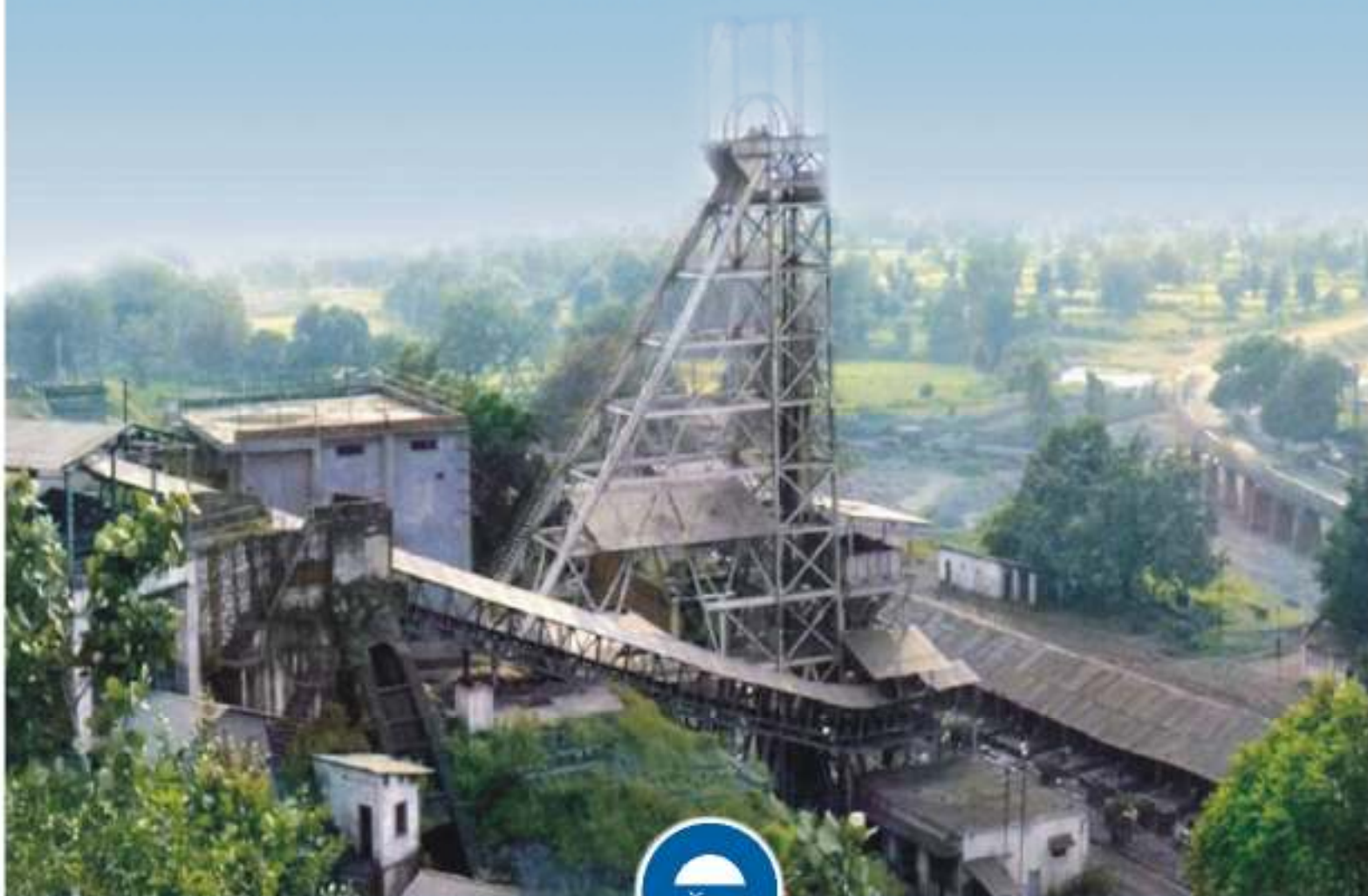


47th ANNUAL REPORT 2008 - 2009



MANGANESE ORE (INDIA) LIMITED

(A Government Undertaking)

MOIL BHAVAN, 1-A, Katol Road, Nagpur - 440013.
website : www.moil.nic.in

Adding Strength to Steel...



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



Shri K.J. Singh, Chairman-cum-Managing Director, presenting dividend cheque to Hon'ble Chief Minister of Madhya Pradesh Shri Shivraj Singh Chouhan, also present Shri M.A.V. Goutham and Shri S. Muthuraman.



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MANGANESE ORE (INDIA) LIMITED

(A Government Undertaking)

REGISTERED OFFICE

MOIL Bhavan, 1-A, Katoji Road,
Nagpur - 440 013 (Maharashtra)

BOARD OF DIRECTORS

CHAIRMAN-CJM-MANAGING DIRECTOR

Shri K. J. Singh
(From 16-03-09)

Shri M.A.V. Goutham
(CMD /C From 01-11-08 to 15-03-09)

Shri K.L. Mehrotra
(Upto 31-10-08)

DIRECTORS

Dr. Dalip Singh

Shri. A. M. Khan

Shri. S. K. Mishra

Shri S.K. Banerjee

(Upto 27-06-09)

Shri A. Balra

Dr. D.D. Koushik

Dr. M. Maharajan

Shri M.A.V. Goutham

Director (Finance)

Shri A. K. Mohra

Director (Commercial)

Shri G. P. Kundargi

Director (Production & Planning)

COMPANY SECRETARY

Shri Neeraj D. Pandey

AUDITORS

Shah Baheti Chandak & Co.
Chartered Accountants, Nagpur

BANKERS

Syndicate Bank

Bank of India

State Bank of India

IDBI Bank Ltd.



PERFORMANCE AT A GLANCE

(Rs. in Lakhs)

PARTICULARS	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
FINANCIAL (Rs. Lakhs)							
Sales	128484.06	97335.83	41762.99	33409.96	37877.58	22874.25	17787.60
Other Income	12314.68	5668.47	3419.26	2209.34	934.34	585.39	443.07
Total Income	140798.74	103004.30	45182.25	35619.30	38811.92	23459.64	18230.67
Gross Margin	103142.25	75098.44	21020.78	17947.46	21065.17	5266.73	3458.79
Profit Before Tax	100675.67	73490.79	20114.58	16900.48	20226.73	4529.43	2783.07
Profit After Tax	66379.33	47981.77	13420.75	11451.70	12690.03	2851.60	1778.06
Dividend	13300.00	9660.00	2800.00	1992.27	919.51	459.75	413.78
Share Capital	2800.00	2800.00	2800.00	1532.51	1532.51	1532.51	1532.51
Reserves & Surplus	129287.22	78468.22	43348.50	34404.57	25224.55	13584.16	11251.22
Borrowings	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Gross Block	34199.97	30247.57	17151.97	13928.47	12638.97	11272.08	10772.49
Working Capital	111817.20	63200.54	34285.38	28278.00	20871.00	9833.00	7505.00
Capital Employed	132380.87	82088.42	41894.00	33772.00	26077.00	14207.00	12000.00
Profit Before tax to Capital Employed %	76.05	89.53	48.01	50.04	77.57	31.88	23.19
Profit Before tax to Sales %	78.36	75.50	48.16	50.59	53.40	19.80	15.85
Debt to Equity Ratio	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Earnings per Share (Rs.)	2370.69	1713.63	479.31	697.82	828.06	186.07	116.02
Networth	132087.22	81268.22	45763.59	34603.66	25726.04	13969.84	11707.47
CONTRIBUTION TO EXCHEQUER							
Income Tax	34122.93	24112.29	6035.41	5501.49	7529.65	1719.17	991.78
Dividend Tax	2260.33	1641.72	409.33	124.66	130.14	68.91	53.02
Sales Tax	3072.00	2925.83	1524.00	1348.10	1642.24	914.64	731.59
Royalty & Cess	3500.34	2688.17	1148.88	908.62	1036.53	586.52	472.26
Excise duty	464.00	763.49	381.85	460.87	408.15	481.25	353.94
M.P. Road Cess	2511.12	2802.71	NIL	NIL	NIL	NIL	NIL
Total	45930.72	34934.21	9499.47	8343.74	10746.71	3770.49	2602.59
PHYSICAL Production							
Manganese Ore (Lakhs tonnes)	11.75	13.85	10.47	8.65	9.43	7.99	7.14
Ferro Grades (Lakhs tonnes)	6.31	6.44	6.06	5.72	5.49	5.43	5.10
E.M.D (Tonnes)	1240	1122	1312	1301	1123	975	930
Ferro-Manganese (Tonnes)	10120	11130	10200	6170	10325	10899	5996
Output per Man Shift (O.M.S./Tonnes)	0.766	0.877	0.664	0.551	0.610	0.507	0.446



BOARD OF DIRECTORS

(As On 28-08-2009)



Shri K.J. Singh

Chairman-cum-Managing Director

GOVERNMENT DIRECTORS



Dr. Dalip Singh



Shri A. H. Khan



Shri S. K. Mishra

INDEPENDENT DIRECTORS



Shri A. Bhojraj



Dr. D.J. Kumbhar



Dr. M. Moharajen

FUNCTIONAL DIRECTORS



Shri N.A.Y. Gourhan



Shri A. K. Mohan



Shri G.P. Kumbhargi

COMPANY SECRETARY



Shri Nouraj D. Pandey



DIRECTORS RETIRED



Shri K.L. Mehrotra
(Chairman-cum-Managing Director)



Shri S. K. Banerjee
(Independent Director)

SENIOR EXECUTIVES



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



Shri G. Wongwe
G.M. (Technical)



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



Shri D. Shrivastava
G.M. (Prod. & Qty.)



