and commissioned 1 No. 4000 CFM Centrifugal Air Compressor with soft starter panel at Balaghat. Air compressors with VFD panel at our various mines, contributes 5% to 10% saving in electrical energy for operation of compressors.

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

In order to promote non-conventional energy resources, MOIL has installed 4.8 MW Wind Energy Farm at Nagda Hills and 15.2 MW Wind Farm at Ratedi Hills, Dist. Dewas in Madhya Pradesh which has generated 332.14 Lakh units during the year. Electricity consumption of the Company are as under :-

Sr. No.	Area of Operation	KWH Consumption Per Ton	
		2011-12	2010-11
1.	Manganese Ore	18.33	17.95
2.	EMD	2625	2789
3.	Ferro Manganese	3155	3059

### MINING LEASES

The total lease areas held by MOIL as on 31st March 2012 is 1802.978 Hectors, out of which 700.066 Hectors land is in Maharashtra and 1102.912 Hectors land in Madhya Pradesh. Government of Maharashtra has reserved an area of 814.71 Hector land in Nagpur & Bhandara district of Maharashtra. Government of India, Ministry of Mines, has conveyed prior approval to the grant of Prospecting License for 597.44 hectors land out of this reserved area of 814.71 hectors.

### 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.
- Vocational and refresher training is imparted to each employee regularly apart from specialised training.
- Safety and Environment department had conducted training programs on
  - a) Importance of safety, health, sustainable development in mines
  - b) Disasters management in mines
  - c) Occupational health and safety in mines

### ENVIRONMENTAL PROTECTION

Ecology conservation is crucial in today's era. It is imperative that the development process in a community is compatible with its environment as well as with the particular culture of that community. Your company, with a goal of achieving sustainable development has taken proactive measures to reduce global warming. The Company is conscious of its responsibility towards environmental protection in and around its leasehold areas. About 58000 samplings were planted during 2011-12 at different mines of the Company. The cumulative plantation till date is about 17.55 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. In order to be eco-friendly organization the company has set up Wind Energy Farm of Total 20 MW out of which electricity generated by 4.8 Mw is consumed by the company and electricity generated by 15.2 Mw Wind Farm is sold to MPEDCL.

### VIGILANCE

As per DPE's guidelines, MOIL has a full-fledged multidisciplinary department, headed by full time Chief Vigilance Officer from Indian Police Services. The functioning of vigilance department includes Preventive as well as punitive vigilance, for all the establishment / mines/ plants of the company including corporate office at Nagpur. Various activities of vigilance department during the year are as under:

#### Significant contribution

1. **"Vigilance focus meeting"** was organized with the participation of the management & all HODs. The CVO highlighted the deviations from the rules, irregularities & lacunas etc. observed in the process(es) & also absence of SOPs on the major mining activities, necessitating & warranting the improvements/ amendments in the rules, procedures & also on apprising / seeking approvals of the competent authority. The major areas covered were Production, Marketing, Personnel, System department.
2. MOIL organized a workshop on **"Conclave on Vigilance Activities"**. The workshop was aimed at capacity building and knowledge dissemination thorough presentation of case studies and sharing of success stories of Vigilance department of various public sectors unit relating to mining activities.

Vigilance functionaries from PSUs like MOIL Ltd., Nagpur, NMDC Ltd., Hyderabad, WCL, Nagpur and MECL, Nagpur participated in the workshop. A visit was also organised to observe the activities related to mining at Munsar Mine.

3. **Vigilance Awareness Week-2011** was observed, from 31<sup>st</sup> Oct, 2011 to 5<sup>th</sup> Nov, 2011, in various Establishments / Mines of MOIL. Various Competitions were organised for improving awareness among the employees. Also a Group discussion (Sangoshti) amongst the eminent personalities from the different groups of the society was organized at Dongri Buzurg Mine.

#### Regular Activities

4. **Capacity building:** Continual activities toward capacity building of the Vigilance personal working in the department, is ensured and efforts were made in a planned manner by imparting internal as well as external training. In addition to this regular trainings are also organized for creating awareness amongst the employee.

A specific training programme on ISO 9001-2008 has been organised for improving awareness among the officials involved with the procedure and systems related to ISO.

5. **Preventive vigilance:** As part of preventive vigilance 13 work contracts were scrutinized and 65 inspections were carried out during the period. Advisories have been issued, from time to time, to streamline the procedures and bringing transparency in works at different level of operations. In this connection an SOP is being prepared for on-line registration of vendors and contractors for procurement and contract works for ensuring wider participation in bidding.
6. **Complaints:** During the year, 15 complaints were received and after carrying out the detail investigations, the enquiry reports in respects of all 15 cases have been submitted along with the findings & conclusions thereon, to the respective authorities.
7. **Systemic improvements:** As an outcome of different investigations related to complaint, study, inspection etc, advisories and suggestions were given for the systemic improvement in the following areas:
  1. Marketing & pricing policy, e-sales
  2. SOP for vendor registration, disposal of scrap major mining activities etc.

3. Updation of Manuals
4. Tender processing of purchase & work contracts
5. Procedure related to recruitment and promotion
6. Measurement and Dispatch of ore (Railing excess)
7. Preparation of estimates and rate schedules in work contracts
8. **Leveraging Technology:** Extensive use of website as tool for communication with the stakeholders & also for curbing corruption and also in bring transparency in maximum possible areas of working, has been implemented by MOIL. Accordingly, e-sales, e-auction, e-procurement, e-payments are implemented considering threshold limits. Manuals, vigilance corner and vigilance links are posted on the website for bringing more transparency.

#### IMPLEMENTATION OF RTI

With the advent of the Right to Information Act 2005 in India, MOIL has taken the major initiatives towards its effective implementation.

MOIL has appointed CPIOs at the Corporate Office and PIOs/APIOs have also been appointed in all its Mines. 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](http://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 total 91 no. of applications under RTI Act, from which 85 applications accepted, 6 rejected & 4 appeals accepted under RTI and all have been disposed off during the period. There is no application pending as on 31<sup>st</sup> March, 2012.

## TRAINING PROGRAMMES

During the year 2011-12, total 389 training programmes were conducted. It includes 278 Vocational Training Programmes which were conducted for workers at Vocational training centre at the Mines. Almost 894 Executives, 1501 Non Executives and 3130 Workers were imparted training during the year. In addition to this 113 Executives and 55 Non-Executives also sponsored for outsidetrainingprogrammes. Thus, in the year under review total 1,25,715 Mandays training were completed on the various topics and total 8096 participants were imparted training. As per MOU rating excellent performance is 1.25, in comparison of this the performance recorded was 3.27 during year 2011-12.

## LABOUR WELFARE SCHEMES, RECREATION & MEDICAL FACILITIES

MOIL is carrying on numerous Welfare Scheme such as housing, drinking water, electricity, hospital, health camps schools, home loans on subsidies interest rate etc. for the benefit of the employees as well as people residing in the adjacent areas of Mines which are situated in the remote areas.

Salient features of such schemes are as follows:-

- For improvement of living standard and taking into consideration of aspiration of the employees MOIL has constructed residential quarters and allotted to majority of the employees free of cost.
- The Company is also providing adequate supply of drinking water to the employees residing in the Mine Colonies by Conventional wells, Borewells, Pipeline supply etc. Periodical chlorination of well and tanks are being done.
- The Colonies and streets of the Camps are well illuminated. The employees have been provided with electricity for their residence on concessional rate.
- The Company has set up Hospitals at the Mine maintained by qualified doctors supported by duly

trained paramedical staff. The arrangement of OPD as well as indoor ward separately for male and female are provided. Ambulance Van is also 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.

- MOIL has also commenced the Medical Insurance for retired employees
- The Company is assisting in running Primary Schools at some of the Mines where free education is imparted to the children of the employees. School buses are provided at all the Mines so as to take children to nearby areas for High School/ College.
- The Company has also Scheme for reimbursement of tuition fees and scholarship to meritorious students. Reimbursement of tuition fees to the Children of the workers are provided for taking education in engineering.
- Two school buildings, one at Ukwa and Bharveli have been renovated and provided infrastructure for better environment to the local children under CSR Scheme.

## WELFARE MEASURES TAKEN FOR SC/ST:

MOIL is a labour intensive organization with 6569 employees on its rolls as on 31.03.2012. About 73.58% of the total strength belongs to SC/ST/OBC out of which 43.91% belongs to SC/ST. Our 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.

#### EMPOWERMENT OF WOMEN:

MOIL employees 786 women employees which constitute 11.96% of its total workforce of 6569 as on 31.03.2012.

In compliance of the directives of the Supreme Court guidelines relating to Sexual Harassment of Women workers at work place were issued by Govt. of India, Ministry of Human Resources Development. Accordingly, a Complaint Committee comprising of three officials including a lady Doctor was constituted in the year 1999 & reconstituted in March' 2006. No case of any harassment has since been reported at any of the Mines of the Company or its Corporate Office. The directives have been widely circulated to bring awareness amongst the women workers.

Mahila Mandals are working effectively at all the Mines of the Company. Various cultural, social, educative and community activities, such as adult educating Blood donation camps, eye camps family planning etc. are being organized regularly mostly for the benefit of the women residing in the remote mine areas.

Every year 8<sup>th</sup> March is celebrated as International Women Day and various programmes are organized to mark the day. Company grants Maternity Leave and Special Casual Leave for Family Planning. Company has set-up crèches at its mines and gives time off for nursing mothers.

As part of its CSR activities, Self Help Groups have been created at the mines which comprise women hailing from the remote villages. They are trained to make candles, washing power, washing soaps, bamboo baskets, tailoring and various other vocational activities in order to make them self-reliant. This programme in MOIL is a big success.

#### PERSONNEL

The manpower as on 31.03.2012 of our Company is given below:

Category	Executives	Non-Executives	P. R. Workers	Total
Male	328	2369	3086	5783
Female	17	121	648	786
<b>Total</b>	<b>345</b>	<b>2490</b>	<b>3734</b>	<b>6569</b>

The category-wise details of employees strength as on 31.03.2012 are as under :

Group	Sched-uled caste	Sched-uled tribe	O.B.C.	Others	Total
A	37	7	46	139	229
B	34	8	57	121	220
C	336	244	414	571	1565
D	827	1334	1432	904	4497
Sweeper	58	---	---	---	58
Total	1292	1593	1949	1735	6569
Total %	19.67%	24.25%	29.67%	26.41%	100.00%

#### CITIZEN'S CHARTER AND 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 at this end 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.
- Periodicity monitoring of Grievances by Directors designated for PG and whether other divisions of Department also have PGRM independent of PGRM of Ministry/ Department.
- Monitored at Head Office on the basis of assessment of data received from unit, Grievance Officer through the monthly report as well as through inspection by Head Office authorities.

Status of Public Staff Grievances for the period 01.04.2011 to 31.03.2012.

Sr. No.	Type of Grievances	Grievances outstanding as on 01.04.2011	No. of grievances as received during the period	No. of cases disposed off	No. of cases pending on 31.03.2012
1]	Public Grievances	----	----	----	----
2]	Staff Grievances	Nil	1099	1099	Nil
	<b>TOTAL</b>	<b>Nil</b>	<b>1099</b>	<b>1099</b>	<b>Nil</b>

### CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) is the alignment of business operations with social values, integrating the interests of stakeholders. In the MoU for 2011-12, the Government had fixed CSR expenditure target of ₹ 628 lakh for **Excellent** rating and the Company has successfully achieved the same by spending ₹ 655.91 lakh during year 2011-12.

#### Setting Up DAV School

The Company together with DAV College Trust is setting up a full fledged school under the control of DAV Trust. The school will cater to Dongri Buzurg, Sitasongi, Chikla, Tirodi & other near-by villages in the adjoining Balaghat district of Madhya Pradesh. Apart from the children hailing from these villages, the wards of MOIL employees will also be benefited. During the year 2011-12 MOIL has spent ₹ 1.31 Crore on setting up of DAV School.

Some of the other welfare programmes under CSR are as following:

- Provided uniform clothes to the school children
- Contributing for the setting up the **biological Park** in Nagpur
- Extend help for free cataract surgeries and eye examination of children including providing spectacles wherever necessary
- Contribution of ₹1.00 Crore for construction of Trauma Care Centre, Budhni (MP)
- Provided patient carrying bus to Mure Memorial Hospital, Nagpur
- Construction of roads, cremation sheds, renovation of schools, construction of addition class rooms,

drains, and 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, the Company continued its efforts in propagating and implementation of the provisions of Official Language Act, 1963. The Company is also publishing In-House Journal "SANKALP" in Hindi in order to encourage the employees to participate in various competitions like essay competition, noting, drafting, poetry and articles for propagating Hindi.

About 97% of the works are being done in Hindi at Mines, which has been highly appreciated. The Unicode system has been implanted in all computers of the Company. The Company has provided Hindi Language software in computers and imparting training to its employees, so that MOIL's employees can use the same in their day-to-day workings.

MOIL has been awarded with "Ispat Rajbhasha Trophy"- 1st Prize, for the year 2010-11 by the Ministry of Steel, for excellent works in Hindi.

Employees are being given re-training under the "Hindi Education Scheme" of the Home Ministry, in which 222 employees have already been given training for Pragya (Higher Level) and training of another 30 employees/officers of the Company is in progress.

"Town Official Language Implementation Committee" Nagpur has awarded MOIL with "1<sup>st</sup> Prize" for their outstanding work in promoting Hindi for the year 2010-11. Furthermore the In-House Journal "SANKALP" was honored by the Institute of Official Language

#### AWARDS AND ACCOLADES

MOIL 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. The following are some of recognition the company has received at national level.

- ❖ National Energy Conservation Award 2011, 2<sup>nd</sup> prize, for Ukwa Mine by Bureau of Energy Efficiency, Ministry of Power, Govt. of India.
- ❖ "Ispat Rajbhasha Trophy"- 1<sup>st</sup> Prize, for the year 2010-11 by the Ministry of Steel for excellent works in Hindi.

- ❖ “First Prize” for their outstanding work in promoting Hindi for the year 2010-11 by “Town Official Language Implementation Committee” Nagpur
- ❖ 6<sup>th</sup> Employer Branding Awards (Regional Round) & India Human Capital Summit 2011
- ❖ India Productivity Award (Organization) – 2011 by Indian Institute of Industrial Engineering
- ❖ PAR Excellent Award for Tirodi Mine at National Convention on Quality Concepts-2011
- ❖ Excellent Award for EMD Plant Dongri Buzurg Mine at National Convention on Quality Concepts-2011
- ❖ District Highest Sales Tax Payer Award for the year 2009-10 for Balaghat District of Madhya Pradesh under its Bhamashah Puraskar Yojana for highest sales tax payment at district level.
- ❖ Coal India Productivity Award 2011 by the Indian Institution of Industrial Engineering.

#### DIRECTORS

During the year under review, Nominee Director of Govt. of Maharashtra Shri A.M. Khan has taken voluntary retirement from the post of Principal Secretary (Industries) w.e.f. 08.07.2011. Govt. of Maharashtra has nominated Dr. K Shivaji, Principal Secretary (Industries), Industries, Energy & Labour Department, Manttralaya, Mumbai and President of India has appointed Dr. K. Shivaji vide order dated 07.03.2012.

#### DIRECTORS’ RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act 1956, 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 Material Departures.
- ii. The Directors have selected such accounting policies and applied them consistently and judgements, 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 assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The Directors have prepared the annual accounts on a going concern basis.