CHAIRMAN'S SPEECH DELIVERED ON THE 47TH ANNUAL GENERAL MEETING OF MANGANESE ORE (INDIA) LTD, HELD ON 28TH AUGUST 2009 AT NAGPUR.



K. J. SINGH

Chairman-cum-Managing Director

Dear Shareholders,

I, on my own behalf and on behalf of my colleague Directors on the Board, wish to extend a warm welcome to all of you at this 47th Annual General Meeting of your Company. I am sure, you must have received the audited annual accounts and the Directors' Report for the year ended 31st March 2009 and with your permission I take it as read.

■ **MARKET SCENARIO AND FUTURE OUTLOOK:**

The Indian as well as global economy witnessed exceptional growth during last few years. While the year began on a reasonably optimistic note - particularly for the Indian economy - sentiment was completely reversed from the start of third Quarter of 2008.

Steel producers in India are not immune to the global economic downturn. The production of steel, which was showing exceptional growth in the past few years, has suddenly come down drastically from middle of 2008. Major domestic and international producers of Steel cut their production by 30-40% that resulted in lower production of Ferro Alloys in the country, consequently lower off-take of Manganese Ore.

Meanwhile, the Government of India has initiated various measures to boost up the economy. The Indian government plans to invest over US\$ 350 billion in industries related to infrastructure and construction which will give a fillip to the steel sector. Moreover, in the Union Budget 2009-10, the government has made a 23 per cent hike in allocation for highway development and US\$ 1.034 billion increase in budgetary support to Railways which will further promote the steel industry.

The National Steel Policy has a target for taking steel production up to 110 MT by 2019-20. Nonetheless, with the current rate of ongoing Greenfield and Brownfield projects, the Ministry of Steel, on the basis of the investment scenario in the steel sector at present, has projected India's steel capacity to touch 124.06 MT by 2011-12. In fact, based on the status of Memorandum of Understanding (MOUs) signed by the private producers with the various state governments, India's steel capacity is likely to be 293 MT by 2020.

The demand of Steel, driven by huge infrastructure spending across the country with various capacity expansion projects on track, is expected to increase in current years. According to World Steel Association (WSA), India is the only major economy whose steel consumption is expected to grow in 2009 by 2 percent. According to a study, Indian steel companies are likely to get 19 per cent of the total global demand in the years to come.

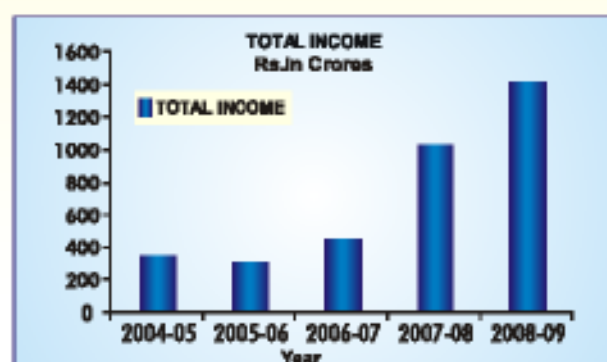
■ **PERFORMANCE OVERVIEW:**

Despite the adverse impact of global economic meltdown in Steel Industry, your Company has once again set the new record of performance during 2008-09:

The Company has recorded a production of 11.75 lakh tonnes of Manganese Ore and successfully achieved the MoU Target for the year. This is for the 3rd consecutive year, the production has crossed 1 million tonnes mark.



• Third time in a row, the company has achieved a sale of 1 million tones and successfully recorded sales of 10.23 lakh tonnes of manganese ore during 2008-09.



• The Company has earned highest ever total revenue of Rs.1407.99 Crores which is 36.69% higher over the previous year.

• The net profit earned by your Company during 2008-09 has increased by 38.34% to Rs. 663.83 Crores in comparison to Rs. 447.88 Crores during the previous year.

In order to fulfill its commitment towards creation of wealth of stakeholders, your Board of Directors have recommended the highest ever dividend of 475% (including 200% interim dividend which has already been paid) amounting to Rs. 133.00 Crore as against Rs. 96.60 Crore in the previous year.

With view to promote non-conventional energy resources, the Company has commissioned a 20 MW capacity Wind Turbine Project at Nagda Hills, near Dewas in Madhya Pradesh. It has produced 4.681 million units of electricity and fetched revenue of Rs. 8.25 Crore during the year 2008-09.

■ **CORPORATE GOVERNANCE:**

Your Company endeavours to excel much beyond the basic requirements of Corporate Governance focusing consistently towards value propositions for its stakeholders including shareholders, customers, employees, suppliers and the society at large. The Company has developed a framework for ensuring transparency, disclosure and fairness to all. A report of Corporate Governance forms a part of the Directors' Report.

■ **HUMAN RESOURCE DEVELOPMENT:**

The employees of an organization are its pillars and your company takes pride for its human resources contribution with which the company has walked miles and shall take big leap with the future. The Company

believes that without the support of employees and cordial relation with them no company can fulfill its business plans. Your Company is committed to development of its human resource and to enhance their skills, knowledge and competence through training, re-training and redevelopment.

■ **EMERGING TECHNOLOGIES:**

Your Company has adopted best possible technologies to perform its operations in an optimal manner. MOIL has introduced the instrumental analysis of Manganese Ore through the XRF (X-Ray Fluorescence Spectrophotometer). The Company has set up VSAT based WAN at its various mines for integration of information.

Taking a major step towards changing technologies, your company has also taken initiatives for setting up Enterprise Resource Planning (ERP), which would facilitate company-wide integrated information systems, covering all functional areas.

At MOIL, in order to bring in total transparency and encourage healthy competition, it has been conducting e-sales and e-procurement, and earned revenue of Rs. 196.09 Crore through e-sales during 2008-09.

Your company has continuously been focussing in its Research and Developments (R&D) activities so as to bring improvement in operating efficiencies and reduction in cost.

■ **MEMORANDUM OF UNDERSTANDING:**

It is matter of pride that MOIL is one of the few PSEs in the country which has been signing Memorandum of Understanding with the Government continuously for the last 19 years. Your Company has been getting Excellent ratings continuously for the last 13 years including the current year. For the year under review, your Company's performance has been rated as Excellent.





■ COMMITMENT TOWARDS SOCIETY:



Your Company as a good Corporate Citizen is well aware of its Corporate Social Responsibility (CSR). MOIL, under its CSR obligation, has empowered thousands of rural people in the surrounding

communities through Education, Vocational Training Programmes, Adult education Programmes, Health Care, promoting Sports & Culture etc.

In addition to different socio economic development activities in the vicinity of various mines of the Company, MOIL has adopted 5 villages and carried out various development works in these villages such as construction of roads, toilets, schools, water supply schemes, community centers, etc., medical care, educational facilities by construction of schools etc., Besides that, your Company has also provided eye care through cataract surgeries including lens implantation, fully air-conditioned mobile hospitals to various parts of the country fully equipped with cardiac-cum-trauma care facilities, motor boats for flood relief, monetary assistance to flood affected State.

■ ENVIRONMENT PROTECTION:

Your Company is committed to be an environment friendly company in all its areas of activities, products and services, providing safe and healthy working environment. Significantly, MOIL has also taken initiatives on Clean Development Mechanism (CDM) projects by initiating non-conventional power generation i.e. wind power at Nagda Hill, Dewas (MP).

■ RECOGNITIONS:

Your Company has got Regional/National recognition for its excellent performance such as:

- National Energy Conservation Award 1st Prize for the Mining Sector.
- Special Prize by MEDA (Maharashtra Energy Development Corporation) for the year 2007.
- Overall 1st Prize in the Metal Mining Category at the All India Mine Rescue Competition.

• National Safety Awards :

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

• All India Mines Rescue Competition (Coal & Metal) 2006 prizes:

- Overall Winner (Metal) - Winner Recovery Drill (Metal)
- Winner -Theory Test (Metal) - Individual Prizes like Best Captain & Best Team Member

• Ispat Raj Bhasha Trophy 2007-08 for the good work done in Hindi.

The fortune of the Mn Ore market will be impacted by the growth prospects of steel industry. As the production of steel and demand of Mn Ore are interlinked, MOIL, with its various business expansion and diversification programs, is very well poised to meet demand of Mn Ore in coming years. In line with future demands of Mn Ore, MOIL has already taken various steps and drawn up future action plans such as:

- As a part of business expansion plans of the Company in value added products such as ferro alloys and manganese based chemicals, your company has entered into separate Joint Venture Agreement with SAIL and RINL for setting up Ferro Alloys Plant at Nandini, Near Bhillai (Chhattisgarh) and at Bobbili, Near Vizag (Andhra Pradesh) respectively. Your company has initiated necessary action to expedite these projects.



- In order to improve the existing level of production and also to augment the same in times to come, your company has initiated deepening of vertical shaft at Balaghat Mine, Beldongri Mine and sinking of vertical shaft at Gumgaon Mine, Munsar & Ukwa Mine,

- Mechanization of mining operations, Opencast and underground development and Improvement in recovery through mineral beneficiation for increase in production

- Set-up a modern beneficiation plant with 5 lakh TPA capacity at Balaghat Mine and 4.0 lakh TPA capacity beneficiation plant at Dongri Buzurg Mine.

- Exploration programme to augment the reserves in the leasehold areas. About 4000 Mtrs. of drilling is being carried out annually and during the last 5 years about 25,000 meters (including promotional drilling) of exploratory drilling has been carried out. The Company has been able to prove 5.3 million tonnes IN-SITU reserves equivalent to 1.32 million tonnes of cleaned ore.



- Improvement in Productivity (Output per Manshift) through mechanization and incentive schemes to workers. The productivity is currently 0.776 tonnes as against target of 0.480 tonnes.

- Strategy of derivation of the benefit from the optimum utilization of the capacity with reduction in costs in all possible fronts.

I take this opportunity to apprise all of you that your company is also exploring the opportunities of Coal and Power Generation business as a part of its expansion and diversification plans to meet the futures challenges.

ACKNOWLEDGEMENT:

I take this opportunity to make special mention of the dedication, diligence and commitment of the MOILIANS at all levels and for their excellent performance under one of the most difficult conditions. I would

like to thank all the Directors of the Board for their valuable contribution and cooperation which enabled the Company to scale new heights and achieve excellent performance. I take this opportunity to thank the help and support extended, in particular, by Ministry of Steel, Government of India, Government of Maharashtra, Government of Madhya, other State Governments, Company's Bankers and our valued customers.

We on our part would continue our efforts to take MOIL into the future to scale new heights. We look forward to your continued support.

Nagpur
28th August 2009

K. J. Singh
Chairman-cum-Managing Director





DIRECTORS' REPORT TO THE SHAREHOLDERS

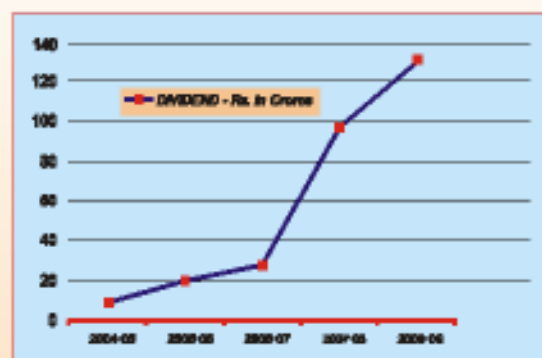
Dear Shareholders

On behalf of the Board of Directors, I have pleasure in presenting the 47th Annual Accounts and the Directors' Report on the business and operation of the Company for this financial year ended 31st March 2009 along with the Audited Statement of Accounts.

Financial Results:

The financial results of 2008-09 and of the previous year are highlighted below :

	Rs. in Crores	
	2008-09	2007-08
Sales Turnover	1284.84	973.36
Other Income	123.15	56.68
Total Income	1407.99	1030.04
Profit Before tax for the year	1006.76	734.91
Less : Income Tax provision	340.96	240.89
Provision for Fringe Benefit Tax	0.27	0.24
Add/Less : Deferred tax (Assets/ Liability)	1.73	13.97
Profit after tax for the year	663.80	479.82
Add : Balance carried forward from previous year	0.39	0.59
Total	664.19	480.41
Less : Proposed final dividend on Equity Share @275%(215%)	77.00	60.20
Tax on dividend	13.09	10.23
Interim Dividend @200%(130%)	56.00	36.40
Tax on Interim Dividend	9.52	6.18
General Reserve	508.00	367.00
Total	663.61	480.02
Profit Carried over	0.58	0.39



DIVIDEND:

Your Directors, after taking into account the financial results of the Company during the year, have recommended a dividend of 475% (including 200% interim dividend) as against 345% dividend paid for the year 2007-08.

OTHER INCOME:

Due to prudent cash planning and deployment of surplus funds in fixed deposits with various nationalized banks, as per the Government guidelines, the Company earned an interest income of Rs.103.87 Crore (Previous Year Rs.43.44 Crore).



OPERATING RESULTS:

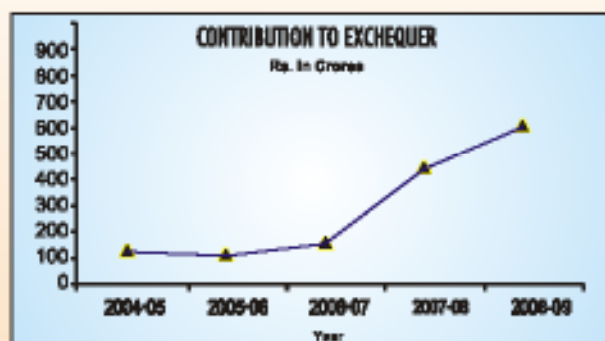
PRODUCTION AND PRODUCTIVITY:

The Company has achieved targeted production of 11.75 lakh tonnes of various grades of manganese ore (13.65 lakh tonnes during the previous year) in the current year, in spite of abrupt recession in the Steel Industry, started sometime from October, 2008 onwards. The production of Electrolytic Manganese Dioxide (EMD) was 1240 tonnes (previous year 1122 tonnes) as against the target of 1400 tonnes resulting in an achievement of 89%. The production of Ferro Manganese was 10120 tonnes (previous year 11130 tonnes) as against a target of 10000 tonnes reflecting an achievement of 101%. The Company has achieved a productivity (Output Per Manshift) of 0.766 tonnes (previous year 0.877 tonnes) as against a target of 0.480 tonnes.

SALES:

Since the second half of the year 2008-09, the overall economy of the world was under pressure. The demand for steel fell drastically resulting in steep fall in demand of the manganese ore and the same is expected to be continued atleast for the first half of year 2009-10. The prices of manganese ore have also come down considerably and the company had to reduce the prices as per market condition. In spite of this, during the year 2008-09, a quantity of 10.23 lakh tonnes of manganese ore has been sold as against the target of 11.49 lakh tonnes resulting in an achievement of 89%. The sale of Electrolytic Manganese Dioxide (EMD) was 1419 tonnes as against the target of 1400 tonnes resulting in an achievement of 101%. The sale of Ferro Manganese has been 9425 tonnes against the target of 10000 tonnes reflecting an achievement of 94%. In terms of value, the sales turnover during the year 2008-09 was Rs.1284.84 Crore (including EMD, Ferro Manganese and W.T.G. Units turnover of Rs.9.28 Crore, Rs.80.03 Crore and 8.25 Crore respectively) as against the target of Rs.550.34 Crore (including EMD and Ferro Manganese turnover target of Rs.6.24 Crore and Rs.47.00 Crore respectively).

The sales turnover is THE HIGHEST EVER SINCE INCEPTION OF THE COMPANY. The sales turnover during the previous year 2007-08 was Rs.973.36 Crore (including EMD and Ferro Manganese turnover of Rs.7.46 Crore and Rs.60.40 Crore respectively).

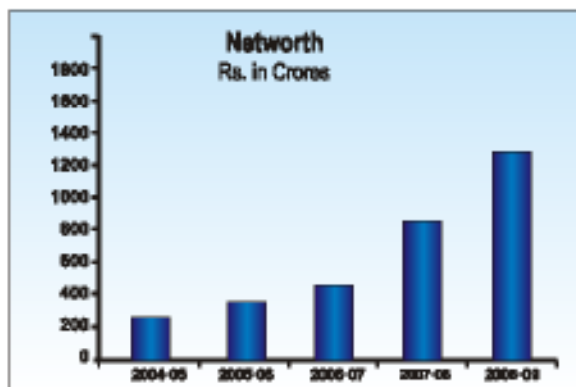


CLOSING STOCK:

The Company has a closing stock of 1.77 lakh tonnes of manganese ore valued at Rs.39.95 Crore as on 31.3.2009 as compared to 0.56 lakh tonnes of manganese valued at Rs.9.99 Crore as on 31.3.2008. The closing stock of EMD was 403 tonnes including work in process of 11.60 tonnes valued at Rs.2.21 Crore as on 31.3.2009 as compared to 582 tonnes including work in process of 31.33 tonnes valued at Rs.2.97 Crore as on 31.3.2008. The closing stock of ferro manganese was 2368 tonnes valued at Rs.9.50 Crore as on 31.3.2009 as against 1673 tonnes valued at Rs.4.39 Crore as on 31.3.2008.

SHARE CAPITAL:

The authorized capital of the Company is Rs.100 Crore divided into Equity Share of Rs. 100/- each. The paid up capital of the Company stands at Rs.28.00 Crore as on 31.3.2009 representing the holding by Central Government 81.57%, Govt. of Maharashtra 9.62% and Govt. of Madhya Pradesh 8.81%.



CAPITAL/VALUE ADDITION PROJECTS:

I. Mining Projects:

(i) Sinking of Vertical Shaft at Gumgaon Mine:

The ore body of Gumgaon is containing high grade manganese ore with vast reserves. In order to exploit this ore safely and systematically, a Vertical Shaft is being sunk at this mine at an estimated cost of Rs.16.71 Crore including ore handling system. The project will improve the production level and will improve the productivity and safety. Till date, a sinking of 118 Mtrs. has been achieved against the total sinking of 190 Mtrs. The work of sinking and allied works such as installation of head gear, lining, equipping, etc., are progressing satisfactorily. The project is expected to be completed by April 2011.

(ii) Deepening of Vertical Shaft at Balaghat Mine:

In order to sustain the existing level of production and also to augment the same in the coming years to meet the increased demand, the Company has taken up the work of deepening of Vertical Shaft at

Balaghat Mine beyond 10th level upto 15th level. The total work comprises of 157 Mtrs. of sinking, lining and equipping etc. The total value of the project is Rs.6.51 Crore and the expected date of completion is December 2009. So far 92 Mtrs. of sinking has been completed and the work is progressing as per schedule.

(iii) Deepening of Vertical Shaft at Beldongri Mine:

Consequent to exhaustion of reserves at the existing levels, the Company has taken up deepening of vertical shaft at Beldongri Mine to deeper horizons in order to sustain the production as well as increase the same in the coming years. The work comprises of deepening of the shaft by 45 Mtrs. and so far 35.00 Mtrs. of sinking has been done. The work is progressing satisfactorily and expected to be completed by December 2009. The total cost of the project is Rs.2.97 Crore.

(iv) Deepening of Vertical Shaft at Munsar Mine:

In order to improve the existing level of production and also to augment the same in the coming years to meet the increased demand, the Company is contemplating to take up sinking of new vertical shafts at Munsar and Ukwa Mines.