#### DEPOSITS

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

#### AUDITORS

In terms of Section 619 (2) of the Companies Act, M/s V K Surana & Co., Chartered Accountants, Nagpur has been appointed by the Comptroller & Auditor General of India as auditors of your Company for the year 2011-12. The Statutory Auditors' Report is enclosed.

#### COST AUDIT

The Central Government has approved the appointment of M/s. D. Rajarao & Co., as the Cost Auditor of the Company to conduct audit of cost accounting records maintained by the Company for Wind Mill Division of the Company for the year ended 31.03.2012. The due date for filing the Cost Audit Reports for the financial year ended 31<sup>st</sup> March, 2012 is 30<sup>th</sup> September, 2012. The report will be submitted within prescribed time limit.

#### Incorporating of New Accounting Policy

During the report under review the Company has incorporated new accounting policy in respect of “Impairment of assets”. The new policy is described as follows:

“Company assesses, at each balance sheet date, whether there is any indication that assets may be impaired. If any such indication exists, Company estimates the recoverable amount of assets. If such recoverable amount is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If there is any indication that previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.”

The inclusion of the policy does not have any impact on result of the current financial year.

#### 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 enclosed 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 2011-12. During the year under review, the Company has incurred expenditure in foreign currency of ₹ 41.78 Lakhs as against ₹ 59.83 Lakhs in the previous year. The expenditure includes foreign travelling and Misc. expenditure. During the year Company imported capital goods of ₹ 515.34 Lakh.

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: **NIL**

Subsidiary Company: MOIL has no Subsidiary Company.

#### Details of Shares in Suspense Account:

The details of shares in suspense account are as follows:

Description	No. of Shareholders	No. of Shares
Opening Balance as on 01.04.2011	48	935
Shareholders approached for Transfer of Shares	26	561
Shares transferred	26	561
Pending as on 31.03.2012	22	374

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

#### CORPORATE GOVERNANCE

The Company strives to attain high standards of Corporate Governance. A separate section on Corporate Governance is annexed and forms part of the Director's Report, and enclosed 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 2011-12. There has not been any 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 the Mine level and Corporate level for discussing various issues for smooth functioning of the Organisation and expeditious decisions for the settlement of grievances had 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

Sd/-

**K. J. Singh**

**Chairman-cum-Managing Director**

Place: Nagpur

Date: 25<sup>th</sup> May, 2012

## 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

<b>(I) RESEARCH &amp; DEVELOPMENT</b>		
<b>Sl. No.</b>	<b>Specific area in which R&amp;D carried out by the company. The following are the areas in which the company has taken R &amp; D works</b>	<b>Benefit derived as a result of the R &amp; D</b>
1	Improvement in safety standards	Addition to the present pre-mining supports, additional mechanical props were used. It has improved the safety standard of the underground mines and saved the timber.
2	Control Blasting Techniques	CIMFR and VNIT has been engaged in for grounds vibration & fly rock problems in opencast mine. With these studies safety standard of opencast mines of the company has improved.
3	Exploration of ore reserves	It is an on going process by which the ore body and surrounding areas in lease are being explored by drilling exploration core drilling hole by the company owns core drilling machines. Moreover, deeper exploration is done by outsourcing. For the year 2011-12, the company has been able to add 0.829 million tonnes of ore reserves/ resources.
4	Exploration by Geophysical gravity magnetic method	Geophysical exploration by gravity magnetic method has been used for fast exploration of the resources. Because of this study by MECL/GSI some locations at Tirodi/Sukli mine have been earmarked for exploration drilling.
5	Mineral Processing	Indigenously developed material handling unit installed at Balaghat mine for production of manganese ore from rejects/ dump. It has improved the productivity of the Balaghat Mine. For sintering of manganese fines, samples have been given for IBM for analysis. This study will help to conserve the manganese ore.
6	Collaborative Research for alternative fill material for sand	Collaborative research project is going on with VNIT, Nagpur. Some alternative material instead of sand may be found.
7	Energy Saving	For saving of energy, PLC driven compressors has been installed at Kandri, Gumgaon, Ukwa & Balaghat. This has reduced the consumption of electrical energy at the time of installation.
8	Increased level interval	M/s CIMFR was appointed for advising for increase in level interval from 30 Meters to 45 Meters. Accordingly level interval from existing 30 meters to 45 meters has been designed below 12 <sup>th</sup> level at Balaghat Mine.
9	XRF analyzer	The company has successfully introduced XRF analyzer at the mines & at corporate office at Nagpur. This has improved the customer's satisfaction.
10	Environmental Friendly Machine	Modern high tech hydrostatic environmental friendly drilling machine has been deployed in opencast mine for better health & safety of the employees.



<b>(ii) Technology absorption, adoption and innovation</b>	
Efforts in brief towards technology absorption, and adoption and innovation	Benefit derived as a result of the above efforts
1) R & D effort in mining as above	1) As a result of the above, the efforts have shown improvement in safety & productivity in mining operations. With this development, rapid mining technologies like large diameter drilling for ventilation in underground, high speed drilling for development & production and, geophysical prospecting has earmarked new zone for exploration.
2) Introduction of PLC drive compressor	2) Energy consumption is expected to be reduced by 5-10% with use of PLC compressor

<b>(iii) Future Plan of action</b>	<b>Use of solar energy &amp; electro-hydrostatic drilling machines in underground are proposed for use in future</b>			
<b>(iv) Expenditure on R &amp; D (₹ in Crore)</b>	<b>Capital (A)</b>	<b>Recurring (B)</b>	<b>Total (C)</b>	<b>Total R &amp; D expenditure as % of turnover</b>
	<b>0.83</b>	<b>7.98</b>	<b>8.81</b>	<b>0.97</b>

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

**ANNEXURE- II****CORPORATE GOVERNANCE REPORT**

*"Corporate governance involves a set of relationships between a company's management, its board, its shareholders and other stakeholders. Corporate governance also provides the structure through which the objectives of the company are set, and the means of attaining those objectives and monitoring performance are determined."*

*-: Organization for Economic Cooperation and Development*

**1. CORPORATE GOVERNANCE PHILOSOPHY**

MOIL, a "Miniratna Category-I" Company is committed to doing business in an efficient, integrity, honest, accountability and ethical manner and believes Corporate governance is beyond the realm of law. It starts from the culture and mindset of management, and cannot be regulated by legislation alone. Good Corporate Governance goes beyond compliance of laws 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 a balanced fashion with long term benefits to all.

Corporate governance is a journey for constantly improving sustainable value creation and is an upward moving target. Traditional views of governance as a regulatory and compliance requirement have given way to adoption of governance tailored to the specific needs of the Company. Clause 49 has set the benchmark compliance rules for a listed company and the baseline for governance standards. MOIL not only adheres to the prescribed corporate practices as per Clause 49 but is constantly striving to adopt emerging best practices worldwide. It is our endeavour to achieve higher standards and provide oversight and guidance to management in strategy implementation and risk management and fulfilment of stated goals and objectives.

**2. BOARD OF DIRECTORS**

MOIL is a Government Company within the meaning of Section 617 of Companies Act, 1956. The President of India presently holds 71.57% of total paid-up share capital of the Company. As per the Articles of Association of MOIL, the power to appoint the Directors vests in the President of India. Therefore all the Directors on the Board of MOIL have been appointed by President of India, through Ministry of Steel. As on 31<sup>st</sup> March 2012, the Board of Directors comprised 14 Directors out of which 4 were Whole-time Directors including Chairman-cum-Managing Director, 3 Government Directors representative of Govt. of India, Govt. of Maharashtra and Govt. of Madhya Pradesh and 7 Independent Directors. The composition of the Board of MOIL LIMITED is in conformity with Clause 49 of the Listing Agreement.

**2.1 Category wise Composition of the Board of Directors as on 31<sup>st</sup> March, 2012.****Whole-time Directors**

1. Shri K. J. Singh, Chairman-cum-Managing Director
2. Shri M.A.V. Goutham, Director (Finance)
3. Shri A.K. Mehra, Director (Commercial)
4. Shri G.P. Kundargi, Director (Prod. & Plan.)

**Government of India nominee Directors**

1. Dr. Dalip Singh, Nominee of Govt. of India
2. Dr. Kshatrapati Shivaji, Nominee of Govt. of Maharashtra
3. Shri S.K. Mishra, Nominee of Govt. of Madhya Pradesh

**Independent Directors**

1. Dr. S.K. Bhattacharyya
2. Shri Vijay Kale
3. Dr. Madhu Vij
4. Shri Sanjeeva Narayan
5. Shri H. C. Disodia
6. Shri B.K. Gupta
7. Dr. D.D. Kaushik

**2.2 Attendance of each Director at the Meeting, Last AGM, Number of Directorship and Membership / Chairmanship of Committee**

Name of the Director	No. of Board Meetings held	No. of Board Meetings Attended	Last AGM Attended	No. of Other Director Ship	No. of Committee Membership/ Chairmanship*	
					Committee Chairmanship	Committee Membership
<b>Whole-time Directors</b>						
Shri K. J. Singh Chairman-cum-Managing Director	4	4	Yes	NIL	NIL	NIL
Shri M.A.V. Goutham Director (Finance)	4	4	Yes	2	NIL	1
Shri A.K. Mehra Director (Commercial)	4	4	Yes	2	NIL	1
Shri G.P. Kundargi Director (Prod. & Plan.)	4	3	Yes	2	NIL	1
<b>Government Nominee Directors</b>						
Dr. Dalip Singh Nominee of Govt. of India	4	2	---	2	NIL	NIL
Shri A.M. Khan (Up to 08.07.2011) Nominee of Govt. of Maharashtra	1	0	---	N.A.	NIL	NIL
Dr. Kshatrapati Shivaji ** (w.e.f 07.03.2012) Nominee of Govt. of Maharashtra	N.A.	N.A.	---	9	NIL	NIL
Shri S.K Mishra Nominee of Govt. of Madhya Pradesh	4	1	---	13	NIL	NIL
<b>Independent Directors</b>						
Dr. S.K. Bhattacharyya Independent Director	4	4	---	1	1	NIL
Shri Vijay Kale Independent Director	4	4	---	NIL	1	1
Dr. Madhu Vij Independent Director	4	4	---	1	1	NIL
Shri Sanjeeva Narayan Independent Director	4	4	---	5	NIL	1
Shri H. C Disodia Independent Director	4	4	---	NIL	NIL	NIL
Shri B.K Gupta Independent Director	4	4	---	3	NIL	1
Shri D.D Kaushik Independent Director	4	2	---	NIL	NIL	NIL

**\*Membership/Chairmanship of Audit Committee and Shareholders' / Investors' Grievance Committee of Public Limited Companies has been considered.**

**\*\* There is no Board Meeting held after the appointment of Dr. Kshatrapati Shivaji.**

### 2.3 No. of Board Meetings held with dates

During the year 2011-12, four (4) Board meetings were held on 20<sup>th</sup> May, 2011, 05<sup>th</sup> Aug., 2011, 11<sup>th</sup> Nov., 2011 and 6<sup>th</sup> Feb., 2012.

## 3. COMMITTEE

### Constitution of Committees of Board of Directors:

The Board committees focus on certain specific areas and make informed decisions with the delegated authority. Each committee of Board functions according to its charter that defines its composition, scope, power and role in accordance with the Companies Act, 1956 and the Listing Agreement and DPE Guidelines on Corporate Governance. Presently, the Company is having following Board Committees:

1. Audit Committee
2. Shareholders' / Investors' Grievance Committee
3. Remuneration Committee
4. Project and Performance Review Committee (PPRC)
5. Corporate Social Responsibility Committee

### 3.1 Audit Committee of Board

The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting process of the Company, the audits of the Company's financial statements, the appointment, independence, performance and remuneration of the statutory auditors, the performance of internal auditors and the Company's risk management policies.

#### A. Composition, Name of Members and Chairman

The Audit Committee comprises of five members out of which four members are independent directors and one member is a functional Director. The Composition of the Audit Committee meets the requirements of Section 292A of Companies Act, 1956 and Clause 49 of Listing Agreement. Presently following are the members of the committee:

1. Shri Vijay V. Kale, Chairman (Independent Director as Chairman)
2. Dr. Subir K. Bhattacharyya, Member (Independent Director)
3. Shri Sanjeeva Narayan, Member (Independent Director)
4. Shri B.K. Gupta, Member (Independent Director)
5. Shri G.P. Kundargi, Member (Director, Production & Planning)

The Company Secretary acts as the Secretary to the Committee.

#### B. Meetings and Attendance during the year

During the year under review, four meetings of the committee were held the details of which are as follows:

Sr. No.	Date	Strength of the committee at respective meeting	No. of Directors Present
1.	20.05.2011	5	5
2.	05.08.2011	5	5
3.	10.11.2011	5	5
4.	06.02.2012	5	4

## C. Powers of Audit Committee

The Audit Committee have powers, which include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

## D. Brief description of terms of reference

The role of Audit Committee includes:

- (a) Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (b) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
- (c) Approving payment to statutory auditors for any other services rendered by the statutory auditors;
- (d) Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - (i) Matters required to be included in the Director's Responsibility Statement to be included in the report of the Board in terms of clause (2AA) of Section 217 of the Companies Act;
  - (ii) Changes, if any, in accounting policies and practices along with reasons for the same;
  - (iii) Major accounting entries involving estimates based on the exercise of judgment by management;
  - (iv) Significant adjustments made in the financial statements arising out of audit findings;
  - (v) Compliance with listing and other legal requirements relating to financial statements;
  - (vi) Disclosure of any related party transactions; and
  - (vii) Qualifications in the draft audit report.
- (e) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- (f) Reviewing and monitoring, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- (g) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- (h) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (i) Discussing with the internal auditors any significant findings and follow up there on;
- (j) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;



- (k) Discussing with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (l) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors;
- (m) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- (n) Reviewing the functioning of the Whistle Blower mechanism, in case the same is existing; and
- (o) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee or contained in the Listing Agreement as and when amended from time to time.

### 3.2 Shareholders' / Investors' Grievance Committee

The Committee is entrusted with the responsibility to address the shareholders and investors complaints with respect to transfer of shares, non-receipt of annual report, non-receipt of declared dividends, etc. The Committee also evaluates performance and service standards of the Registrar and Share Transfer Agent (RTA) of the Company, and also provides continuous guidance to improve the service levels for investors. The Committee also monitors implementation and compliance of the Company's Code of Conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 1992. The Board has delegated the power of approving transfer of securities to the RTA and / or the Company Secretary.

#### A. Brief description of terms of reference

The responsibilities of the committee are as follows:

- a. Redressal of investors' complaints
- b. Allotment of shares, approval of transfer or transmission of shares, debentures or any other securities
- c. Issue of duplicate certificates and new certificates on split/consolidation/renewal etc.
- d. Non-receipt of declared dividends, balance sheets of the company
- e. Carrying out any other function contained in the Listing agreement as and when amended from time to time.