2. Joint Venture Projects

A. MOIL & SAIL: Joint Venture Agreement has been signed between SAIL & MOIL for setting up Ferro Alloys Plant of 2 Nos. furnace of 27 MVA capacity each for producing Silico Manganese and 1 No. furnace of 16.5 MVA capacity for producing Ferro Manganese at Nandini (Chhattisgarh). Joint Venture Company namely "SAIL and MOIL Ferro Alloys Pvt. Ltd" has been incorporated on 31.07.2008. The preliminary work on the project is under progress.

B. MOIL & RINL: Similarly, MOIL has also entered into Joint Venture Agreement with Rashtriya Ispat Nigam Ltd (RINL) on 07.05.2009 for setting up Ferro Alloys Plant comprising of one furnaces of 9 MVA for producing Ferro Manganese and another furnace of 27 MVA capacity for producing Silico Manganese at Bobbili in Andhra Pradesh. The preparation of TEFRI is being entrusted to MECON.

RESEARCH & DEVELOPMENT:

Your company has taken following initiatives under R&D:

- For improvements in safety standards in underground mines, through adoption of modified roof support system.
- For faster rate of mining, higher level interval (from existing 30 mts to 45 mts) has been adopted
- Modern techniques of exploration – Geo physical exploration by gravity magnetic method were used.
- Analytical Works through introduction of XRF Spectrophotometer for accurate and speedy analysis of ore were done. Two such machines are now located at Dongri Buzurg and Balaghat mines. Due to accurate and faster analysis, the company was able to maintain quality assurance which in turn has improved the level of customer satisfaction.

- Exploration for new deposits by exploratory drilling was done. Moreover, to further extend the exploration from underground, new machines have been procured to explore the new deposits at deeper horizons.

- Vibratory Screens have been provided at mines for better beneficiation of ore & for cost reduction and higher percentage recovery of ore from ROM.

- For safety of man & machines, improvements to winders and filling system in mine slopes were completed.

CONSERVATION OF ENERGY:

In line with the national policy of energy conservation and also to contain the cost of production, the Company has embarked upon an economy drive in this field. Various steps including energy audit have been taken up towards energy conservation. The Company has commissioned 15.2 MW Wind Farm at Ratedil Hills, Dist. Dewas in M.P during 2008-09 in order to promote non conventional energy resources.

In addition, various operational parameters are being monitored and reviewed regularly with a view to improve process parameters to reduce energy consumption at EMD plant.

Considering the depth of the mine, it has been decided to store water in underground at upper level to utilize for sand stowing and drilling purposes. Use of siphons for drilling water has been successfully implemented at Balaghat Mine.

Variable frequency A.C. Drives are being used for operation of Winders which reduces energy consumption by about 40% and power factor is improved to 0.99. Latest equipments with BEE Certificate are being used at mines as well as corporate office for energy conservation.



The Company has secured National Energy Conservation Award 1st Prize for the Mining Sector continuously for two years for Balaghat Mine and Chikla Mine for the year 2006, 2007 respectively. The Company was awarded the special prize by MEDA (Maharashtra Energy Development Corporation) for the year 2007.

**SAFETY:**

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 equipment 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 bring in reduction in the mishaps.
- A close inter-action with employees at all levels is done to prevent accidents to the maximum extent possible.

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

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

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

MINES RESCUE:

Your company has set up one Rescue Station at Balaghat Mine with a team of 32 young and dynamic rescue trained persons posted at different mine. Like every year, this year also company has participated in All India Mines Rescue Competition (Coal & Metal) 2008 and won the following prizes:

- (a) Overall Winner (Metal)
- (b) Winner Recovery Drill (Metal)
- (c) Winner - Theory Test (Metal)
- (d) Individual Prizes like Best Captain & Best Team Member

ENVIRONMENTAL PROTECTION:

The Company is conscious of its responsibility towards environmental protection in and around its leasehold areas. About 59000 saplings were planted during 2008-09 at different mines of the Company. The cumulative plantation till date is about 16.11 lakhs saplings. A drive has been initiated for plantation of Jatropha saplings in arid / dry areas and waste dumps whose seeds will be utilized for production of bio-fuel on trial basis.

VIGILANCE:

Your Company has its Vigilance department headed by Chief Vigilance Officer and assisted by one Sr. Manager (Vigilance). The functions of vigilance department include both preventive and punitive actions for all the nine units of the Company and for the corporate office at Nagpur. During the year under review the following activities were conducted by the Vigilance Department.

- Purchase and Works Manual have been updated, approved by Board and re-loaded in Company's Website on December-2008 and February-2009 respectively incorporating CVC's guidelines. The updating of Personnel Manual has been undertaken.
- The threshold value for Integrity Pact has been reviewed and the Management has agreed to change the threshold value from Rs. 15 Crore to Rs. 10 Crore so that the implementation of IP becomes more meaningful.
- Details of concluded Contracts / Purchase above 30 lakhs are uploaded to the Company's website regularly on monthly basis.
- During the year total five training programs were organized to educate the employees both executives and non-executives on different vigilance issues.

MINING LEASES / PROSPECTING LICENCES:

- i) Gumgaon Mine lease area of 48.596 Ha. has been renewed for next 20 years.
- ii) After getting environment clearance, and forest clearance and working permission, the mining operation is proposed to be started in Sitapstore Mine during 2009-10.

TRAINING PROGRAMMES:

During the year under review, the total numbers of 370 training programmes were conducted as against 337 in the previous year. It includes 285 Vocational Training Programmes at the Mines. A total number of 1717 Executives, 1462 Non-Executives, 6070 Workers and 2532 Vocational /PDPT Trainees were imparted training in different Trades & Topics. Thus, during the year 2008-09, total 112957 mandays of training were completed as compared to 74263 mandays in the previous year. In comparison to 1.25 rating for excellent performance as per MoU, the company has achieved upto 2.87 during the year 2008-09.

**LABOUR WELFARE SCHEMES, RECREATION & MEDICAL FACILITIES:**

Your Company has implemented various Welfare Schemes for its employees and the salient features are as under:

- The company has constructed new and modern living

quarters at various mines and free living accommodations with basic facilities like drinking water, electricity at their at concessional rates etc. have been provided to majority of the employees at the mines.



- Hospitals at the mines manned by qualified medicos support by para-medical staff have been set-up by the Company. The arrangement of OPD as well as indoor ward separately for male and female are provided. Ambulances are provided to all the hospitals for attending to emergencies.
- The Company is providing assistance in running primary schools at some of the mines where free education is imparted to the employees' children. School buses are also provided at all the mines enabling the children of employees to attend to nearby high schools and colleges.
- The Company has schemes for reimbursement of tuition fees, scholarship for meritorious wards of employees, reimbursement of tuition fees to the children of the workers for education in engineering etc.
- The Company has provided infrastructure at all the mines for sports and recreational activities.

WELFARE MEASURES:

Welfare Measures for SC/ST

Your company is a labour intensive organization with 6823 employees on its rolls as on 31.3.2009. About 72% of the total strength belongs to SC/ST/OBC out of which 43% belongs to SC/ST.

MOIL has adopted villages near the mines and provided basic facilities thereat. The financial aid, stationary, books, etc., to the school adjacent to the mining areas are also being provided. With view to provide development and self-employment of the women, sewing machines have been provided to them. The Company is organizing Training classes for self employment. The Company is also taking such 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. Training is provided to the physically challenged persons under Apprenticeship Act.

Construction of A, B, C & D type quarters:

As a part of social welfare and to improve the quality of living standard of employees at the mines, construction of 316 Nos. of A,B,C & D type quarters in Phase II has been proposed at a cost of Rs. 17.50 Crore for the year 2009-10.



Construction of Sports Complex of Corporate Office:

As a part of social welfare and to promote health consciousness amongst the employees and to enhance the sport activities, a Sports Complex, with Badminton Court, Basket Ball Court, Health Club, Jogging Track, Lawn Tennis Court has been constructed at the Corporate Office at Nagpur at a total cost of Rs. 1.50 Crore.

PAY REVISION

Your company has initiated implementation of pay revision of executives of MOIL, due from 01/01/2007, in accordance with the Department of Public Enterprises' (DPE) Office Memorandum No. (70)/06-DPE (WC) dt. 26.11.06. The Memorandum of Understanding (MOU) regarding New Wage Settlement has also been signed between Management & recognized Union namely MOIL Kamgar Sanghathan and the proposal has also been forwarded to the Government for necessary approval. The Company has made necessary provisions for liability arising out of pay/wage revision.

Personnel:

The manpower as on 31.3.2009 of your Company is given below :

Category	Executives	Non-Executives	PR Workers	Total
Male	301	2345	3287	5933
Female	15	190	685	890
Total	316	2535	3972	6823

The category-wise details of employees strength as on 31.3.2009 are as under :

Group	Scheduled Caste	Scheduled Tribe	O.B.C.	Others	Total
A	29	8	36	145	218
B	29	4	43	107	183
C	351	233	393	620	1597
D	866	1432	1459	1013	4770
Sweeper	55	-	-	-	55
Total	1330	1677	1931	1885	6823
% to total	18.84	24.78	28.53	27.85	100.00



CORPORATE SOCIAL RESPONSIBILITY:

As a good corporate citizen, MOIL has been religiously discharging its obligation under CSR. The following major activities have been undertaken by the Company:

- Taken up several welfare schemes, the major one being laying down 11.2 Kms. long pipe lines for drinking water supply to the village near Balaghat Mine. About 5.0 lakh liters per day of drinking water is supplied to the villagers
- MODEL Manganese Gram - Adoption of Villages. So far 5 villages have been adopted by the Company - 2 in Madhya Pradesh and 3 in Maharashtra. The company has carried out development works in these villages such as construction of roads, toilets, schools, water supply schemes, community centers, etc. In addition, the Company also provides medical care, educational facilities by construction of schools etc.
- Provided eye care to the rural poor and so far 1000 cataract surgeries have been sponsored by the Company including lens implantation.
- Provided fully air-conditioned mobile hospitals to various parts of the country fully equipped with cardiac-cum-trauma care facilities.
- Empowering Women through formation of Self Help Groups (SHGs)
- Provided motor boats in the Bhandara and Chandrapur districts of Maharashtra for flood relief.
- Contributed Rs. 2.00 Crore, recently for flood relief in the State of Bihar

Besides the above, the Company has been taking care of physically challenged persons by providing hearing aids, callipers, etc. The company is also carrying out a variety of CSR program including slum development etc.

During the year under report, the CSR expenditure was to the tune of Rs. 5.42 Crore (Previous Year Rs. 2.87 Crore)

The Company is committed to continue its efforts to spend 2% of its distributable profit towards CSR for the welfare of the needy and under privileged people of the Society.



PROGRESSIVE USE OF HINDI:

During the year under report, your Company continued its efforts in improving and implementing the provisions of Official Language Act, 1963 and rules and orders thereunder. The Company has made Unicode system in all its computers. The Company is also publishing in house journal SANKALP in Hindi. The employees of the company are being encouraged to participate in various competitions like essay competitions, noting, drafting, poetry and articles in Hindi and suitable rewards are also given away to them. Around 97% of the routine work is being done in Hindi at the mines. Hindi software is provided in the computers and employees are given proper training for its effective use.

The Company has been awarded Ispat Raj Bhasha Trophy 2007-08 (3rd position) for the good work done in Hindi from last two years.

DIRECTORS:

During the year under review following changes have taken place in the Board of Directors of the Company

Cessation	Appointment
Shri K.L. Mishra, Chairman-cum-Managing Director (resd. 1.11.2008)	Shri K.J. Singh, Chairman-cum-Managing Director (resd. 10.3.2008)
Shri George Elia, J. Secretary, Ministry of Steel (resd. 25.4.2008)	Dr. Dalip Singh, J. Secretary, Ministry of Steel (resd. 25.4.2008)
Shri Suresh Ram, Secretary to Govt. of Madhya Pradesh, Mineral Resources Department (resd. 15.5.2008)	Shri S.K. Mishra, Secretary to Govt. of Madhya Pradesh, Mineral Resources Department (resd. 15.5.2008)
Shri V.K. Jaiswal, Principal Secretary to Govt. of Maharashtra, Industry, Energy & Labour Department (resd. 21.5.2008)	Shri A.M. Khan, Principal Secretary to Govt. of Maharashtra, Industry, Energy & Labour Department (resd. 4.5.2008)
Shri G.P.N. Puri, Director (Production & Planning), (resd. 21.5.2008)	Shri G.P. Kundagi, Director (Production & Planning) (resd. 25.5.2008)

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies (Amendment) Act 2008, it is hereby stated as under:

- i. In the preparations of the Annual Accounts, applicable accounting standards have been followed along with proper explanation relating to Materials Department.
- ii. The Directors have selected such accounting policies and applied them consistently and judgments, estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or the loss of the Company for that period.
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the asset of the Company and for preventing and detecting fraud and other irregularities.
- iv. The Directors have prepared the annual accounts on a growing concern basis.

**AUDIT COMMITTEE**

The Audit Committee of the MOIL comprises of three members out of which two are non executive independent directors and one is executive director. The Audit Committee presently comprises of Shri S.K. Banerjee, Chairman of the Committee, Dr. D.D. Kaushik and Shri G. P. Kundargi (From 2/6/2008), members of the committee. Shri Neeraj D. Pandey, Company Secretary of the Company, is acting as the Secretary to the Committee. The Director (Finance), Head of Corporate Internal Audit and a representative of Statutory Auditor, attend the meetings as invitees.

AUDITORS:

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

OTHER DISCLOSURES:

Particulars with respect to technology absorption etc.: The particulars in Form 'B' with respect to technology absorption as required by the Companies (Amendment) Act 1988, forming part of this report is annexed to this report as Annexure-I.

Foreign Exchange earnings and Outgo: The Company has not made any export of manganese ore during the Financial Year 2008-09. During the year under review, the expenditure in foreign currency for travelling was Rs.6.47 lakhs as against Rs. 4.55 lakhs in the previous year. The Company has also spent Rs. 87.24 (previous year Rs.8.03) lakh towards import of capital goods, stores/spares and raw material. Particulars of Employees: There are no employees 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.

CORPORATE GOVERNANCE:

The Company strives to attain high standards of Corporate Governance. Hence, though it is non mandatory, a separate section on Corporate Governance is annexed and forms par of the Director's Report. (Annexure-II)

MANAGEMENT DISCUSSION AND ANALYSIS:

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

LEGAL AFFAIRS:

The Company has been taking necessary actions in respect of various legal cases initiated by or against the company.

The case relating to imposition of increased land revenue by the Govt. of Maharashtra is pending before the Mumbai High Court (Nagpur Bench), Nagpur.

A writ petition has been filed in the Mumbai High Court, Nagpur Bench, Nagpur against Nagpur Improvement Trust for compensation of Rs.83.77 lakhs towards acquisition of 761.60 Sq. Mtrs. of land belonging to MOIL for Integrated Road Development Project (IRDP). The reply to the Court's notice has been filed by Nagpur Improvement Trust and the case is still pending before the Court.

There was an Arbitration case between Universal Ferro & Allied Chemicals Ltd and the Company. On the complaint of MOIL to Indian Council of Arbitration (ICA) regarding the biased attitude, misconduct and financial impropriety, after conducting due inquiry by retired judge of Supreme Court, name of Shri D.P.Choudhary, Sole Arbitrator, was deleted from the list of panel of Arbitrators of ICA. As the Arbitrator refused to take cognizance of the same and closed the arbitration proceedings for the award, the Company filed necessary applications before the District Judge, Nagpur, for removal of the Arbitrator and grant of stay order. Meanwhile, the Arbitrator has made Award of Rs. 6.42 Cr. against the Company.

INDUSTRIAL RELATIONS:

Industrial Relations in your Company continued to be cordial and peaceful during the year under report. 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 mine level and Corporate level for discussing various issues for smooth functioning of the organisation and expeditious decisions for the settlement of grievances has been functioning satisfactorily.

ACKNOWLEDGEMENT:

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

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

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

On behalf of the Board of Directors

Place : New Delhi
Date : 27/05/2009

K. J. Singh
Chairman-cum-Managing Director



ANNEXURE- I TO DIRECTORS REPORT TO SHAREHOLDERS

FORM - B

Disclosure of particulars with Respect to technology Absorption as required under Section 217 (1) (e) of the Companies Act, 1956 amended in 1988.

I. Research and Development (R & D)

Sr. No.	Specific area in which R&D carried out by the Company. The following are the areas in which the company has taken R&D works.	Benefit derived as a Result of the R&D
1.	Improvement of safety standards.	Mechanical props, in addition to the existing slope back support system were introduced, thereby creating a better and safer mining environment .
2.	Introduction of SDL for mechanized handling of ore.	1) 4 Nos. SDL are presently deployed for handling ROM in the stopes at Balaghat mine, thereby increasing the total percentage recovery of ROM from these SDL to around 30 to 35% of total production. 2) The cost of operation of SDL works favourably as compared to manual means (being around 50%.)
3.	Increasing level intervals from 30 Mtrs. to 45 Mtrs. at Balaghat.	M/s CIMFR were appointed for advising on the feasibility of increasing vertical level intervals from 30 Mtrs. to 45 Mtrs. below 12 th level at Balaghat mine. The report is favourable and encouraging & it will result in direct benefit of avoidance of development cost of one level and thereby lowering the over all mining cost.
4.	Exploration by Geophysical gravity Magnetic method.	The method of Geophysical exploration by gravity magnetic method is being used for possible mineralization of manganese ore below the existing ore body. If study is successful, there is possibility of location of huge ore reserves at Tirool.
5.	Introduction of XRF analyzer.	The company has successfully introduced 3 XRF analyzers at Nagpur, Dongri Buzurg & Balaghat mines to quickly analyze the samples of finished product. This has effectively helped in analyzing the true composition of ore and reduction of customer complaints.
6.	Exploration of ore reserves.	It is an ongoing process by which the ore body and surrounding areas in lease hold are being drilled by Co. owned drilling machine for location of additional ore reserves. For the year 08-09, by this process, we have been able to add 4 Million Tonnes of ore reserves.

ANNEXURE- I TO DIRECTORS REPORT TO SHAREHOLDERS

	Disclosure of particulars with respect to Technology Absorption as required under Section 217(1) (e) of Co.'s Act 1956 amended In 1988.			
II.	Technology absorption, adaptation and innovation.			
	Efforts in brief towards technology absorption, and adaptation and innovation. R& D efforts in mining as above.	Benefits derived as a result of the above efforts have shown improvement in production, cost reduction and safer work environment. As a result of above there has been substantial improvement in unit power consumption and cost per tonne of manganese ore.		
III.	Future Plan of action	Use of Solar energy & LED's shall be explored for augmenting the sources of electricity generation and reduction of conventional consumption.		
IV.	Expenditure on R&D	(Rs. In Crore)		
		Capital (A)	Recurring (B)	Total (C)
		0.82	2.51	3.33
				Total R&D Expenditure as % of Turnover 0.26

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



ANNEXURE- II TO DIRECTORS REPORT TO SHAREHOLDERS

CORPORATE GOVERNANCE REPORT

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

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

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

1. BOARD OF DIRECTORS:

1.1 Composition of the Board of Directors as on 31st March, 2009.

1.	Functional Directors including CMD (whole time)	4
2.	Non-Executive Government Directors	3
3.	Non-Executive Independent Directors (Non-official)	4
	Total	11

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

1.2 Board Meeting:

Six Board Meetings were held during the financial year on the following dates.