#### B. The Committee presently comprises of the following members namely:

1. Dr. Madhu Vij, Independent Director - Chairperson
2. Dr. D.D. Kaushik, Independent Director - Member
3. Shri M.A.V. Goutham, Director (Finance)- Member
4. Shri A.K. Mehra, Director (Commercial) - Member

#### C. Meeting and attendance :

During the year 2011-12, four meetings of the Shareholders' / Investors' Grievance Committee were held on 19<sup>th</sup> May, 04<sup>th</sup> August, 10<sup>th</sup> November, 2011 and 05<sup>th</sup> Feb., 2012. The details of meeting attended by the members are as follows:

Name of Member	Meetings Held	Meetings Attended
Dr. Madhu Vij	4	4
Dr. D.D. Kaushik	4	2
Shri M.A.V. Goutham	4	4
Shri A.K. Mehra	4	4

**D. Name and designation of Compliance Officer :**

Shri Neeraj Dutt Pandey, Company Secretary is the Compliance officer of the Company

**E. Investor Grievances**

During the financial year ending 31<sup>st</sup> March, 2012, the Company and Registrars have attended investor grievances expeditiously except for the cases constrained by disputes or legal impediment. The details of complaints are as follows:

Sr. No	Particulars	No. of Complaints
1	Balance as on 1 <sup>st</sup> April, 2011	50
2	Received during the year	3301
3	Attended/Resolved during the year	3339
4	Pending as on 31 <sup>st</sup> March, 2012	12

**3.3 Remuneration Committee**

MOIL, being a Central Public Sector Undertaking, the appointment, tenure and remuneration of Directors are fixed by the Government of India. However as per the Guidelines of Department of Public Enterprises (DPE) a Remuneration Committee was constituted for the purpose of determining the Performance Related Pay (PRP) of its executives, in line with DPE Guideline.

**A. The Committee presently comprises of the following members namely:**

1. Dr. S. K. Bhattacharyya (Independent Director) - Chairman
2. Shri Vijay V. Kale (Independent Director) - Member
3. Dr. Madhu Vij (Independent Director) - Member

The Company Secretary of the Company acts as the Secretary to the Committee. During the period under report, two meetings of the committee were held on 12.04.2011 and 12.01.2012. The details of meeting attended by the members are as follows:

Sr. No.	Name of Member	Total Meeting Held	Meeting Attended
1.	Dr. S. K. Bhattacharyya	2	2
2.	Shri Vijay V. Kale	2	1
3.	Dr. Madhu Vij	2	2

**B. Role of Remuneration Committee:**

The Remuneration Committee is to

1. decide annual bonus/variable pay pool and policy for its distribution across the executives and non unionized supervisors, within the prescribed limits.
2. discharge such other responsibilities as may be applicable and prescribed, in Companies Act, 1956, DPE Guidelines and Listing Agreement and other Government Guidelines.

### C. Remuneration received by existing Functional Directors

Details of remuneration of Functional Directors of the Company paid during the financial year 2011-12

Sr. No.	Name of the Directors	Salary	Benefits	PF	Bonus/ Commission	Performance Linked Incentives	Total
1	Shri K.J. Singh, Chairman-cum-Managing Director	1993449	137277	187523	NIL	2937670	5255919
2	Shri M.A.V. Goutham, Director (Finance)	2065979	78931	177370	NIL	2121811	4444091
3	Shri A. K. Mehra, Director (Commercial)	1928528	173490	171831	NIL	2018394	4292243
4	Shri G. P. Kundargi, Director (Prod. & Plan.)	1830400	151467	153486	NIL	1954800	4090153

The In-dependent Directors are paid sitting of ₹7,500 (Seven Thousand Five Hundred) for attending each meeting of the Board and / or Committee thereof till the month of July, 2011. However in the 282<sup>nd</sup> Board meeting held on 05<sup>th</sup> August, 2011, the sitting fee was fixed at ₹10,000 (Ten Thousand) for attending each meeting of the Board and ₹7,500 (Seven Thousand Five Hundred) for Committee thereof and accordingly same has been paid to In-dependent Directors.

#### 3.4 Project and Performance Review Committee (PPRC)

The Project and Performance Review committee comprises of Shri B.K. Gupta-Chairman, Dr. S. K. Bhattacharyya, Shri H.C. Disodia, Shri Sanjeeva Narayan, are non-executive independent directors and Shri A.K. Mehra, Director (Commercial) was co-opted as a member of Committee w.e.f. 14.04.2011. The Committee has been constituted with view to periodically review the progress and performances of those projects which are listed in Memorandum of Understanding (MoU) entered by the Company with Ministry or Mentioned in Financial Statements of the Company or as may be directed by the Board in this regard.

Shri Neeraj Dutt Pandey, Company Secretary of the Company acts as Secretary of the Committee.

During the year under review there 3 meetings were held the details are as follows:

Sr. No.	Date	Strength of the committee at respective meeting	No. of Directors Present
1.	14.07.2011	5	4
2.	10.11.2011	5	5
3.	06.02.2012	5	5

#### 3.5 Corporate Social Responsibility Committee (CSR)

The Committee has been constituted for monitoring the progress of the CSR works sanctioned by the Company to ensure that they are carried out in terms of sanction. CSR proposals proposed beyond the surrounding areas of company's workplaces will be put up to the Committee, before putting the same to the Board. The Committee will recommend to the Board, the policy with regard to CSR or any change therein, if any.

Six meeting of CSR Committee were held during the financial year 2011-12 on 06<sup>th</sup> April, 19<sup>th</sup> May, 14<sup>th</sup> July,

4<sup>th</sup> August, 10<sup>th</sup> November, 2011 and 05<sup>th</sup> February, 2012. The details of members and meeting attended by members of the Committee are as under:

Sr. No.	Name of Member	Designation	Meeting Held	Meeting Attended
1.	Shri H.C. Disodia	Chairman & Independent Director	6	6
2.	Shri Vijay Kale	Member & Independent Director	6	3
3.	Dr. D.D.Kaushik	Member & Independent Director	6	3
4.	Dr. Madhu Vij	Member & Independent Director	6	6
5.	Shri G.P. Kundargi	Member & Director (Prod. & Plan.)	4	3

#### 4. GENERAL BODY MEETING

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

Year	Date	Time	Venue	No. of special resolution passed
2008-09	28 <sup>th</sup> August, 2009	3.00 P.M.	Registered Office of the Company at 1A, Katol Road, MOIL Bhawan, Nagpur- 440 013.	NIL
2009-10	23 <sup>rd</sup> July, 2010	2.30 P.M.	Registered Office of the Company at 1A, Katol Road, MOIL Bhawan, Nagpur- 440 013.	2
2010-11	23 <sup>rd</sup> Sep., 2011	2.30 P.M.	Vasantrao Deshpande Hall, Near MLA Hostel, Civil Lines, Nagpur-440001	NIL

4.2 During the period under report there is no special resolution was passed through postal ballot.

4.3 No special resolution is proposed to be conducted through postal ballot in ensuing Annual General Meeting.

#### 5. Subsidiary Company Information:

There is no subsidiary company of MOIL.

#### 6. DISCLOSURES

- 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. 1.2 of point 11 of notes to the accounts.
- There was no case of non-compliance of provisions of Companies Act 1956 or Rules and regulations of Stock Exchanges or SEBI or any statutory authority. These authorities have also not passed any strictures or imposed penalty on the company, on any matter related to capital markets, during the last three years.
- No personnel of the Company have been denied access to the audit committee.
- The Company has complied with the requirements of the Clause 49 and DPE Guidelines on Corporate Governance.

#### Adoption of Mandatory and Non-Mandatory Requirements of Clause 49

MOIL has complied all mandatory requirements in Clause 49 of Listing Agreement. In respect of non-mandatory requirements as prescribed in annexure ID of Clause 49 of the listing agreement, the areas which are adopted/ complied by the company is as under:

- Since the Chairman-Cum-Managing Director is in full time employment of the Company, therefore separate maintenance of Chairman's office is not necessary. Further the Independent Director are appointed by the

Ministry of Steel, Government of India for the tenure of three year, hence no Independent Director has served in aggregate of more than nine years.

2. The Company has constituted Remuneration Committee, as details are provided in serial no 3.3
3. The Company publishes the quarterly unaudited /audited financial results in leading National English Newspaper as mentioned under heading "Means of Communication". These unaudited/audited financial results are also posted on Company's website www.moil.nic.in. but are not circulated separately. The Company communicates major events, achievements etc. through electronic media, newspapers and also on its website.
4. It is always Company's endeavour to present unqualified financial statements.
5. The Directors of the Company have been given training from time to time.
6. Being a government company, appointment / nomination of all the Directors are done by President of India, through Ministry of Steel, hence no peer group is constituted for the evaluation of the non-executive directors.

## 7. MEANS OF COMMUNICATION

- 7.1 The Company publishes the quarterly unaudited/audited financial results in leading National English Newspaper i.e. Economic times and in Hindi daily newspaper i.e. Navbharat.
- 7.2 These unaudited/audited financial results are also posted on Company's website www.moil.nic.in.
- 7.3 The Company communicates major events, achievements, presentations etc. through electronic media, newspapers and also on website.

## 8. GENERAL SHAREHOLDER INFORMATION

### 8.1 Annual General Meeting

Date	Day	Time	Venue
27.07.2012	Friday	2.30 p.m.	MOIL Ltd., Golden Jubilee Hall, West Court Premises, In-front of Z.P. (Ex-Govt.) Girls High School, Katol Road, Nagpur - 440 013

### 8.2 Financial Year

The Company adopted financial year which begins from the 1<sup>st</sup> day of April and ended on 31<sup>st</sup> day of March, each year.

### 8.3 Date of Book Closure

Friday, 20<sup>th</sup> July, 2012 to 27<sup>th</sup> July, 2012 (both days inclusive)

### 8.4 Dividend Payment Date

Dividend is paid /dispatched to shareholder within 30 days from the date of its declaration.

### 8.5 Listing on Stock Exchanges

Your company's shares were listed on 15<sup>th</sup> December 2010. The details of Exchanges and stock code are as follows:

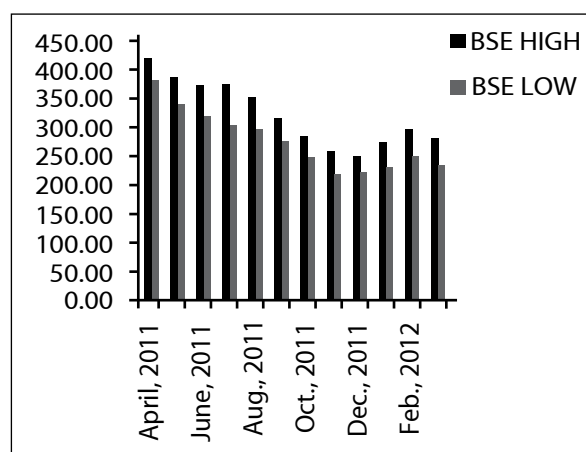
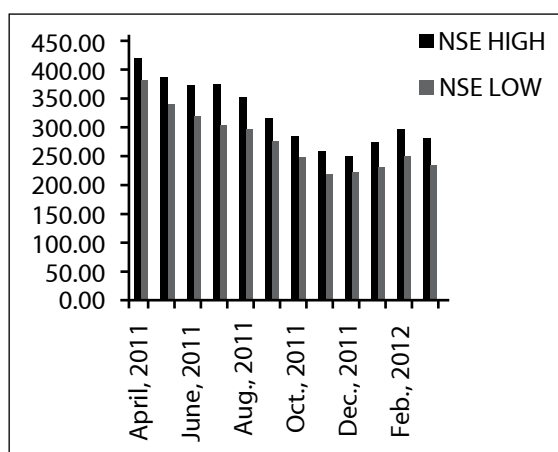
Stock Exchanges	Type of Shares	Stock Code
Bombay Stock Exchange Limited,	Equity Shares	533286
National Stock Exchange of India Limited	Equity Shares	MOIL- EQ

The Annual Listing Fee for the year 2012-13 has been paid to both the above Exchanges.



**Market Price Date:** High, Low during each month in last financial year 2011-12

Month	NSE		BSE	
	HIGH	LOW	HIGH	LOW
April, 2011	417.50	380.40	417.45	379.50
May, 2011	384.50	338.00	384.70	348.00
June, 2011	372.00	318.30	371.75	320.50
July, 2011	374.65	301.25	374.60	333.00
August, 2011	351.70	294.10	350.00	295.00
September, 2011	314.50	273.25	312.00	279.55
October, 2011	282.00	245.05	280.75	244.75
November, 2011	256.50	216.00	256.20	222.00
December, 2011	246.45	219.00	246.80	217.35
January, 2012	269.80	227.10	268.80	226.30
February, 2012	295.35	246.55	295.85	246.80
March, 2012	279.00	231.10	279.10	231.60



## 8.6 Performance in comparison to broad-based indices on BSE and NSE

Month	NSE		BSE	
	S&P CNX NIFTY	MOIL	SENSEX	MOIL
April, 2011	5749.50	381.85	19135.96	381.50
May, 2011	5560.15	365.60	18503.28	365.90
June, 2011	5647.40	334.35	18845.87	334.10
July, 2011	5482.00	346.95	18197.20	346.25
August, 2011	5001.00	303.35	16676.75	302.05
September, 2011	4943.25	280.25	16453.76	280.75
October, 2011	5326.60	257.05	17705.01	256.95
November, 2011	4832.05	231.40	16123.46	231.15
December, 2011	4624.30	227.15	15454.92	227.75
January, 2012	5199.25	262.60	17193.55	262.35
February, 2012	5385.20	247.15	17752.68	247.65
March, 2012	5295.55	250.25	17404.20	250.65

### 8.7 Name and address of Share and Transfer Agent

Registrar and Transfer Agent (RTA)	Registrar to IPO
<b>Bigshare Services Pvt. Ltd.</b> E-2 & 3, Ansa Industrial Estate, Saki-Vihar Road, Sakinaka. Andheri(E), Mumbai - 400 072 <b>Tel:</b> 91-22-40430200 <b>Fax:</b> 91-22-2847 5207 <b>E-mail:</b> investor@bigshareonline.com <b>Website:</b> www.bigshareonline.com	<b>Karvy Computershare Private Limited</b> "Karvy House" 46 Avenue 4, Street No. 1, Banjara Hills, Hyderabad- 500 034 <b>Tel:</b> 91-40-23312454, 23320751 <b>Fax:</b> 91-40-23311968 <b>E-mail:</b> moil.ipo@karvy.com <b>Website:</b> www.karvy.com

### 8.8 Share Transfer System

Entire share transfer activities under physical segment are being carried out by Bigshare Services Pvt. Ltd. The share transfer system consists of activities like receipt of shares transfers along with transfer deed from transferees, its verification, preparation of Memorandum of transfers, etc. Shares transfers are approved by sub-committee of the Board for allotment and post allotment activities of Company's Securities.

Pursuant to clause 47-C of the Listing Agreement with Stock Exchanges, certificate from Practicing Company Secretary, confirming due compliance of share transfer formalities has been submitted to Stock Exchanges within stipulated time, on half yearly basis.

### 8.9 Distribution of Shareholding

#### a. According to size, Percentage of holding as on 31<sup>st</sup> March, 2012

Number of share	Number of shareholders	% of shareholders	Total no of shares	% of shares
1-5000	455656	99.30	13321226	7.93
5001- 10000	1900	0.41	1383465	0.82
10001-20000	661	0.14	933274	0.56
20001-30000	181	0.04	451082	0.27
30001-40000	98	0.02	351824	0.21
40001-50000	75	0.02	344836	0.21
50001-100000	135	0.03	990458	0.59
100001 & above	165	0.04	150223835	89.42
<b>Total</b>	<b>458871</b>	<b>100.00</b>	<b>168000000</b>	<b>100.00</b>

#### b. Category wise Summary of Shareholding as on 31<sup>st</sup> March, 2012

Category	No. of Shares Held	% of Total Shareholding
Central/State Govt. (Promoters/promoter group)	134400000	80.00
Public	16781954	9.99
Foreign Institutional Investors	7446469	4.43
Bodies Corporate	3657872	2.18
Financial Institutions/ Banks	2983050	1.78
Mutual Funds/ UTI	2368896	1.41
Non Resident Indians	279078	0.17
Clearing Member	42920	0.03
Employee	24220	0.01
Trust	15541	0.01

## 8.10 Dematerialization of Shares and Liquidity

The Shares of the Company are dematerialised with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

No. of shares in dematerialised and physical mode are as on 31/03/2012:

Category	No. of Shares	% of total Capital Issued
Shares in Demat mode with CDSL	6666961	3.97
Shares in Demat mode with NSDL	161332877	96.03
Shares in Physical mode	162	0.00
<b>Total</b>	<b>16,80,00,000</b>	<b>100.00</b>

## 8.11 Outstanding GDRs /ADRs /Warrants or any Convertible instruments, conversion date and likely impact on equity:

No GDRs/ADRs/Warrants or convertible instruments have been issued by the Company.