6th May, 2008 11th June, 2008, 26th September 2008, 14th October, 2008, 5th December, 2008, and 5th January, 2009.

1.3 Board Agenda and Material :

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

1.4 Particulars of the Directors including their attendance at the Board Meetings from 1st April, 2008 to 31st March, 2009 and the last AGM

Name of the Directors	Period	No. of Board Meetings held.	No. of Board Meetings attended.	Last AGM held on 29.07.08
I. Functional Directors				
1. Shri K.J. Singh, Chairman-cum-Managing Director	16/3/2009 to 31/03/2009	Nil	N.A.	—
2. Shri K.L. Mehrotra, Ex-Chairman-cum-Managing Director	1/4/2008 to 31/10/2008	04	04	Yes
3. Shri M.A.V. Goutham, Director (Finance)	1/4/2008 to 31/3/2009	06	06	Yes
4. Shri A. K. Mehra, Director (Commercial)	1/4/2008 to 31/3/2009	06	06	Yes
5. Shri G. P. Kundargi, Director (Production & Planning)	2/8/2008 to 31/3/2009	05	05	Yes
6. Shri C.P.N. Pathekar, Director (Production & Planning)	1/4/2008 to 31/5/2008	01	01	—
II. Government Directors				
1. Dr. Dalip Singh	25/4/2008 to 31/3/2009	06	05	—
2. Shri A.M. Khan	4/5/2008 to 31/3/2009	05	00	—
3. Shri S. K. Mishra	19/8/2008 to 31/3/2009	04	01	—
4. Shri George Elias	1/4/2008 to 24/4/2008	Nil	N.A.	—
5. Shri Sewa Ram	1/4/2008 to 15/5/2008	01	01	—
III. Independent Directors				
1. Shri S.K. Banerjee	1/4/2008 to 31/3/2009	06	06	Yes
2. Dr. D.D. Kaushik	1/4/2008 to 31/3/2009	06	02	—
3. Shri A. Balraj	1/4/2008 to 31/3/2009	06	02	—
4. Dr. M. Maharsjan	1/4/2008 to 31/3/2009	06	05	—



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

2. COMMITTEE

Constitution of Committees of Board of Directors:

The Company has been granted the status of "Miniratna" Category-I by the Govt. of India. The restructuring of the Board of Directors, which is precondition for exercising enhanced financial and operational autonomy, was done by appointing initially four part time non official directors by the Central Government on the Board. Moreover, the Board constituted Committees for Audit and Monitoring the performance of the company in line with the direction issued by Department of Public Enterprises.

I. Audit Committee

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

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

The Audit Committee presently comprises of Shri S.K. Banerjee, Chairman of the Committee, Dr. D.D. Kaushik and Shri G. P Kundargi (From 2/6/2008), members of the committee. Shri Neeraj D. Pandey, Company Secretary of the Company, is acting as the Secretary to the Committee. The Director (Finance), Head of Corporate Internal Audit and a representative of Statutory Auditor, attend the meetings as invitees.

The Audit Committee met three times on the 6th May, 2008, 26th Sep., 2008 and 5th December, 2008 in the previous year 2008-09.

II. Committee for Monitoring of Performance :

As the performance of the company is reviewed by the Board every quarter in the Board meeting and further by the Administrative Ministry, the Board of Directors has desired that this committees' functions are taken care and the views of the Board may be communicated to Department of Public Enterprises, [DPE]. Accordingly, DPE has been communicated through Ministry of Steel to exempt the company considering its small size and duplicating nature of work of the committee.

3. GENERAL BODY MEETING :

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

Year	Date	Time	Venue
2005-06	24 th August, 2006	11.00 A.M.	Registered Office of the Company at 3, Mount Road Extension, Nagpur- 440 001.
2006-07	30 th July, 2007	11.00 A.M.	Registered Office of the Company at 3, Mount Road Extension, Nagpur- 440 001.
2007-08	29 th July, 2008	11.00 A.M.	Registered Office of the Company at 1A, Katol Road, MOIL Bhawan, Nagpur- 440 013.



The Company has not passed any special resolution during the year 2008-09 and no resolutions were passed through postal ballot.

4. 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'

5. DISCLOSURES ON MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS

The Company has not entered into any materially significant related party transactions that may have potential conflict with the interests of the company at large. Nonetheless, transactions with related parties have been disclosed in Note No. 13 of Schedule 20 to the Accounts in the Annual Report.

6. WHISTLE BLOWER POLICY

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

7. SHAREHOLDING

No.	Shareholder	No. of Share	%
1	President of India	2283928	81.57
2	Governor of Maharashtra	269290	9.62
3	Governor of Madhya Pradesh	246782	8.81
Total		2800000	100.00

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

8. Non-compliances / penalties & strictures imposed on the company by the Statutory Authority on any matter related to any guidelines issued by Government during the last three years

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

9. 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.

10. COMMUNICATION OF FINANCIAL AND OTHER INFORMATION

The Financial Results including Annual Reports are displayed on the company's website www.moil.nic.in. Official news releases including important events/ developments in the company are also displayed on the Company's website.

11. NUMBER OF OTHER DIRECTORSHIP HELD BY THE DIRECTORS OF MOIL:

No	Name of Director	Directorships Held-In	
		Name of Company	Designation
1	Shri K.J. Singh	Bharat Refractories Ltd.	CMD
		The Orissa Minerals Development Corp. Ltd.	Director (IC of CMD)
		The Berra Stone Lime Co. Ltd.	Director (IC of CMD)
		The Karanpura Development Co. Ltd.	Director (IC of Chairman)
		Eastern Investments Ltd.	Director (IC of Chairman)
		Scott and Saxby Ltd.	Director (IC of Chairman)
		East India Minerals Ltd.	Director
2	Dr. Delp Singh	KIOCL Ltd.	Govt. Director
		The Orissa Minerals Development Co. Ltd.	Govt. Director
		Rashtriya Ispat Nigam Ltd.	Govt. Director
		Hindustan Steelworks Construction Limited	Govt. Director
3	Shri A.M. Khan	Hafslund Bio Pharmaceuticals Corp. Ltd.	Director
		Maharashtra Petrochemical Corp. Ltd.	Director
		Maharashtra Ex-Servicemen Corp. Ltd.	Director
		Maharashtra Airport Development Co. Ltd.	Director
		Mahanagar Gas Ltd.	Director
		Maharashtra Vikasikar Rakhe Pradhikaran Ltd	Director
4	Shri S.K. Mishra	The M. P. State Mining Corp. Ltd.	Managing Director
		Fortune Stones Ltd.	Chairman
		Katni Bauxite Pvt. Ltd.	Chairman
		Kisan Minerals Pvt. Ltd.	Chairman
		M. P. Sainik Coal Mining Pvt. Ltd.	Chairman
		Madhya Pradesh Jaypee Minerals Ltd.	Chairman
5	Shri S.K. Banerjee	Hindustan Copper Ltd.	Independent Director
		Himadri Chemical & Industries Ltd.	Independent Director
		Techpro System Pvt. Ltd.	Independent Director
		Pearl Corn Consulting Pvt. Ltd.	Managing Director
6	Shri A. Balraj	Himalaya Hydro Co.	Nominee Director of IRDEA
7	Dr. D.D. Kaushik	NIL	N.A.
8	Dr. M. Mahajan	NIL	N.A.
9	Shri M.A.V. Goutham	SAIL & MOIL Ferro Alloys (P) Ltd.	Director
10	Shri A.K. Mehra	SAIL & MOIL Ferro Alloys (P) Ltd.	Director
11	Shri G.P. Kundargi	SAIL & MOIL Ferro Alloys (P) Ltd.	Director

12. DECLARATION:

Pursuant to Clause 3.4.2 of DPE Guideline on Corporate Governance, it is hereby declared that all Board members and Senior Management personnel have affirmed compliance with MOIL's Code of Business Conduct and Ethics* for the financial year 2008-09.

Place : New Delhi
Date : 27/05/2009

K. J. Singh
Chairman-cum-Managing Director

ANNEXURE-III MANAGEMENT DISCUSSION AND ANALYSIS REPORT FOR 2008-09

Preface

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

A. Industry Structure, Market Scenario, Opportunities and Threats

India is the only major economy whose steel consumption is expected to grow in 2009, according to World Steel Association (WSA), representing approximately 180 Steel producers, including 18 of the world's 20 largest Steel makers.

The Indian Steel Industry has been witnessing phenomenal growth in terms of green field as well brown field projects. Production and consumption of Steel have shown increasing trend mainly due to high infrastructure activity and industrial growth. Since beginning of the financial year April, 2008, till mid i.e. September 2008, there has been uptrend in the requirement of Manganese Ore. However, from October, 2008, there has been global melt down in respect of many items, in particular for steel. Major domestic and international producers of Steel declared slash in their production by 30-40%. This resulted in lower production of Ferro Alloys in the country, consequently lower off-take of Manganese Ore.

The emerging economies are likely to be less affected by the economic crisis. While the Steel demand in Brazil, Russia, India and China (BRIC) as a whole is likely to contract by 5.9%, India would see a growth of 2% in 2009. MOIL has the strength of holding about 60% of total demonstrated reserves of Ferro Grade Manganese Ore in the country. MOIL is also the largest producer of Manganese Ore in the country and accounts for about 40-45% of country's production. Being the largest miner of Manganese Ore in the country, MOIL has tied up separately with Steel Authority of India Ltd. (SAIL) and Rashtriya Ispat Nigam Ltd. (RINL) for having Joint Ventures (JV) to produce Ferro Alloys (Ferro Manganese and Silico Manganese). This will add to MOIL's strength of having a ready market for its 40-45% of Manganese Ore production. However, it will also be a shield to cover the threat of large imports of Manganese Ore. With Indian economy booming, MOIL is well poised to avail the opportunity of higher sales due to coming brown field and green field projects.