## 8.12 Location of Mines and Wind Farms

### LIST OF MINES

Sr. No.	MINES NAME & ADDRESS
<b>MAHARASHTRA</b>	
1.	<b>Chikla Mine,</b> P.O.- Chikla, Tah.-Tumsar, Dist- Bhandara, Maharashtra, Pin-441920
2.	<b>Dongri Buzurg Mine,</b> P.O.- Dongri Buzurg, Tah.-Tumsar, Dist- Bhandara, Maharashtra, Pin-441907
3.	<b>Beldongri Mine,</b> P.O. – Satuk, Tah- Ramtek, Dist-Nagpur, Maharashtra, Pin-441105
4.	<b>Kandri Mine,</b> P.O. - Kandri, Tah- Ramtek, Dist-Nagpur, Maharashtra, Pin-441401
5.	<b>Mansar Mine,</b> P.O. - Mansar, Tah- Ramtek, Dist-Nagpur, Maharashtra, Pin-441106
6.	<b>Gumgaon Mine,</b> P.O. - Khapa, Tah-Saoner, Dist-Nagpur, Maharashtra, Pin-441101
<b>MADHYA PRADESH</b>	
7.	<b>Balaghat Mine,</b> P.O. Bharweli, Dist-Balaghat, M.P., Pin-481102
8.	<b>Ukwa Mine,</b> P.O.- Ukwa, Dist - Balaghat, M.P., Pin-481105
9.	<b>Tirodi Mine,</b> P.O Tirodi, Dist - Balaghat, M.P. , Pin-481449
10.	<b>Sitapatore Mine</b> P.O. Sukli, Dist - Balaghat, M.P., Pin-481449

### LIST OF WIND FARMS

<b>MADHYA PRADESH</b>	
1.	Nagda Hills, Dist. Dewas, M.P
2.	Ratedi Hills, Dist. Dewas, M.P

### 8.13 Address for correspondence

#### Registered Office:

MOIL LIMITED, "MOIL Bhawan" 1-A, Katol Road, Nagpur- 440 013

## 9. 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](http://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 2011-12

### Declaration

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, all the Board Members and Senior Management of the Company have confirmed compliance with 'Code of Business Conduct and Ethics' for the year ended 31<sup>st</sup> March, 2012.

For MOIL Limited

Sd/-

K.J. Singh

Chairman-cum-Managing Director

Place: Nagpur

Date: 25<sup>th</sup> May, 2012

## 10. CEO/CFO CERTIFICATION

As required under clause 49 of Listing Agreement the Certificate duly signed by CEO and CFO of the Company is annexed to the Corporate Governance Report.

## 11. WHISTLE BLOWER POLICY

The Company has no specific Whistle Blower Policy, but the company has a competent and independent vigilance department, headed by Chief Vigilance Officer (CVO), an IPS officer, for monitoring any unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy. And all the personnel are having the access to the vigilance department for their complaints, grievances etc.

## 12. 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 outside institutions/agencies.

## 13. REVIEW OF COMPLIANCE OF APPLICABLE LAWS

The Board has periodically reviewed the compliance reports of all applicable laws to the company and has ensured the compliance of all the applicable laws.



## CEO and CFO Certification

To,  
The Board of Directors  
MOIL Limited  
Nagpur

- (a) We have reviewed financial statements and the cash flow statement of MOIL Limited for the year ended 31<sup>st</sup> March, 2012 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 2011-12 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 2011-12;
  - (ii) significant changes in accounting policies during the year 2011-12 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: Nagpur  
Date: 25/05/2012



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT FOR 2011-12

### 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 & Threats, Outlook, Risks and Concerns

#### • Industry Structure and Market Scenario

The performance of manganese ore industry mainly depends on the performance of steel industry. Despite the various negative events in 2011 like Japan's earthquake, political turmoil in Middle East and North Africa and flooding in Thailand, their impact proved to be contained mostly locally except Euro zone debt crisis which did have global impact. However, signs of stability are now emerging and it is expected the recovery to resume from 2nd quarter of this year, leading to a higher growth forecast for 2013. The domestic and international producers of Steel are going ahead with their capacity expansion plans. This in turn will certainly result in increase in demand/production of Ferro Alloys and high off-take of Manganese Ore, in coming times.

India has become 4<sup>th</sup> largest producer of crude steel in the world as against the 8<sup>th</sup> position in 2003 and is expected to become the 2<sup>nd</sup> largest producer of crude steel in the world by 2015. In comparison to other countries, India is expected to show strong growth in steel use in the coming years due to its strong domestic economy, massive infrastructure needs, domestic consumption and expansion of industrial production.

As per forecast of World Steel Association (WSA), India is expected to resume its high growth trend (after a sluggish performance in 2011). In 2012, India's steel use is forecast to grow by 6.9% to reach 72.5 Mt. In 2013, the growth rate is forecast to accelerate to 9.4% on the back of urbanisation and surging infrastructure investment. The global apparent steel use is expected to increase by 3.6% to 1,422 Mt in 2012, following growth of 5.6% in 2011 and in 2013, world steel demand will grow further by 4.5% to around 1,486 Mt.

This forecast suggests that by 2013, steel use in the developed world will still be at 14% below the 2007 level whereas in the emerging and developing economies, it will be 45% above. In 2013, the emerging and developing economies will account for 73% of world steel demand in contrast to 61% in 2007.

The world Steel production grew at 5.44% from 1413 million tonnes in calendar year 2010 to 1480 million tonnes in calendar year 2011, while in India the production grew at 8.08% from 66.8 million tonnes in 2010 to 72.2 million tonnes in 2011.

The world manganese production grew at 2.65% from 47.21 million tonnes in 2010 to 48.46 million tonnes in 2011, while in India the production fell by 9.09% from 2.86 million tonnes in 2010 to 2.6 million tonnes in 2011.

#### • Strength and Weakness Strength

- Larger reserves of high grade of manganese ore
- Largest producer of manganese ore by volume in the country
- MOIL has the strength of holding about 60% of total demonstrated reserves of Ferro Grade Manganese Ore in the country.
- Resources, making the Company a low cost producer
- At present rate of production, the reserves expected to last for over 40 years

- Financial strength characterized by high net worth, zero debt,
- Availability of qualified technically skilled manpower with good work culture
- MOIL reserves are in Central Indian Manganese belt, with deposits being in general, of regular shape
- MOIL has got logistic advantage, as all its mines are well connected with State / National Highways. Its mines are located in the railway network of South East Central Railway and are provided with railway sidings.
- Core competence in manganese ore mining.
- No industrial unrest or labour problem
- Good Brand image of MOIL's manganese ore
- In-house R&D capability-Research and Development Centre and an In-house exploration capability which is capable of taking up assignments in the field of ore beneficiation and mineral processing.

### Weakness

- As a mining Company, MOIL is subject to extensive regulations surrounding health & safety of the people and environment. With constant evolving of regulatory standards and community expectations, the Company is exposed to increased compliance cost and unforeseen environmental remediation expenses.
- Delay in obtaining fresh mine leases in turn commissioning new mines, affecting company's investment plans.
- The Company has not significantly diversified into other sector. As such, any adverse impact on the manganese ore industry hits the profitability of the Company.
- MOIL's mines are very old and full mechanization is very difficult.
- The cost of production will also rise due to deposits reaching deeper horizons.

### • Opportunities and Threats

#### Opportunities

- The National Steel Policy (NSP) 2005 has envisaged steel production to reach 110 million tonnes by 2019-20. However, based on the assessment of the

current ongoing projects, both in greenfield and brownfield and in the light of changing market conditions, NSP is being reassessed/reevaluated aiming for much broader policy formulation covering various aspects of steel sector in the country such as growth of steel demand in India, raw materials, research and design, environment, and facilitation of new steel projects. And it is expected that the steel capacity in the country will much more than the capacity projected in the existing NSP. Further, 301 MoUs have been signed by the Government with various States for planned capacity of around 488.56 million tonnes by 2020. In view of this, there is likely to be a huge demand gap between the availability and requirement of ferro alloys.

- MOIL being India's largest manganese ore producer, accounting for about 42% of the country's production and with about 30% of proven reserves with about 73.5 mt of reserves and resources of manganese ore, is well positioned to capitalize on India's steel demand growth, given its dominant position, medium- to high-grade ore, centrally located mines, and strong customer ties.
- There is a good market potential for low / medium grade ores due to gradual switch over to use of Silico Manganese in steel production.
- Continue to be a low cost, efficient and environmentally friendly mining Company.
- Strong financials i.e. huge cash reserves provides opportunity to go for major investment plans
- JVs with SAIL and RINL to produce Ferro Alloys provide a ready market for its good share of Manganese Ore production.
- The company has also planned huge investments for developments of its existing mines which will increase the production and productivity to meet the future requirement of manganese ore.
- The Government has also reserved an area of 814.71 Hector land in Nagpur & Bhandara district of Maharashtra. The reserved area is near exiting mines of the company and about 45% of its existing lease areas. After getting other clearance and completing formalities, it may provide a very good opportunity to cater the demand of manganese ore

and to capitalize on India's steel demand growth.

- With vast experience in manganese ore mining, company may also plan for expansion into other minerals.

### Threats

- Import of Manganese Ore still remains a threat and challenge to the profit margin of the company.
- Any delay in regulatory approvals, may also impact long term growth. Further, it is always a challenge to timely complete projects undertaken for development of mines particularly underground mines on schedule and cost, and any shortfall in this may affect targeted performance.
- The steel industry being cyclic in nature, manganese ore demand is exposed to growth of steel sector. The Company may also face risks in respect of high inventory of stocks at international level and same may affect off take of manganese ore, is short term.
- Around 67.5% of MOIL's production is from UG mines, where the cost of production is higher than OC mines. Any increase in the cost of UG mining would adversely impact margins.
- Decline in international price of the manganese ore may result in fall in its domestic price

### • Outlook

The demand for manganese and ferro alloy products depends directly on the outlook of the steel industry and growth of overall economy. Over 90% of the world's production of manganese is utilized in the desulphurization and strengthening of steel. In the past, demand for manganese ore and ferro alloys has increased considerably due to the increase in the production of steel.

World Steel Association (WSA) has projected that India is expected to resume its high growth trend, after a sluggish performance in 2011 and India's steel use is to grow by 6.9% to reach 72.5 Mt in 2012. Further, in 2013, the growth rate is forecast to accelerate to 9.4% on the back of urbanisation and surging infrastructure investment. The global apparent steel use is also expected to increase by 3.6% to 1,422 Mt in 2012, following growth of 5.6% in 2011. The world steel demand will grow further by 4.5% to around 1,486 Mt. The WSA, however, warned on negative global impact

from the Euro-zone debt crisis and the continuing slowdown in Chinese steel demand. While WSA expects a recovery as well, there is still some downside risk from a worsening of the European problems, the impact of high oil prices or geopolitical tension in oil producing regions and the possibility of a hard landing in China.

Manganese ore is an essential ingredient in the process of manufacturing of steel, in fact steel can not be produced without manganese. Manganese is used in steel alloys to increase many favorable characteristics such as strength, hardness, durability and corrosion resistance. Therefore, the growth of manganese ore industry is very well poised with the growth of steel industry.

The apparent steel use per capita in the country at 51.7 kg is much lesser than the average per capita steel use of the world at 207 kg. Infact, in most of the developed countries, it is more than 250 kg. This provides opportunity for growth of steel industry in the country, in turn increase the demand of manganese ore.

India is still a net importer of manganese ore. The production of manganese ore in the country is about 2.6 mtpa, and import of manganese ore is about 1.453 mtpa.

The domestic ferro alloys manufactures' requirement of manganese ore has substantially increased. Due to less availability of high grade manganese ore in India, there has been increase of import of manganese ore. The import grew at about 22.20% from 1.189 mtpa in 2010 to 1.453 mtpa in 2011.

### • Risks and Concerns

Manganese Ore industry is directly linked with Steel Industry which is cyclical in nature and has impact on demand of manganese ore. 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 high oil prices are a risk to the global economic recovery. In India, inflation remains a concern and downside to growth. There is a need to improve supply-side measures and look at productivity improvement. Global commodity and oil prices have led to higher price rise in manufactured goods.

Mines and Minerals (Development and Regulation) Bill, 2010 is under consideration by the Government and compensation policy may affect company's profitability.

Oversupply of manganese ore in international market will still remain another area of concern and may weaken the domestic manganese prices in the long run. Infact, though the price of manganese ore is now firming up, the Company had to reduce prices of its various grades of manganese ore by about 40%, in previous year.

## **B. Segmentwise or Productwise Performance**

### **Sales Performance**

#### **Quantity**

During the year 2011-12, a quantity of 10.78 lakh tonnes of manganese ore has been sold surpassing 9.99 lakh tonnes in previous year. The sale of Electrolytic Manganese Dioxide (EMD) was 1005 tonnes surpassing 911 tonnes of last year, whereas 13239 tonnes of Ferro Manganese was sold surpassing 6903 in the previous corresponding period. The company has registered sale of 8716 tonnes of Ferro Manganese Slag as against 14339 tonnes in the previous year. It has sold 239.54 lakh (KwH) units of power to MPEDCL in the current year as against last year's 224.50 Lakh (KwH) units.

#### **Value**

The sales turnover during the year 2011-12 was ₹ 899.58 Crore (Including sale of manufactured products of ₹ 80.73 Crore and sale of power of ₹ 8.46 Crore) as against ₹ 1139.97 Crore (Including sale of manufactured products of ₹ 62.39 Crore and sale of power of ₹ 8.32 Crore) during the same period in previous year.

#### **e-Sales**

The CVC has desired for giving thrust on e-commerce to bring in transparency in 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 71373 tonnes of various grades of Mn Ore, Ferro Mn & slag at a value of ₹ 171.57 Crore, was successfully auctioned through 24 events of e-auctions.

### **Production**

The Company has registered production of 10.71 lakh tonnes of various grades of manganese ore in current year as against production of 11.51 lakh tonnes during the last year. The production of Electrolytic Manganese Dioxide (EMD) was 714 tonnes (previous year 805 tonnes) whereas it has registered production of 8694 tonnes of Ferro Manganese in comparison to 9081 tonnes of previous year. It has recorded generation of 14204 tonnes of Ferro Mn Slag during the year as against 13515 tonnes in the previous year. The WTG has generated 330.23 lakh (KwH) units during the year as compared to last year's 310.40 lakh (KwH) units

## **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. 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 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. Discussion on Financial Performance with respect to Operational Performance

The manganese ore market in the country has suffered huge setback especially in pricing front, as there was steep fall in manganese ore price by about 40% during the year mainly because of oversupply in international market and heavy import of manganese ore in India. This has adversely affected both top-line and bottom-line performance of the Company during 2011-12.