B. Segmentwise or Productwise Performance

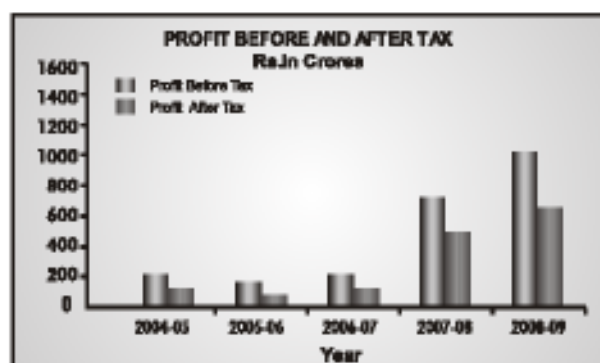
Sales Performance:

Value

The sales turnover during the year 2008-09 was Rs.1284.84 Crore (including EMD, Ferro Manganese and W.T.G. Units turnover of Rs.9.28 Crore, Rs. 80.03 Crore and Rs. 8.25 Crore respectively) as against the target of Rs.550.34 Crore (including EMD and Ferro Manganese turnover target of Rs.6.24 Crore and Rs.47.00 Crore respectively). The sale turnover during the previous year 2007-08 was Rs.973.36 Crore (including EMD and Ferro Manganese turnover of Rs.7.46 Crore and Rs.60.40 Crore respectively).

Quantity

During the year 2008-09, a quantity of 10.23 lakh tones of manganese ore has been sold as against the target of 11.49 lakh tones resulting in an achievement of 89%. The sale of Electrolytic Manganese Dioxide (EMD)



was 1419 tonnes as against the target of 1400 tonnes resulting in an achievement of 101%. The sale of Ferro Manganese has been 9425 tonnes against the target of 10000 tonnes reflecting an achievement of 94%.

e-Sale

The CVC has desired for giving thrust on e-commerce to bring in transparency in the transactions. With this view and to elicit appropriate price of manganese ore and participation of maximum customers, the company has continuously been giving due thrust on e-sale during the year also. For the year 2008-09, 39510 tonnes of various grades of Mn Ore, Ferro Mn & slag at a value of Rs. 196.09 Crore was sold through 13 e-auctions.

Production:

The Company has registered production 11.75 lakh tonnes of various grades of manganese ore (13.65 lakh tonnes during the previous year) in current year achieving the MoU Target. The production of Electrolytic Manganese Dioxide (EMD) was 1240 tonnes (previous year 1122 tonnes) as against the target of 1400 tonnes resulting in an achievement of 89%. The production of Ferro Manganese was 10120 tonnes (previous year 11130 tonnes) as against a target of 10000 tonnes reflecting an achievement of 101%.

C. Internal Control Systems and Their Adequacy

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

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

The Internal Audit is subject to overall control environment under the supervision of the Audit Committee constituted by the Board to focus on transparency in the systems and internal control mechanisms. The Audit



Committee of the Board actively reviews the adequacy and effectiveness of internal control systems and suggests improvements to strengthen the same. Annual Audit Programmes are drawn up covering critical areas of various departments in order to bring overall improvements in the Company.

The Internal control systems are commensurate with the size of the Company and the reports containing significant Audit findings are submitted to the Audit Committee of the Company and to the Board through the Audit Committee.

D. Outlook, Risks and Concerns:

The Manganese Ore market particularly during the first part of the year was excellent and demand and price of Mn Ore was improving as high as previous year. But, in the later part of the year, the Steel Market, both at domestic and international level, crashed suddenly and, the prices of the steel plunged nearly upto 50%. The one of the main reasons the Steel Industry showing uptrend in earlier years till mid of 2008-09 was the demand from China, but this demand has also come down drastically, in the later half of 2008-09.

The market of Mn Ore is linked inextricably to the fortunes of the steel industry. When steel industry grows, manganese ore is in demand. The performance of the company, thus, would totally depend on performance of steel industry in times to come. However, the Government of India is committed for development of infrastructure. The infrastructure development is linked with steel sector and the demand of steel is likely to pick up in future, and as MOIL sells its entire Mn Ore to domestic buyers, it is expected to maintain its performance in the coming years. The demand of Steel driven by huge infrastructure spending across the country is expected to increase about 5%.

MOIL is a labour intensive organization. However, the industrial relation has been excellent in MOIL, but the risk factor associated with labour may always have impact on production of the company. The Policy of Government of India for manganese ore sector may play a significant role. The import of manganese ore and policy thereon would always be a matter of concern for MOIL. Any hike in cost of transportation, labour, power and other raw material cost may also affect the profitability of the company. Nonetheless, with the past track record of good performance by MOIL, its outlook is bright.

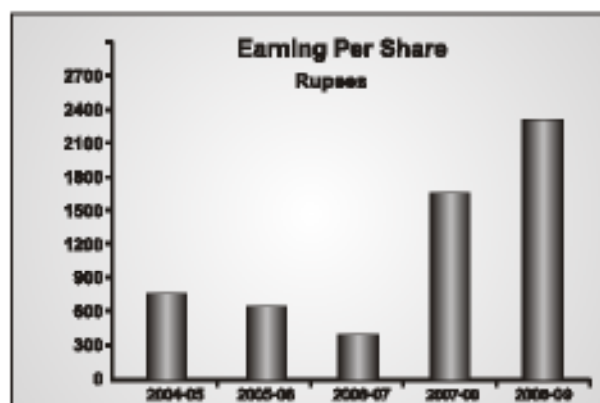
E. Discussion on Financial Performance with respect to Operational Performance

Financial Performance

	Rs. In Crore	
	2008-09	2007-08
Sales Turnover	1284.84	973.36
Total Income	1407.99	1030.04
Total Expenditure	407.95	264.41
Gross Margin	1031.42	750.98
Depreciation	24.67	16.08
Profit before tax for the year	1006.76	734.91
Income Tax provision	340.96	240.89
Profit after tax for the year	663.80	479.82
General Reserve	508.00	367.00
Profit Carried Over	0.58	0.39

The Financial year 2008-09 saw a record turnover of Rs.1284.84 Crore as compared to Rs. 973.36 Crore of previous year. The Company has earned a Net Profit of Rs. 663.80 Crore as compared to Rs. 479.82 Crore in the previous year.

The Company continued its prudent cash planning and deployed the surplus funds in fixed deposits as per the Government guidelines and earned an interest



Income of Rs.103.87 Crore (Previous Year Rs. 43.44 Crore).

Operational Performance

The year 2008-09 has again been a significant one and in terms of value the Company has once again broken its record of highest turnover, profit before tax and after tax since its inception.

Production Review

The Company has achieved targeted production of 11.75 lakh tonnes of various grades of manganese ore in current year, in spite of recession in the Steel industry started in the mid of the 2008-09. In comparison to MOU Target, the Company has registered production of Electrolytic Manganese Dioxide (EMD) at 89%, and Ferro Manganese at 101%. The Company has achieved productivity (Output per Manshift) of 0.766 tonnes as against a target of 0.480 tonnes.

With the aim of continuing growth of revenue and market share, the company has been focusing on valued added products like EMD and Ferro Manganese which has not only helped to withstand the market fluctuations and sustainability in the long term but also resulted in higher contribution and profitability. However, production of value added product particularly EMD some what resulted in drop in volume of production mainly because of shut down of plant for two months during the year which could not be made up.

The Company has is vigorously pursuing the R&D activities on continuous basis. At present the company is doing R&D on following areas:

- Optimization of Slope designs
- Studies for reclamation of waste dumps and investigation of other environmental protection measures
- Studies for beneficiation of low grade ores
- Development of alternative mining methods and support systems for underground mines.
- E. Material developments in Human Resources, Industrial Relations front, including number of people employed;
- G. Environmental protection and conservation, technological conservation, renewable energy developments, foreign exchange conservation.
- H. Corporate Social Responsibility

The Directors' Report 2008-09 may kindly be referred as it contains the details in respect of items i.e. F, G and H.



SHAH BAHETI CHANDAK & CO.
CHARTERED ACCOUNTANTS

Vikram Shah * Kamal Baheti
Ashok Chandak * Pavin Baheti
Shailendra Jain * Rajesh Chandak
Manoj Agrawal

205, Ghazala Chambers,
Panchsheel Square,
NAGPUR-440 012

Phone : (O) 2422719
(Direct) 2453009,2452858
Fax : 0712-2445589
E-mail : sbcngp@sbc.co.com
Website : http://www.sbc.co.com

AUDITOR'S REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of MANGANESE ORE (INDIA) LIMITED, NAGPUR, as at 31st March 2009 and also the Profit & Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

1. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Sub section (4A) of section 227 of the Companies Act 1956, we enclose in an Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order to the extent applicable.

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

- 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.
- In our opinion, proper books of account as required by Law have been kept by the Company, so far as appears from our examination of those books.
- The Balance Sheet, Profit & Loss Account & Cash Flow Statement dealt with by this report are in agreement with the books of account of the Company.
- In our opinion, the Balance Sheet, Profit and Loss Account &

Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act 1956.

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

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

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

i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2009 :

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

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

For: M. H. I.
Date: 27/5/2009

For SHAH BAHETI CHANDAK & Co.
CHARTERED ACCOUNTANTS

(CA Manoj Agrawal)
PARTNER
(M. No. 104546)



SHAH BAHETI CHANDAK & CO.
CHARTERED ACCOUNTANTS

205, Ghelate Chambers,
Panchsheel Square,
NAGPUR-440 012

Phone : (0) 2422719
(Direct) 2453008,2452856
Fax : 0712-2445589
E-mail : abcngp@abc.ca.com
Website : <http://www.abc.ca.com>

Vikram Shah * Kamal Baheti
Ashok Chandak * Pavin Baheti
Shailendra Jain * Rajesh Chandak
Manoj Agrawal

**REFERRED TO IN PARA 1 OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS
OF MANGANESE ORE (INDIA) LIMITED FOR THE YEAR 2008-09**

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

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

No fixed assets have been disposed off during the year.