##### Financial Performance

₹ In Crore

	2011-12	2010-11
Net Sales	<b>899.58</b>	1139.97
Other Income	<b>203.32</b>	145.49
Total Income	<b>1102.9</b>	1285.46
Total Expenditure	<b>466.35</b>	372.80
Gross Margin	<b>636.55</b>	912.66
Depreciation	<b>29.92</b>	32.51
Profit before tax for the year	<b>606.63</b>	880.15
Income Tax provision	<b>195.86</b>	292.1
Profit after tax for the year	<b>410.77</b>	588.05
Opening Profit in P & L Account	<b>1.51</b>	0.58
Dividend and Dividend Tax	<b>97.76</b>	137.13
Transfer to General Reserve	<b>300.00</b>	450.00
Profit Carried Over	<b>14.52</b>	1.51

The total revenue of the company has decreased by 14.20% during the year from ₹ 1285.46 Crore in previous year to ₹ 1102.90 Crore. The Company has recorded 21.09% lesser turnover at ₹ 899.58 Crore during the financial year 2011-12 in comparison to ₹ 1139.97 Crore of previous year. PBT for the year is ₹ 606.63 Crore, has come down by 31.08% as compared to previous year, whereas Profit after Tax (PAT) has declined by 30.15% at ₹ 410.77 Crore, as against last year's PAT of ₹ 588.05 Crore. The EBIDTA margin of the company has also reduced from 80.06% to 70.76% during the year. However, with its continued prudent cash planning, the interest income of the Company grew at 44.73% to ₹ 193.84 Crore in 2011-12 from previous year of ₹ 133.93 Crore.

##### Operational Performance

The year 2011-12 has been very eventful for overall economy in the world as well India especially for steel

and manganese ore industry. Considering the over all market condition, demand, supply, down fall in manganese ore price, the performance of the Company during the year has been quite satisfactorily.

##### Production Review

The production of Manganese ore–Lumps & Chips at 839073 tonnes has surpassed its production of 836134 tonnes in the previous year. However, as a policy of the Company the fines are taken in to production only when they are sold. Though stock of fines are there, same have not been included in the production. Hence, the production of the company has come down during the year.

Though the production of various grades of manganese ore in current year has come down by about 0.79 lakh tonnes, the Company has been able to achieve production of 10.71 tonnes through its proper planning, productivity and effective use of resources.

In case of Electrolytic Manganese Dioxide (EMD) and Ferro Manganese, it has recorded production of 88.70% (714 tonnes) and 95.74% (8694 tonnes) respectively as compared to previous year's performance. The EMD plant was shut down for annual maintenance for about two months during the year. Further, due to less demand, poor off take and high inventory the production of EMD has come down. The production of Ferro Manganese has come down from 9081 tonnes to 8696 tonnes, mainly due to poor market condition.

The Output per Manshift of the Company has been 0.711 tonnes (previous year 0.779 tonnes).

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

- Modern environmental friendly hydro-static drill machine has been deployed in opencast mine.
- Hydro-geological studies for stope design in underground mining operations at Kandri Mine is being carried out by Central Institute of Mining & Fuel Research, Dhanbad for better safety & productivity.
- Inception of Load Haul & Dump (LHD) machine, tyre mounted in underground mines for development & stopping operations.
- GPS has been provided at the mines for accurate location & identifications of lease hold area.



- For proposed Independent high speed shaft sinking operation for underground mining for 650 mtr at Balaghat Mine, hydrological studies & stress monitoring has been done by CIMFR, Dhanbad at site for safety of the project.
  - Commissioning of PLC driven compressors in Kandri, Ukwa, Gumgaon & Balaghat Mine for energy saving.
  - Various Studies are going on for/on the development of alternative mining methods and support systems for underground mines and controlled blasting techniques for fly rock & ground vibration at opencast mines, ventilation networking studies for deeper levels at Balaghat Mine is going on by Indian School of Mines, reclamation of waste dumps and investigations for other environmental protection measures, stope design in underground mining operations at Kandri Mine is being carried out by CIMFR for better safety & productivity, use of overburden material for consolidated hydraulic stowing operation for the underground mining operation, sintering of manganese fines to help conserving the manganese ore.
  - Installation additional indigenously developed IMB plant of 100000 TPA capacity for secondary recovery of manganese ore from the rejects of integrated manganese beneficiation plant and dumps at Balaghat Mine and a study for beneficiation of low grade ore/ fines is in progress there.
  - Introduction of Total Stations - High speed survey instrument with high accuracy level for maintaining accurate survey of mines.
- E. Material developments in Human Resources, Industrial Relations front, including number of people employed;**
- F. Environmental protection and conservation, technological conservation, renewable energy developments, foreign exchange conservation;**
- G. Corporate Social Responsibility**
- The Directors' Report 2011-12 may kindly be referred as it contains the details in respect of items i.e. E, F and G.**

## COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

(Under Clause 49 of the Listing Agreement)

To the Members,

**MOIL Limited**

I have examined the compliance of conditions of Corporate Governance by MOIL Limited, for the year ended on 31<sup>st</sup> March 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me and based on the representations made by the Directors and the Management. I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement except that the Chairman of the Audit Committee had not attended the Annual General Meeting held on 23<sup>rd</sup> September 2011 and nominated one of the member of Audit Committee to answer the shareholders' queries.

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

Date : 16<sup>th</sup> May, 2012

Place : Nagpur

**Amit K. Rajkotiya**

Practising Company Secretary

FCS — 5561 CP No. 5162

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF MOIL LIMITED, NAGPUR, FOR THE YEAR ENDED 31 MARCH 2012**

The preparation of financial statements of MOIL Limited, Nagpur, for the year ended 31 March 2012 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 25 May 2012.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3) (b) of the Companies Act, 1956 of the financial statements of MOIL Limited, Nagpur, for the year ended 31 March 2012. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under Section 619(4) of the Companies Act, 1956.

For and on the behalf of the  
Comptroller & Auditor General of India

Sd/-

**(Praveen Kumar Singh)**

Principal Director of Commercial Audit &

Ex-officio Member Audit Board - III,

New Delhi

Place: New Delhi

Dated: 20<sup>th</sup> June, 2012

## AUDITORS' REPORT

To the Members of MOIL Limited

1. We have audited the attached Balance Sheet of MOIL LIMITED, NAGPUR as at March 31, 2012 and also the Profit and 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.
2. We have 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.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Further to our comments in the Annexure referred to in Paragraph 3 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 appears from our examination of those books;
  - c) The Balance sheet, the Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in compliance with the applicable Accounting Standards referred to in Section 211 (3C) 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) In our opinion and to the best of our information and according to the explanation given to us, the said accounts together with Notes thereto and Statement on Significant Accounting Policies give in the prescribed manner the information required by the Act and also 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 March 31, 2012; and
    - (ii) in the case of the Profit and Loss Account, of the Profit for the year ended on that date.
    - (iii) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

**For V.K. Surana & Co.**  
Chartered Accountants  
**FRN:110634W**

Sd/-  
**CA. Sudhir Surana**  
Partner  
**M.No. 43414**

Date: 25<sup>th</sup> May, 2012  
Place: Nagpur

## ANNEXURE-A TO THE AUDITOR'S REPORT

- |   |  |
|---|--|
| <p>i) a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.</p> <p>b) The Management has physically verified fixed assets at the year end 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.</p> <p>c) In our opinion, the disposal of fixed assets made during the year does not affect going concern status of the Company.</p>   | <p>no major weakness has been noticed in the internal controls.</p>  |
| <p>ii) a) The inventory of the Company has been physically verified by the management during the year at reasonable intervals.</p> <p>b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.</p> <p>c) 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.</p> | <p>v) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that no transactions have been entered that needs to be entered into the register maintained under section 301.</p> <p>vi) According to the information and explanation given to us the Company has not accepted any deposit from public and hence, the provisions of Sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public are not applicable to the Company.</p> <p>vii) 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.</p> <p>viii) The Central Government has not prescribed maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956 except for its Windmill operation for which prima facie the prescribed cost records have been maintained, which are broadly reviewed by us. We have however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.</p> |
| <p>iii) a) 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</p>  | <p>ix) 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.</p>   |
| <p>iv) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit,</p>   | <p>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.</p>  |

- 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.
- x) The Company does not have accumulated losses at the year end and has not incurred cash losses during the financial year ended on that date or in the immediately preceding financial year.
- xi) The Company has neither taken any loans from a financial institution and a bank nor issued any debentures.
- xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The Company is not a chit fund, nidhi, mutual benefit fund or a society. Accordingly clause 4(xiii) of the order is not applicable.
- xiv) 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.
- xv) According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi) According to the information and explanation given to us, the Company has not taken any term loans during the year.
- xvii) According to the information and explanations given to us, the Company has not raised any funds on short-terms basis.
- xviii) 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.
- xix) The Company has not issued any debentures during the financial year.
- xx) The Company has not raised any money by public issues during the financial year.
- xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

**For V.K. Surana & Co.**  
Chartered Accountants  
**FRN:110634W**

Sd/-  
**CA. Sudhir Surana**  
Partner  
**M.No. 43414**

Date: 25<sup>th</sup> May, 2012  
Place: Nagpur



## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2012

Particulars	Note No.	As at 31st March, 2012		As at 31st March, 2011	
		₹	₹	₹	₹
₹ in lakhs					
<b>I EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' funds</b>					
(a) Share capital	2.1	<b>16800.00</b>		16800.00	
(b) Reserves and surplus	2.2	<b>227330.53</b>		196029.49	
			<b>244130.53</b>		212829.49
<b>(2) Non-current liabilities</b>					
(a) Deferred tax liabilities (Net)	1.2 (12)	<b>0.00</b>		149.83	
(b) Long-term provisions	3.1	<b>7173.42</b>		5398.01	
(c) Long-term liabilities	3.2	<b>85.52</b>		75.74	
			<b>7258.94</b>		5623.58
<b>(3) Current liabilities</b>					
(a) Trade payables	4.1	<b>3311.15</b>		2577.41	
(b) Other current liabilities	5.1	<b>13583.42</b>		12783.53	
(c) Short-term provisions	5.2	<b>6041.34</b>		10304.15	
			<b>22935.91</b>		25665.09
	<b>TOTAL</b>		<b>274325.38</b>		244118.16
<b>II ASSETS</b>					
Non-current assets					
<b>(1) (a) Fixed assets</b>					
(i) Tangible assets	6.1	<b>19506.82</b>		19281.71	
(i) Intangible assets	6.1	<b>1197.97</b>		1316.30	
(iii) Capital work-in-progress	6.1	<b>3903.55</b>		2878.78	
(b) Non-current investments	7.1	<b>421.29</b>		221.29	
(c) Deferred tax assets (Net)	1.2 (12)	<b>665.14</b>		0.00	
(d) Long-term loans and advances	8.1	<b>84.91</b>		80.83	
(e) Other non-current assets	8.2	<b>590.19</b>		456.82	
			<b>26369.87</b>		24235.73
<b>(2) Current assets</b>					
(a) Inventories	9.1	<b>8128.90</b>		9742.97	
(b) Trade receivables	9.2	<b>9933.15</b>		6795.89	
(c) Cash and cash equivalents	9.3	<b>208842.11</b>		187965.17	
(d) Short-term loans and advances	10.1	<b>9843.15</b>		7775.34	
(e) Other Current assets	10.2	<b>11208.20</b>		7603.06	
			<b>247955.51</b>		219882.43
	<b>TOTAL</b>		<b>274325.38</b>		244118.16

Significant accounting policies and notes to accounts 1.1 & 1.2

As per our report of even date

**For V.K.Surana & Co.**

Chartered Accountants,

F.R.No. 110634 W

Sd/-

**Neeraj Pandey**

Company Secretary

Sd/-

**Mukund P.Chaudhari**

General Manager (Finance)

Sd/-

**CA. Sudhir Surana**

Membership Number : 043414

Sd/-

**M.A.V.Goutham**

Director (Finance)

Sd/-

**K.J.Singh**

Chairman-cum-Managing Director

Place : Nagpur

Date : 25<sup>th</sup> May, 2012

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2012

₹ in lakhs

Particulars	Note No.	For the year 2011-12		For the year 2010-11	
		₹	₹	₹	₹
1 Revenue from operations (Net of excise duty)	11.1	<b>89958.25</b>		113996.85	
2 Other Income	11.2	<b>20331.70</b>		14549.42	
Total Revenue			<b>110289.95</b>		128546.27
3 Expenses :					
Cost of material consumed	12.1	<b>1833.17</b>		1792.00	
Changes in inventories of finished goods, work-in-process and stock-in-trade	13.1	<b>1923.98</b>		-4963.13	
Employee benefits expenses	14.1	<b>23608.50</b>		20958.96	
Depreciation and amortisation	6.1	<b>2991.56</b>		3251.17	
Other expenses	14.2	<b>20174.61</b>		20334.30	
Sub total		<b>50531.82</b>		41373.30	
Less: - Inter unit transfer	13.2	<b>904.67</b>		842.23	
Total expenses			<b>49627.15</b>		40531.07
4 Profit before exceptional and extraordinary items and tax			<b>60662.80</b>		88015.20
5 Exceptional items			<b>0.00</b>		0.00
6 Profit before extraordinary items and tax			<b>60662.80</b>		88015.20
7 Extraordinary items			<b>0.00</b>		0.00
8 Profit before tax			<b>60662.80</b>		88015.20
9 Tax expense					
(a) Current tax		<b>20401.07</b>		30343.08	
(b) Deferred tax		<b>-814.96</b>		-1133.48	
			<b>19586.11</b>		<b>29209.60</b>
10 Profit after tax for the period			<b>41076.69</b>		<b>58805.60</b>
11 Earnings per equity share : Basic and diluted			<b>24.45</b>		35.00

Significant accounting policies and notes to accounts 1.1 &amp; 1.2

As per our report of even date

**For V.K.Surana & Co.**  
Chartered Accountants,  
F.R.No. 110634 W

Sd/-  
**Neeraj Pandey**  
Company Secretary

Sd/-  
**Mukund P.Chaudhari**  
General Manager (Finance)

Sd/-  
**CA. Sudhir Surana**  
Membership Number : 043414

Sd/-  
**M.A.V.Goutham**  
Director (Finance)

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

Place : Nagpur  
Date : 25<sup>th</sup> May, 2012

**NOTE NO. 1.1**

**SIGNIFICANT ACCOUNTING POLICIES**

**1. Accounting for fixed assets**

**(a) Valuation of fixed assets**

Fixed assets are maintained at cost less accumulated depreciation.

**(b) Depreciation**

Company is charging 100% depreciation on fixed assets up to the value of ₹ 5000 as prescribed in Schedule XIV to Companies Act. Such assets are fully depreciated in the year of addition, irrespective of the date of addition.

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 thereof.

**(e) Interest during construction period**

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

**(f) Impairment of assets**

Company assesses, at each balance sheet date, whether there is any indication that assets may be impaired. If any such indication exists, Company estimates the recoverable amount of assets. If such recoverable amount is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as

an impairment loss and is recognized in the profit and loss account. If there is any indication that previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

**2. Investments**

Long term investments in shares are carried at cost. Diminution in value, if any, is provided for, if it is not of temporary nature.

**3. Valuation of closing stock**

Inventories are valued on following basis.

**(a) Finished goods**

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

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

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

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

(iv) Electrolytic manganese di-oxide [EMD] (including stock in process as on 31<sup>st</sup> 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 plant's depreciation or net realizable value, whichever is less.

(v) (a) Ferro manganese/silico manganese including stock in cake form as on 31<sup>st</sup> March, determined by technical assessment : At current year's cost of production including plant's depreciation (*less* realizable value of slag) or net realizable price, whichever is less.

(b) Stock in process : The quantity of ferro manganese/silico manganese in process

cannot be weighed, seen or assessed and hence, no value is assigned.

- (c) Stock of slag : Slag is a molten mass of impurities generated during manufacture of ferro manganese, which is treated as scrap and, accordingly, valued at net realizable price.

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

- (i) Physical verification of all stores, spares, etc., is conducted at the end of each year. Difference between physical stock and book stock is investigated and necessary adjustments are carried out in the books of accounts.
- (ii) In case of ferro manganese plant, stock of raw materials, except manganese ore at plant, is valued at cost on weighted average method. The stock of manganese ore at plant is valued at current 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".

#### 4. Sales

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

##### (a) Manganese ore sales

- (i) Supplementary invoice are raised for variation in quality and/or quantity on receipt of analysis report. These bills are raised in the 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/slag sales

Sales of EMD, ferro manganese and slag include excise duty and education cess applicable thereon.

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

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

#### 5. Other income

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

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

Interest billed to customers for credit terms beyond current financial 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.

#### 6. 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.

#### 7. Sales tax, income tax, etc.

- (a) In respect of sales tax, income tax, etc., the amount 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.
- (b) Set off is claimed on sales tax on purchases. Difference between set off claimed and actual set off allowed is accounted for in the year in which the assessment order is received and accepted by the company.

#### 8. Employee benefits:

##### (a) Short term employee benefits

Short term employee benefits are recognized as expense at the undiscounted amount in the profit

and loss account in the 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 by using actuarial valuation techniques. Actuarial gains and losses in respect of post-employment and other long term benefits are charged to the profit and loss account

### (ii) Defined contribution plans

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

## 9. V.R.S. expenditure

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

## 10. Accounting for subsidies from Welfare Commissioner

### (a) Labour quarters

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

## 11. 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.

## 12. Prepaid expenses

Expenses are treated as prepaid only where the payments exceed ₹ 1.00 lakh in each case.

## 13. Provision for doubtful debts

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

## 14. Research and development expenditure

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

## 15. Mine closure expenditure

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

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

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

## 17. Prior period expenses

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

## 18. Significant events occurring after balance sheet date

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

**NOTE NO. 1.2****NOTES ON ACCOUNTS FOR YEAR ENDED 31<sup>ST</sup> MARCH, 2012****1. Contingent liabilities**

(a) Claims against the company not acknowledged as debts -

₹ in lakhs

Particulars of claims		31-03-2012	31-03-2011
(i)	By employees for wages and other benefits	<b>143.00</b>	165.00
(ii)	By South East Central Railway for payment of arrears of rent of railway sidings	<b>109.68</b>	109.68
(iii)		<b>26.42</b>	26.42
(iv)	By contractors for non-fulfilment of contractual obligations	<b>86.08</b>	79.45
(v)	By Forest Department for payment of transit fee on railing of ore from Tirodi mine	<b>332.00</b>	216.17
(vi)	Interest on arbitration award	<b>6.91</b>	8.83
	Employees' professional tax		

(b) Demands made by the department, which are disputed by the company, and payments made against these demands, are as under -

₹ in lakhs

Assessment year	Disputed demand	Amount paid	Balance on 31 <sup>st</sup> Mar'12	Pending with
2005-06	350.27	350.27	Nil	Commissioner of Income Tax (Appeals)
2007-08	127.26	127.26	Nil	
2006-07	253.00	253.00	Nil	
2008-09	664.80	664.80	Nil	
2009-10	2527.31	2527.31	Nil	
2006-07	16.30	16.30	Nil	Income Tax Appellate Tribunal
2007-08	83.03	83.03	Nil	

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 ₹ 172.30 (₹ 172.30) 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 ₹ 5832.64 (₹ 7908.48) lakhs. Advance paid for such contracts is ₹ Nil (Nil) 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) Physical verification of inventories is carried out at the end of the year.

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

(c) 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.



- (d) Inventory of raw materials includes stock of manganese ore of 370 (249) MT valuing ₹ 17.18 (₹ 11.39) lakhs lying in ferro manganese plant site on 31.03.2012.
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. For anticipated loss on disposal of obsolete stores/spares, provision of ₹ 4.22 (₹ 3.49) lakhs made in accounts is considered adequate.
  7. Income tax deducted at source from interest and rent received by the company amounts to ₹ 2192.54 (₹ 1797.28) lakhs. Tax deduction certificates are awaited in some cases.
  8. Sundry creditors include a sum of ₹ Nil (₹ Nil) lakhs payable to micro, small and medium enterprises units, in excess of ₹ 1.00 lakh outstanding for more than thirty days.
  9. Other expenses (Note No. 14.2) include -

₹ in lakhs

<b>Particulars</b>		<b>31-03-2012</b>	31-03-2011
1.	Travelling expenses of		
2.	(a) Chairman-cum-Managing Director	<b>12.68</b>	25.91
3.	(b) Directors	<b>54.90</b>	91.63
	Auditor's remuneration	<b>2.81</b>	2.76
	(a) Audit fee	<b>Nil</b>	5.52
	For statutory audit	<b>2.64</b>	1.37
	For audits in connection with public issue	<b>0.08</b>	0.17
	For limited review of quarterly accounts	<b>0.93</b>	0.92
	Out of pocket expenses	<b>6.46</b>	10.74
	(b) Other services	<b>128.52</b>	776.63
	Advertisements include expenditure on public relations and publicity		

**10. Defined obligations - Disclosures as per Accounting Standard 15 (Revised) are as under.**

₹ in lakhs

Particulars	Gratuity		Leave encashment	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
<b>Reconciliation of opening and closing balance of funded obligation, as assessed by an independent actuary</b>				
At the beginning of the year	9902.89	8640.93	3899.15	3192.48
Current service cost	542.68	513.23	289.47	265.89
Interest cost	792.23	691.28	311.93	255.40
Actuarial (gain)/loss	156.53	566.43	-98.98	316.20
Benefits paid	-837.77	-508.98	-175.83	-130.82
At the close of the year	10556.56	9902.89	4225.74	3899.15
<b>Reconciliation of opening/closing balance of fair value of plan assets</b>				
At the beginning of the year	9460.55	6966.07	2852.95	2717.10
Expected return on plan assets	898.75	658.29	271.03	256.76
Actuarial (gain)/loss	-3.43	60.53	47.67	9.91
Employer contribution	1042.34	2284.64	1046.20	0.00
Benefits paid	-837.77	-508.98	-175.83	-130.82
At the close of the year	10560.44	9460.55	4042.02	2852.95
<b>Reconciliation of fair value of assets and funded obligations</b>				
Present value of plan assets at the end of the year	10560.44	9460.55	4042.02	2852.95
Present value of obligation at the end of the year	10556.56	9902.89	4225.74	3899.15
Liability/(-) prepaid expenses recognized in balance sheet	-3.88	442.34	183.72	1046.20
<b>Expenses recognised in profit and loss account</b>				
Current service cost	542.68	513.23	289.47	265.89
Interest cost	792.23	691.28	311.93	255.40
Expected return on plan assets	-898.75	-658.29	-271.03	-256.76
Actuarial (gain)/loss	159.96	505.90	-146.65	306.29
Total expenses recognized in the profit & loss account	596.12	1052.12	183.72	570.82
<b>Actuarial assumptions</b>				
Mortality Table (LIC)	(1994-96) Ultimate	(1994-96) Ultimate	(1994-96) Ultimate	(1994-96) Ultimate
Discount rate (per annum)	8.00%	8.00%	8.00%	8.00%
Expected return on Plan assets (per annum)	9.50%	9.45%	9.50%	9.45%
Rate of escalation in salary (Per annum)	5.00%	5.00%	5.00%	5.00%

**11. 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. | RINMOIL Ferro Alloys Pvt. Ltd.     | Joint venture company    |

(ii) Transactions during the year with related parties

₹ in lakhs

Particulars		2011-12	2010-11
1.	Managerial remuneration		
	(a) Salaries and allowances	<b>168.51</b>	154.82
	(b) Contribution to provident fund	<b>6.90</b>	6.17
	(c) Actual/estimated value of perquisites	<b>4.90</b>	3.65
	(d) Total	<b>180.31</b>	164.64
2.	Reimbursement of traveling expenses	<b>67.58</b>	117.54
3.	Advance towards share capital to joint venture company	<b>200.00</b>	200.00
4.	Sitting fees to part-time Directors	<b>6.63</b>	4.20

**12. Deferred tax liability** – Disclosures as per Accounting Standard 22 are as under.

₹ in lakhs

Sr. No.	Particulars	2011-12/31 <sup>st</sup> March, 2012	2010-11/31 <sup>st</sup> March, 2012
1.	Deferred tax liability Related to depreciation	2284.57	2619.05
2.	Deferred tax assets Disallowance under the Income Tax Act	2949.71	2469.22
3.	Net deferred tax liability/(-)asset	-665.14	149.83
4.	Deferred tax for profit and loss account : Increase/(-)decrease in liability	-814.96	-1133.48

**13. 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	Subscription for capital ₹ - Lakhs
	Country	Date		
SAIL & MOIL Ferro Alloys Pvt Ltd	India	31.07.2008	50%	410.00
RINMOIL Ferro Alloys Pvt Ltd.	India	29.07.2009	50%	10.00

## (b) Financial particulars

₹ in lakhs

Particulars	Position as at	
	31.03.2012 (Unaudited)	31.03.2011 (Audited)
Company's share of contingent liabilities	Nil	Nil
Company's share of capital commitments	379.83	580.05
Guarantees given on behalf of the joint ventures	Nil	Nil
Aggregate amount of company's interest as per accounts of joint venture companies –	10.00	10.00
(i) SAIL & MOIL Ferro Alloys Pvt. Ltd.	400.00	200.00
Shareholders' funds	Nil	Nil
Share application money pending allotment	Nil	Nil
Secured/unsecured loans	301.07	172.46
Deferred tax liability (Net)	108.47	37.08
Fixed assets and capital work in progress	0.46	0.46
Net current assets	Nil	Nil
Debit balance in profit and loss account	Nil	Nil
Income	10.00	10.00
Expenditure	Nil	Nil
(ii) RINMOIL Ferro Alloys Pvt. Ltd.	Nil	Nil
Shareholders' funds	64.27	49.50
Secured/unsecured loans	-54.58	-39.81
Deferred tax liability (Net)	0.31	0.31
Fixed assets and capital work in progress	Nil	Nil
Net current assets	Nil	Nil
Debit balance in profit and loss account		
Income		
Expenditure		

## 14. Provisions – Disclosure of particulars as per Accounting Standard 29 are as under.

₹ in lakhs

Particulars of provisions	Opening balance 01.04.2011	Provision	Provision written back/used	Closing balance 31.03.2012
Final mine closure expenses	477.24 (399.80)	71.74 (77.44)	-- --	548.98 (477.24)
Bad and doubtful debts	20.87 (42.02)	-- --	-- (21.15)	20.87 (20.87)

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

15. Imports during the year – (a) capital goods ₹ 515.34 (Nil) lakh.

16. Expenditure in foreign currency for travelling ₹ 26.78 (₹ 59.83) lakh and miscellaneous - ₹ 15.00 (Nil) lakh.

**17. Additional information to profit and loss account**

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

Particulars	Year ended 31-03-2012		Year ended 31-03-2011	
	Qty (MT)	₹ in lakhs	Qty (MT)	₹ in lakhs
a) Production/generation -				
Manganese ore	1070717	--	1150742	--
E.M.D.	714	--	805	--
Ferro manganese	8694	--	9081	--
Ferro manganese slag	14204	--	13515	--
Wind power (KwH)	33022835	--	31039998	--
b) Sales -				
Manganese ore	1078263	81039.40	999249	106924.99
E.M.D.	1005	686.00	911	620.77
Ferro manganese	13239	7310.45	6903	4530.54
Ferro manganese slag	8716	686.19	14339	1622.44
Power to MPEDCL (KwH)	23954400	846.09	22449760	832.49
c) Opening stock -				
Manganese ore	191160	6681.65	66709	2036.48
E.M.D.	590	404.52	696	451.93
Ferro manganese	6622	1952.89	4444	1631.85
Ferro manganese slag	776	77.08	1600	--
d) Closing stock -				
Manganese ore	157614	5708.16	191160	6681.65
E.M.D.	299	208.38	590	404.52
Ferro manganese	2078	815.10	6622	1952.89
Ferro manganese slag	6265	388.50	776	77.08
<b>Note :</b>				
Closing stock of manganese ore is arrived at after adjustment of issue of ore for production of -	2984	--	3587	--
EMD	23016	--	23455	--
Ferro manganese	9068435	--	8590238	--
Generation of power from wind mills includes utilization for captive consumption (KwH)				

(b) Licensed and installed capacity and capacity utilization -

Particulars	Year ended 31-03-2012		Year ended 31-03-2011	
	Qty (MT)	Capacity utilization	Qty (MT)	Capacity utilization
e) Licensed and installed capacity				
E.M.D.	1000	--	1000	--
Ferro manganese	10000	--	10000	--
Wind power (KwH)	40000000	--	40000000	--
f) Production and capacity utilisation				
E.M.D.	714	71%	805	81%
Ferro manganese	8694	87%	9081	91%
Wind power (KwH)	33022835	83%	31039998	78%

18. Corresponding figures for previous year have been shown in brackets and regrouped, wherever necessary, to make them comparable.

Notes to balance sheet as at 31<sup>st</sup> March, 2012

₹ in lakhs

Particulars	As at 31 <sup>st</sup> March, 2012		As at 31 <sup>st</sup> March, 2011															
	₹	₹	₹	₹														
<b>NOTE 2.1 - SHARE CAPITAL</b>																		
Authorised																		
Equity shares :	<b>250000000</b>		250000000															
Number																		
Face value		<b>10.00</b>		10.00														
Amount		<b>25000.00</b>		25000.00														
Issued, subscribed and fully paid-up																		
Equity shares :	<b>168000000</b>		168000000															
Number																		
Face value		<b>10.00</b>		10.00														
Amount		<b>16800.00</b>		16800.00														
	Total																	
<b>The company has only one class of shares as equity shares of ₹ 10 each par value with one voting right for one equity share</b>																		
Particulars of bonus shares issued by capitalisation of reserves :																		
<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>126748600</td> <td>0.00</td> </tr> <tr> <td>2009-10 #</td> <td>140000000</td> <td>1399338745</td> <td>661255</td> </tr> </tbody> </table>					Financial year	No. of shares	Reserves capitalised		General reserve	Capital reserve	2006-07 #	1267486	126748600	0.00	2009-10 #	140000000	1399338745	661255
Financial year	No. of shares	Reserves capitalised																
		General reserve	Capital reserve															
2006-07 #	1267486	126748600	0.00															
2009-10 #	140000000	1399338745	661255															
# Shares of face value of ₹ 100 each are split into shares of face value of ₹ 10 each in financial year 2009-10																		
<b>Reconciliation Statement</b>																		
Number of shares at the beginning	<b>168000000</b>		168000000															
Add : Shares issued during the year	<b>0</b>		0															
Number of shares at the end	<b>168000000</b>		168000000															
<b>Details of shareholding of each shareholder holding more than 5 % of shares :</b>																		
Name of the shareholder	No. of shares held	% of shareholding	No. of shares held	% of shareholding														
Government of India	<b>120235680</b>	<b>71.57</b>	120235680	71.57														
	₹	₹	₹	₹														
<b>NOTE 2.2 - RESERVES AND SURPLUS</b>																		
<b>General reserve</b>																		
As per last balance sheet	<b>195878.79</b>		150878.79															
(+) Transfer from profit and loss account	<b>30000.00</b>		45000.00															
		<b>225878.79</b>		195878.79														
<b>Surplus in profit and loss account</b>																		
As per last balance sheet	<b>150.70</b>		58.31															
Add : Balance of profit from Profit & Loss account	<b>41076.70</b>		58805.58															
Amount available for appropriation		<b>41227.40</b>		58863.89														
Less : Appropriations -																		
Interim Dividend @ 20% (25%)	<b>3360.00</b>		4200.00															
Proposed final dividend @ 30% (45%)	<b>5040.00</b>		7560.00															
Tax on interim dividend including surcharge and cess	<b>558.05</b>		697.57															
Tax on final dividend including surcharge and cess	<b>817.61</b>		1255.62															
Transfer to general reserve	<b>30000.00</b>		45000.00															
		<b>39775.66</b>		58713.19														
<b>Balance carried forward</b>		<b>1451.74</b>		150.70														
TOTAL		<b>227330.53</b>		196029.49														



## Notes to balance sheet as at 31<sup>st</sup> March, 2012

Particulars	As at 31 <sup>st</sup> March, 2012		As at 31 <sup>st</sup> March, 2011	
	₹	₹	₹	₹
₹ in lakhs				
<b>NOTE 3.1 - LONG-TERM PROVISIONS</b>				
(a) Provision for pension fund		<b>6624.44</b>		4920.77
(b) Provision for final mine closure expenses		<b>548.98</b>		477.24
Total		<b>7173.42</b>		5398.01
<b>NOTE 3.2 - LONG-TERM LIABILITIES</b>				
(a) Security deposits from suppliers, contractors and others	Total	<b>85.52</b>		75.74
<b>NOTE 4.1 - TRADE PAYABLES</b>				
	Total	<b>3311.15</b>		2577.41
<b>NOTE 5.1 - OTHER CURRENT LIABILITIES</b>				
(a) Advances from customers		<b>1241.13</b>		1244.40
(b) Security deposits from suppliers, contractors and others		<b>2033.51</b>		1817.58
(c) Liabilities for expenses		<b>9848.00</b>		8963.93
(d) Unclaimed dividend pending encashment of warrants		<b>36.31</b>		214.78
(e) Other liabilities		<b>424.47</b>		542.84
Total		<b>13583.42</b>		12783.53
<b>NOTE 5.2 - SHORT-TERM PROVISIONS</b>				
(a) Proposed dividend on equity shares		<b>5040.00</b>		7560.00
(b) Provision for tax on dividend		<b>817.61</b>		1255.62
(c) Provision for unavailed leave - Liability on balance sheet date		<b>4225.74</b>		3899.15
(-) Fund with Life Insurance Corporation of India		<b>4042.01</b>		2852.96
		<b>183.73</b>		1046.19
(d) Provision for gratuity		<b>0.00</b>		442.34
Total		<b>6041.34</b>		10304.15
Total		<b>22935.91</b>		25665.09

Notes to balance sheet as at 31<sup>st</sup> March, 2012

₹ in lakhs

## NOTE 6.1 - FIXED ASSETS

Sr No	Description of assets	Gross block		Depreciation			Net block	
		As at 31.03.2011	As at 31.03.2012	As at 31.03.2011	For the Deductions year	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
		₹	₹	₹	₹	₹	₹	₹
<b>A</b>	<b>Tangible assets</b>							
1	Land	1016.24	0.00	0.00	0.00	0.00	1016.24	1016.24
2	Buildings	7061.58	451.45	1848.32	280.37	2126.07	5383.68	5213.26
3	Plant and machinery	27928.81	2541.82	15331.43	2472.80	17347.86	12611.13	12597.38
4	Furniture and fixtures	230.55	48.35	167.20	23.63	189.63	88.03	63.35
5	Office equipments	363.27	39.06	214.55	24.90	233.41	162.31	148.72
6	Vehicles	678.98	75.27	436.22	71.53	487.36	245.43	242.76
		37279.43	3155.95	17997.72	2873.23	20384.33	19506.82	19281.71
<b>B</b>	<b>Intangible assets</b>							
1	Leasehold land	2366.71	0.00	1050.41	118.33	1168.74	1197.97	1316.30
		39646.14	3155.95	19048.13	2991.56	21553.07	20704.79	20598.01
<b>C</b>	<b>Capital work in progress -</b>							
	Total	35702.66	4219.10	16048.61	3251.17	19048.12	20598.01	21871.81
<b>D</b>	<b>Previous year ended 31<sup>st</sup> March, 2011</b>							

1 Buildings also include land wherever consideration for land is not paid separately

2 Depreciation for the period includes depreciation on -

(a) Assets of manufacturing units

(b) Assets of power generating units

(c) Depreciation pertaining to earlier year

3 There is no impairment loss as on the balance sheet date

	For 2011-12	For 2010-11
	71.02	72.56
	1006.71	1006.71
	2.15	0.00

**Notes to balance sheet as at 31<sup>st</sup> March, 2012**

₹ in lakhs

Particulars	As at 31 <sup>st</sup> March, 2012		As at 31 <sup>st</sup> March, 2011	
	₹	₹	₹	₹
<b>NOTE 7.1 - NON-CURRENT INVESTMENTS (UNQUOTED) - AT COST</b>				
Fully paid-up shares of Co-operative Stores/Societies at mines :				
(a) 500 (500) Shares of ₹ 5 each of Co-operative Stores (unregistered)	<b>0.03</b>		0.03	
(b) 1612 (1612) Shares of ₹ 25 each of Co-operative Societies	<b>0.40</b>		0.40	
(c) 8556 (8556) Shares of ₹ 10 each of Co-operative Societies	<b>0.86</b>		0.86	
		<b>1.29</b>		1.29
<b>Investment in joint ventures (Initial subscription) :</b>				
(a) 100000 (100000) Equity shares of ₹ 10 each fully paid-up in SAIL & MOIL Ferro Alloys Pvt. Ltd.	<b>10.00</b>		10.00	
(b) 100000 (100000) Equity shares of ₹ 10 each fully paid-up in RINMOIL Ferro Alloys Pvt. Ltd.	<b>10.00</b>		10.00	
		<b>20.00</b>		20.00
<b>Advance for share allotment</b>				
Advance to SAIL & MOIL Ferro Alloys Pvt. Ltd. against allotment of shares (pending increase in authorised share capital)				
		<b>400.00</b>		200.00
Total		<b>421.29</b>		221.29
<b>NOTE 8.1 - LONG-TERM LOANS AND ADVANCES</b>				
(a) Secured				
Loans and advances to employees		<b>75.91</b>		70.22
(b) Unsecured				
Loans and advances to employees		<b>9.00</b>		10.61
Total		<b>84.91</b>		80.83
<b>NOTE 8.2 - OTHER NON-CURRENT ASSETS</b>				
(a) Interest accrued but not due on fixed and other deposits		<b>0.31</b>		0.05
(b) Interest accrued but not due on loans to employees		<b>30.08</b>		28.53
(c) Deposit with railway, electricity boards and others (Unsecured)		<b>559.80</b>		428.24
Total		<b>590.19</b>		456.82
<b>NOTE 9.1 INVENTORIES [AS CERTIFIED BY THE MANAGEMENT]</b>				
(i) Stock of raw materials valued at cost		<b>69.18</b>		51.13
(ii) Work-in-process at cost		<b>1.06</b>		2.56
(iii) Stock of finished goods at cost or net realisable value, whichever is less		<b>7119.08</b>		9113.58
(iv) Stores in transit at cost		<b>36.76</b>		9.71
(v) Capital goods in transit		<b>239.74</b>		
(vi) Stock of stores and spares valued at cost	<b>667.30</b>		569.48	
(-) Provision for obsolete stores and spares	<b>4.22</b>		3.49	
		<b>663.08</b>		565.99
Total		<b>8128.90</b>		9742.97

Notes to balance sheet as at 31<sup>st</sup> March, 2012

₹ in lakhs

Particulars	As at 31 <sup>st</sup> March, 2012		As at 31 <sup>st</sup> March, 2011	
	₹	₹	₹	₹
<b>NOTE 9.2 - TRADE RECEIVABLES (UNSECURED)</b>				
(i) Considered good				
Debts overdue for a period exceeding six months	41.81		0.00	
Other debts	9891.34		6795.89	
		9933.15		6795.89
(ii) Considered doubtful				
Debts overdue for a period exceeding six months		20.87		20.87
		9954.02		6816.76
(-) Provision for doubtful debts		20.87		20.87
Total		9933.15		6795.89
<b>NOTE 9.3 - CASH AND CASH EQUIVALENTS</b>				
(i) Cash in hand		7.04		6.79
(ii) Balance with banks				
In fixed deposits		207606.00		186201.00
In fixed deposits (as margin money against bank guarantees/LCs)		395.73		186.04
In special dividend account pending encashment of warrants		36.31		214.78
In current accounts		797.03		1356.56
Total		208842.11		187965.17
Balances in fixed deposits include deposits maturing after 12 months		7.00		1.00
<b>NOTE 10.1 - SHORT TERM LOANS AND ADVANCES</b>				
(a) Secured				
(i) Loans and advances to employees		62.84		80.37
(b) Unsecured				
(i) Advances to employees		138.68		133.15
(ii) Advances for purchase of stores, spares and machinery	200.93		93.72	
(-) Provision for doubtful advances	11.75		0.57	
		189.18		93.15
(iii) Advances to contractors and others		233.88		249.32
(iv) Loans and advances to related parties				
(a) Advances to officers		0.00		0.10
Advances to Chairman-cum-Managing Director		0.00		0.00
(b) RINMOIL Ferro Alloys Private Limited, a joint venture company		33.31		33.21
(v) Claims receivable	1.50		0.53	
(-) Provision for doubtful claims	0.53		0.53	
		0.97		0.00
(vi) Pre-paid expenses		146.61		97.20
(vii) Advance payment of income tax (Net)		9037.68		7088.84
Total		9843.15		7775.34
<b>NOTE 10.2 - OTHER CURRENT ASSETS</b>				
(i) Interest accrued on fixed and other deposits		11120.64		7529.67
(ii) Sundry receivable		87.56		73.39
Total		11208.20		7603.06

**Notes to profit and loss account for the year ended 31<sup>st</sup> March, 2012**

₹ in lakhs

Particulars	For financial year 2011-12	For financial year 2010-11
<b>NOTE 11.1 - REVENUE FROM OPERATIONS</b>		
(a) Sale of mining products	<b>81039.40</b>	106924.99
(b) Sale of manufactured products	<b>8682.64</b>	6773.75
(c) Sale of power	<b>846.09</b>	832.49
	<b>90568.13</b>	114531.23
(-) Excise duty on manufactured products	<b>609.88</b>	534.38
<b>Revenue from operations</b>	<b>89958.25</b>	113996.85
<b>NOTE 11.2 - OTHER INCOME</b>		
<b>1 Other income</b>		
(a) Interest received	<b>19383.52</b>	13393.42
(b) Recoveries from employees	<b>11.44</b>	11.18
(c) Sale of scrap	<b>0.39</b>	75.14
(d) Rent on buildings	<b>14.02</b>	14.04
(e) Sales tax set-off/refund	<b>156.01</b>	121.08
(f) Miscellaneous income	<b>766.32</b>	912.70
<b>2 Provisions written back</b>		
(a) Provision for anticipated loss on sale of obsolete stores	<b>0.00</b>	0.71
(b) Provisions for doubtful debts	<b>0.00</b>	21.15
Total	<b>20331.70</b>	14549.42

Notes to profit and loss account for the year ended 31<sup>st</sup> March, 2012

₹ in lakhs

Particulars	For financial year 2011-12		For financial year 2010-11	
	₹	₹	₹	₹
<b>NOTE 12.1 COST OF RAW MATERIAL CONSUMED</b>				
<b><u>E.M.D.plant</u></b>				
(a) Manganese ore	7.33		12.65	
(b) Sulphuric acid	20.99		19.86	
(c) Sodium carbonate	2.41		2.98	
(d) Others	10.05		2.49	
		40.78		37.98
<b><u>F.M.P.plant</u></b>				
(a) Manganese ore	1062.76		1072.55	
(b) Coke	533.37		555.23	
(c) Carbon paste	34.77		37.68	
(d) Others	161.49		88.56	
		1792.39		1754.02
Total		1833.17		1792.00
<b>NOTE 13.1 - CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE</b>				
(a) Mining products				
Closing stock	5708.16		6681.65	
(-) Opening stock	6681.65		2036.48	
		-973.49		4645.17
(b) Manufactured products				
Closing stock	1411.98		2434.49	
(-) Opening stock	2434.49		2083.78	
		-1022.51		350.71
A		-1996.00		4995.88
Less :				
Excise duty on stock of manufactured products				
On closing stock	155.32		227.34	
(-) On opening stock	227.34		194.59	
		-72.02		32.75
B		-72.02		32.75
Net accretion/-decretion [A - B]		-1923.98		4963.13
<b>NOTE 14.1 - EMPLOYEE BENEFIT EXPENSES</b>				
Salaries, wages and bonus	18454.54		15372.23	
Contribution to provident fund and other funds	4241.07		4766.23	
Welfare expenses	912.89		820.50	
Total		23608.50		20958.96



**Notes to profit and loss account for the year ended 31<sup>st</sup> March, 2012**

₹ in lakhs

Particulars	For financial year 2011-12		For financial year 2010-11	
	₹	₹	₹	₹
<b>NOTE 14.2 - OTHER EXPENSES</b>				
Other manufacturing and administrative expenses, selling expenses and write offs				
1 Transport, raiing and other works through contractors		<b>5446.35</b>		4509.16
2 Consumption of stores and spares		<b>3683.73</b>		3359.24
3 Power and fuel		<b>3292.89</b>		3882.62
4 Repairs and maintenance to buildings	<b>242.58</b>		215.75	
5 Repairs and maintenance to plant & machinery	<b>645.56</b>		602.04	
6 Repairs and maintenance to others	<b>89.40</b>		108.06	
		<b>977.54</b>		925.85
7 Rent		<b>11.97</b>		26.95
8 Rates and taxes		<b>231.68</b>		126.31
9 Insurance		<b>150.82</b>		83.53
10 Auditor's remuneration		<b>6.47</b>		10.74
11 Directors' sitting fees		<b>6.63</b>		4.20
12 Advertisements		<b>221.68</b>		820.54
13 Expenditure on corporate social responsibility		<b>655.91</b>		575.39
14 Miscellaneous expenses		<b>1082.70</b>		939.96
15 Royalty and cess	<b>3309.59</b>		4349.81	
16 Cash discount on sales	<b>76.01</b>		95.98	
17 Service charges on e-auctions	<b>65.31</b>		77.15	
18 Sampling expenses	<b>14.51</b>		14.27	
		<b>3465.42</b>		4537.21
19 Exploratory drilling at mines	<b>513.24</b>		282.45	
20 Expenditure on blasting/rock mechanics/stop design studies, etc.	<b>284.78</b>		60.59	
		<b>798.02</b>		343.04
21 Write off of discarded assets	<b>57.60</b>		23.97	
22 Write off of stores and spares shortage	<b>1.55</b>		0.80	
23 Provision for anticipated loss on obsolete stores / spares	<b>0.73</b>		0.00	
24 Provision for doubtful advances	<b>11.18</b>		0.00	
25 Provision for final mine closure expenses	<b>71.74</b>		77.44	
		<b>142.80</b>		102.21
26 Expenses for diversion of forest land		<b>0.00</b>		87.35
Total		<b>20174.61</b>		20334.30

Note No. 1.1 to 14.2 form an integral part of financial statements.

**For V.K.Surana & Co.**  
Chartered Accountants,  
F.R.No. 110634 W

Sd/-  
**Neeraj Pandey**  
Company Secretary

Sd/-  
**Mukund P.Chaudhari**  
General Manager (Finance)

Sd/-  
**CA. Sudhir Surana**  
Membership Number : 043414

Sd/-  
**M.A.V.Goutham**  
Director (Finance)

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

Place : Nagpur  
Date : 25<sup>th</sup> May, 2012

## Cash flow statement for the year ended on 31<sup>st</sup> March, 2012

₹ in lakhs

Particulars	For financial year 2011-12		For financial year 2010-11	
	₹	₹	₹	₹
<b>A Cash flow from operating activities</b>				
Net profit before tax and dividend		<b>60662.81</b>		88015.18
Adjustment for -				
(a) Depreciation	<b>2991.57</b>		3251.17	
(b) Discarded assets written off	<b>57.60</b>		23.97	
		<b>3049.90</b>		<b>3275.14</b>
<b>Operating profit before working capital changes</b>		<b>63712.71</b>		91290.32
Adjustments for -				
(a) Inventories	<b>1614.08</b>		-4989.03	
(b) Sundry debtors	<b>-3137.26</b>		1778.58	
(c) Interest accrued/receivable	<b>-3592.79</b>		-1674.13	
Other current assets	<b>-14.17</b>		20.30	
(d) Loans and advances	<b>-2203.45</b>		-2021.58	
(e) Current liabilities and provisions	<b>-943.99</b>		3987.30	
		<b>-8278.31</b>		-2898.56
Cash generated from operations		<b>55434.40</b>		88391.76
Provision for taxation during the year		<b>-20401.07</b>		-30343.08
Net cash from operating activities		<b>35033.33</b>		58048.68
<b>B Cash flow from investing activities</b>				
(a) Purchase of fixed assets	<b>-4180.71</b>		-4880.12	
(b) Purchase/sale of investments	<b>-200.00</b>		-200.00	
Net cash used in investing activities		<b>-4380.71</b>		-5080.12
<b>C Cash flow from financing activities</b>				
(a) Dividend (including dividend distribution tax)		<b>-9775.67</b>		-13713.19
<b>D Net increase/(-) decrease in cash and cash equivalents</b>		<b>20876.95</b>		39255.37
<b>E Opening cash and cash equivalents</b>		<b>187965.16</b>		148709.79
Closing cash and cash equivalents		<b>208842.11</b>		187965.16
Net increase/(-) decrease in cash and cash equivalents		<b>20876.95</b>		39255.37

**Note :** Cash and cash equivalents include balances in special dividend accounts pending encashment of warrants, which are not available to the company for its use

36.31

214.78

As per our report of even date

**For V.K.Surana & Co.**Chartered Accountants,  
F.R.No. 110634 W

Sd/-

**Neeraj Pandey**  
Company Secretary

Sd/-

**Mukund P.Chaudhari**  
General Manager (Finance)

Sd/-

**CA. Sudhir Surana**  
Membership Number : 043414

Sd/-

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

Sd/-

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

Place : Nagpur

Date : 25<sup>th</sup> May, 2012

### Information about business segments

Company has identified three business segments, viz., mining, manufacturing and power generation as per Accounting Standard AS-17 on Segment Reporting

₹ in lakhs

Sr No	Particulars	Mining		Manufacturing		Power generation		Eliminations		Consolidated	
		2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
		₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>1</b>	<b>Revenue</b>										
	(a) External sales (Gross)	81039.40	106924.99	8682.64	6773.74	846.09	832.49	0.00	0.00	90568.13	114531.22
	(b) Inter-segment sales	904.67	842.23	0.00	0.00	570.08	421.17	-1474.75	-1263.40	0.00	0.00
	(c) Total revenue	81944.07	107767.22	8682.64	6773.74	1416.17	1253.66	-1474.75	-1263.40	90568.13	114531.22
<b>2</b>	<b>Results</b>										
	(a) Segment result	37549.70	72072.24	2479.26	1268.41	302.15	125.11	0.00	0.00	40331.11	73465.76
	(b) Other income (incl write back)	20331.70	14064.02	0.00	0.00	0.00	485.40	0.00	0.00	20331.70	14549.42
	(c) Total segment result	57881.40	86136.26	2479.26	1268.41	302.15	610.51	0.00	0.00	60662.81	88015.18
	(d) Profit before tax									60662.81	88015.18
	(e) Provision for income tax									20401.08	30343.08
	(f) Deferred tax liability									-814.96	-1133.48
	(g) Profit after tax									41076.69	58805.58
Sr No	Particulars	Mining		Manufacturing		Power generation		Unallocated #		Consolidated	
		31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011
<b>3</b>	<b>Other information</b>										
	(a) Segment assets	31597.18	27093.94	2539.43	3097.51	5410.10	6438.91	234113.53	207487.79	273660.24	244118.15
	(b) Segment liabilities	7058.42	5998.62	284.76	319.72	370.99	420.54	21815.53	24549.78	29529.70	31288.67
	(c) Capital expenditure	4058.85	4724.69	47.89	72.18	0.00	0.00	73.97	83.25	4180.71	4880.12
	(d) Depreciation for the period ended..	1913.84	2171.90	71.01	72.56	1006.71	1006.71	0.00	0.00	2991.56	3251.17

Note : Electricity charges of consuming units are grossed up by the amount of credit given by Madhya Pradesh Electricity Distribution Company Ltd., in power bills on account of power generated and the same is recognised as inter-segment revenue at power generating unit so as to arrive at the segment revenue.

# Includes unallocated capital expenditure, corporate assets and corporate liabilities

## Statement of Social Amenities - Expenses and Income for the Year 2011-12

Sr. No.	Particulars	Current year				Total		
		Township	Education	Medical #	Welfare \$	For 2011-12	For 2010-11	
		₹	₹	₹	₹	₹	₹	
1	Salaries and wages	5507080	6482571	7317662	45881936	<b>65189249</b>	40415161	
2	Contribution to provident fund	428175	487351	436379	4039464	<b>5391369</b>	4579391	
3	Consumption of stores	788107	1135644	581171	5777930	<b>8282852</b>	11933223	
4	Power	11445264	93541	679923	6265457	<b>18484185</b>	17380399	
5	Drugs and injections	0	0	7706446	671	<b>7707117</b>	6659533	
6	Miscellaneous expenses	208983	3638655	9612487	55775005	<b>69235130</b>	51197149	
7	Contractors - Repairs to buildings/others	15288846	365432	63523	8366856	<b>24084657</b>	34296260	
	Sub total A	33666455	12203194	26397591	126107319	<b>198374559</b>	166461116	
8	Depreciation	16336528	2506431	1570257	142240	<b>20555456</b>	20309320	
9	Interest	0	0	0	0	<b>0</b>	0	
	Sub total B	16336528	2506431	1570257	142240	<b>20555456</b>	20309320	
10	Total expenses [A + B] Sub Total C	50002983	14709625	27967848	126249559	<b>218930015</b>	186770436	
	Less :							
	Income from electricity	189671	0	0	374733	<b>564404</b>	568964	
	Receipts from school bus	0	237495	0	23810	<b>261305</b>	320573	
	Reimbursement from Welfare Commissioner for sports/medical/others	125646	0	0	0	<b>125646</b>	143675	
	Sub total D	315317	237495	0	398543	<b>951355</b>	1033212	
11	Net expenses [C - D]	49687666	14472130	27967848	125851016	<b>217978660</b>	185737224	
	* Over and above statutory requirements	# Including social and cultural activities						



## MOIL LIMITED

Registered office: MOIL Bhawan, 1A Katol Road, NAGPUR – 440 013

### FORM OF PROXY

I/We \_\_\_\_\_ being a Member/Members of MOIL Limited hereby appoint Mr. / Mrs. / Miss \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ and failing him / her Mr. / Mrs. / Miss \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_

as my/our proxy to vote for me/us on my/our behalf at the 50<sup>th</sup> Annual General Meeting of the Company to be held on 27<sup>th</sup> July, 2012 at 2.30 p.m. MOIL Ltd., Golden Jubilee Hall, West Court Premises, In-front of Z.P. (Ex-Govt.) Girls High School, Katol Road, Nagpur - 440 013, and at any adjournment thereof.

Folio / Client ID	
DP ID Nos.	
No. of Shares held	

Please affix  
Re.1/-  
Revenue  
Stamp

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012

(Signature of Member)

**Note : 1. The Proxy need not be a member**

**2. Proxies in order to be valid must be duly filled in, stamped, signed and deposited at the Registered Office of the Company not less than 48 Hours before the time of commencement of the Meeting.**

## MOIL LIMITED

Registered office: MOIL Bhawan, 1A Katol Road, NAGPUR – 440 013

### ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Member/Proxy \_\_\_\_\_  
(First) (Middle) (Surname)

I hereby record my presence at the 50<sup>th</sup> Annual General Meeting of the Company held on 27<sup>th</sup> July, 2012 at 2.30 p.m. MOIL Ltd., Golden Jubilee Hall, West Court Premises, In-front of Z.P. (Ex-Govt.) Girls High School, Katol Road, Nagpur - 440 013.

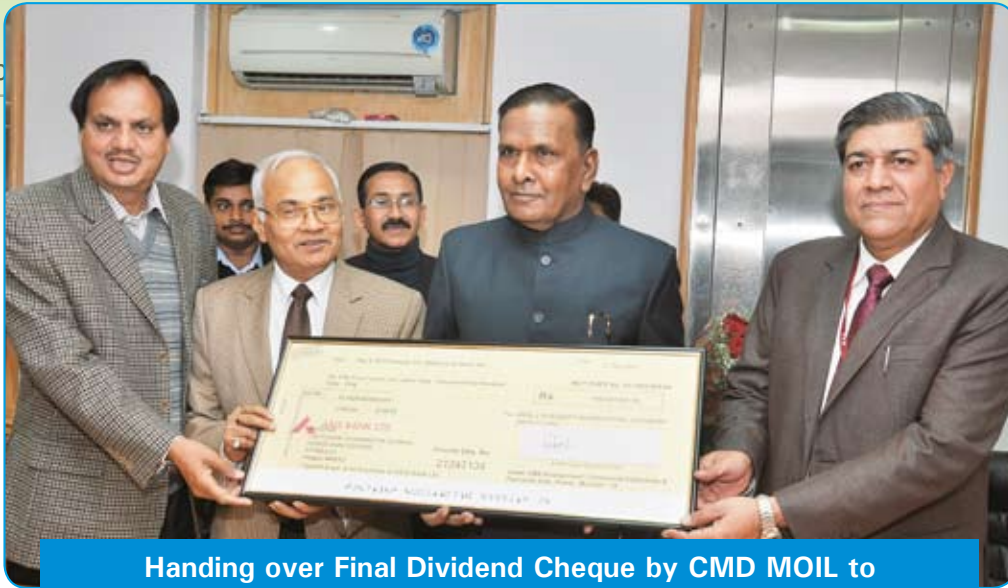
Folio / Client ID	
DP ID Nos.	
No. of Shares held	

\_\_\_\_\_  
(Signature of Member/Proxy)

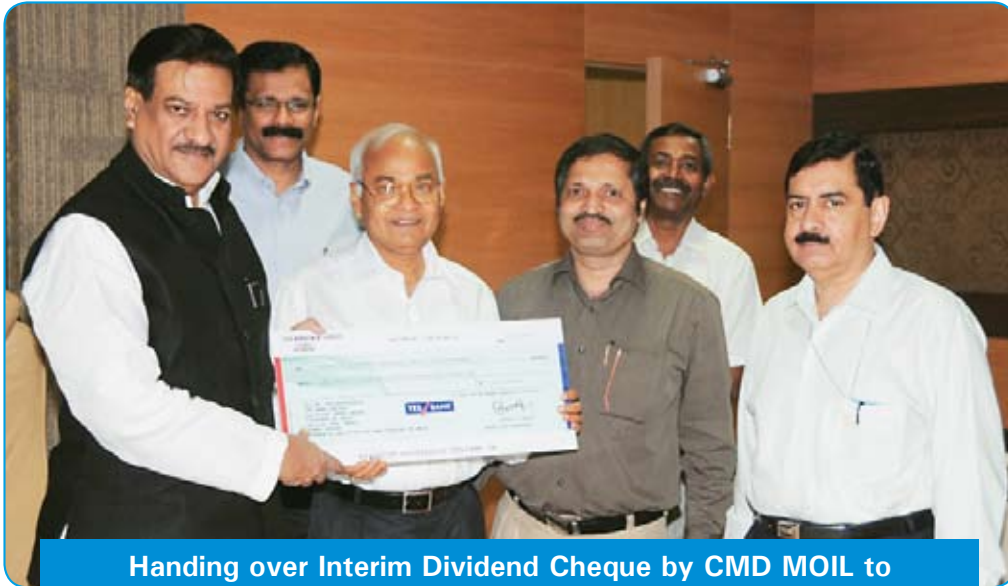
**Note : This attendance slip is valid only in case shares are held on the date of meeting**

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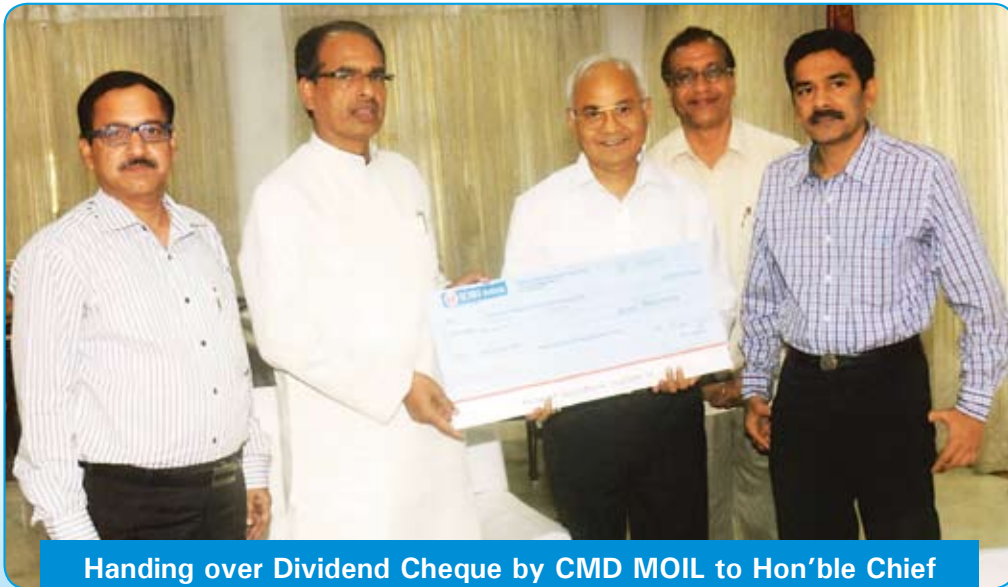




**Handing over Final Dividend Cheque by CMD MOIL to Hon'ble Minister of Steel**



**Handing over Interim Dividend Cheque by CMD MOIL to Hon'ble Chief Minister of Maharashtra**



**Handing over Dividend Cheque by CMD MOIL to Hon'ble Chief Minister of Madhya Pradesh**



**MOIL LIMITED**  
(A Govt. of India Enterprise)  
MOIL BHAWAN, 1-A KATOL ROAD,  
NAGPUR - 440 013  
[www.moil.nic.in](http://www.moil.nic.in)