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

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

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

3. According to the information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured to or from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in internal control system in respect of these areas.
5. According to the information and explanations given to us there are no transactions that need to be entered in the register required to be maintained under section 301 of the companies Act, 1956



**REFERRED TO IN PARA 1 OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS OF
MANGANESE ORE (INDIA) LIMITED FOR THE YEAR 2008-09.**

6. The company has not accepted any deposits from the Public and consequently the directives issued by the Reserve Bank of India, the provisions of Section 58-A and 58-AA of the Companies Act, 1956 and the rules framed there under are not applicable.
7. The Company is having Internal Audit system. However, in our opinion Company's Internal Audit system needs to be strengthened to make it commensurate with its size and nature of its business.
8. The Central Government has not prescribed maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956.
9. According to the information and explanations given to us, and on the basis of our examination of the books of account, the company has generally been regular in depositing with appropriate authorities the undisputed statutory dues including Provident Fund, Income-tax, Sales-Tax, Excise duty, Cess and other statutory dues applicable to it during the year.
Further, since Central Government has till date not prescribed the amount of cess payable under section 441A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.

There are no dues outstanding of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise duty and cess on account of any dispute.
10. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the financial year immediately preceding such financial year.
11. The Company has neither taken any loans from a financial institution and a bank nor issued any debentures.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund, nidhi, mutual benefit fund or a society. Accordingly clause 4(xiii) of the order is not applicable.
14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, clause 4(xiv) of the order is not applicable.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. According to the information and explanations given to us, the Company has not taken any term loans during the year.



**REFERRED TO IN PARA 1 OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS OF MANGANESE ORE (INDIA)
LIMITED FOR THE YEAR 2008-09.**

17. According to the information and explanations given to us, the Company has not raised any funds on short-terms basis. All assets have been funded by shareholder's funds.
18. The Company has not made any preferential allotment of shares during the year to parties and Companies covered in the register maintained under section 301 of the Companies Act 1956.
19. The company has not issued any debentures during the year.
20. The Company has not raised any money by public issues during the year.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

Place : New Delhi
Date : 27/5/2009

For SHAH BAHETI CHANDAK & Co.
CHARTERED ACCOUNTANTS

(CA Manoj Agrawal)
PARTNER
(M. No. 104546)



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF MANGANESE ORE (INDIA) LIMITED, NAGPUR, FOR THE YEAR ENDED 31 MARCH 2009.

The preparation of financial statements of Manganese Ore (India) Limited, Nagpur, for the year ended 31 March 2009 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 27 May 2009.

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 Manganese Ore (India) Limited, Nagpur, for the year ended 31 March 2009. 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 Auditor's report under Section 619(4) of the Companies Act, 1956.

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

Place : New Delhi
Dated : 24 June 2009

Sd/
(Ghazala Meena)
Principal Director of Commercial Audit
& Ex-Officio Member, Audit Board-III,
New Delhi



BALANCE SHEET AS AT 31.03.2009

PARTICULARS	SCHEDULE	31-3-2009 Rs.	31-03-2008 Rs.
A) SOURCES OF FUNDS			
1) SHARE HOLDERS' FUND :			
a) Share Capital	1	280000000	280000000
b) Reserves & Surplus	2	12028721783	7846821811
Sub-Total		<u>13208721783</u>	<u>8126821811</u>
2) Deferred Tax Liability	20(13)	185021773	167681050
TOTAL		<u>13393743556</u>	<u>8294502861</u>
B) APPLICATION OF FUNDS			
1) FIXED ASSETS :			
a) Gross Block	3	3419997290	3024757413
b) Less Depreciation		(1363629993)	(1135969230)
c) Net Block		2056367297	1888788183
d) Capital Work-in-Progress		154527925	85532097
TOTAL		<u>2210895222</u>	<u>1974320280</u>
2) INVESTMENTS :	4	1128360	128360
3) CURRENT ASSETS LOANS & ADVANCES			
Current Assets	5		
a) Inventories		583652966	226946408
b) Sundry Debtors		610887548	1589293623
c) Cash & Bank Balances		12321721207	6085529345
d) Other Current Assets		541406801	215117321
TOTAL		<u>14057668522</u>	<u>8116886697</u>
Loans & Advances	6	428315984	112728191
TOTAL		<u>14485984506</u>	<u>8229614888</u>
Less			
CURRENT LIABILITIES & PROVISIONS.			
Current Liabilities	7	(1866761742)	(1036324410)
Provisions	8	(1437502790)	(873236257)
TOTAL		<u>(3304264532)</u>	<u>(1909540667)</u>
NET CURRENT ASSETS		<u>11181719974</u>	<u>6320054221</u>
TOTAL		<u>13393743556</u>	<u>8294502861</u>

Schedule No. 1 to 21 form an integral part of Financial statements
This is the Balance Sheet referred to in Our Report of even date

For Shah Baheti Chandak & Co.
Chartered Accountants

Neeraj Pandey
Company Secretary

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

(C A Manoj Agrawal)
Partner
(M.No. 104546)

M A V Gourham
Director (Finance)

K. J. Singh
Chairman-cum-Managing Director

Place : New Delhi
Date : 27/05/2009



PROFIT & LOSS A/C FOR THE YEAR ENDED 31.03.2009

PARTICULARS	SCHEDULE	31-3-2009 Rs.	31-03-2008 Rs.
INCOME			
Sales	9	12848405784	9733583138
Other Income	10	1231488537	586848518
Provisions written back	11	1036307	1330822
Accretion/(Depletion) to Stocks	12	343247909	(87810224)
Profit on Sale of Assets		0	0
Total :		14424158537	10213950252
EXPENDITURE			
Ore raising/operating expenses	13	2605044736	1777588191
Raw material consumption and Manufacturing Expenses	14	433617012	288562848
Excise Duty on closing stock variation	15	30068628	59471129
Administrative & Selling expenses	16	679199509	475779383
Research & Development expenses	17	16718965	27938436
Write off and provisions	18-A	338239816	16296715
Miscellaneous expenditure written off	18-B	6383376	57974812
Expenses for diversion of forest land		661652	494920
Total :		4109933694	2704106234
Gross Margin before interest and Depreciation		10314224843	7509844018
Interest		0	0
Depreciation		(248657821)	(160765005)
PROFIT FOR THE YEAR		10067567022	7349079013
Prior period Adjustment		0	0
PROFIT BEFORE TAX		10067567022	7349079013
Provision for Income tax 2008-09		(3409632040)	(2406876398)
Provision for Fringe Benefit Tax		(2660787)	(2352802)
Deferred Tax asset/(liability) for the year		(17340723)	(139673077)
NET PROFIT AFTER TAX		6637933472	4798176736
Balance of Profit from previous year		3942738	5937702
PROFIT AVAILABLE FOR APPROPRIATION	TOTAL	6641876210	4804114438
APPROPRIATIONS			
Proposed Dividend on Equity Shares 275 % (215%)		770000000	602000000
Tax on Dividend including surcharge		130861500	102309900
Interim Dividend on Equity Shares 200%(130%)		560000000	364000000
Tax on Interim Dividend including surcharge		95172000	61861800
Transfer to General Reserve		508000000	367000000
Balance carried forward		5842710	3942738
Total :		6641876210	4804114438

**EARNING PER EQUITY SHARE(EPS)**

a) Net Profit After Tax	6637933472	4798176736
Basic & Diluted Earning per share of Rs. 100/- each	2370.69	1713.63

Schedule No. 1 to 21 form an integral part of Financial statements

This is the Balance Sheet referred to in Our Report of even date

For Shah Baheti Chandak & Co.
Chartered Accountants

Neeraj Pandey
Company Secretary

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

(C A Manoj Agrawal)
Partner
(M.No. 104546)

M A V Goutham
Director (Finance)

K. J. Singh
Chairman-cum-Managing Director

Place : New Delhi
Date : 27/05/2009



PARTICULARS	31-3-2007 Rs.	31-03-2006 Rs.
SCHEDULE - 1		
SHARE CAPITAL		
Authorised :		
100,00,000 Equity Shares of Rs.100/- each	1000000000	1000000000
	<u>1000000000</u>	<u>1000000000</u>
Issued & Subscribed & Paid up :		
28,00,000 Equity Shares of Rs.100/- each	2800000000	2800000000
Total :	<u>2800000000</u>	<u>2800000000</u>
1267486 shares of Rs. 100/- each have been allotted during 2006-07 as Bonus Share by Capitalisation of Rs.126748600/- from General Reserve		
SCHEDULE - 2		
RESERVES AND SURPLUS		
Capital Reserve		
As per last Balance Sheet	661255	661255
	<u>661255</u>	<u>661255</u>
Research and Development Reserves		
As per last Balance Sheet	5000000	5000000
	<u>5000000</u>	<u>5000000</u>
General Reserve		
As per last Balance Sheet	7837217818	4323251400
Less : Capitalised by issue of Bonus Share	0	0
Less : Charge on account of transitional provisions under Accounting Standard -15	0	(156033582)
	<u>7837217818</u>	<u>4167217818</u>
Transfer from Profit and Loss Account	5080000000	3670000000
	<u>12917217818</u>	<u>7837217818</u>
Profit & Loss Account		
Balance of profit	5842710	3942738
TOTAL :	<u>12928721783</u>	<u>7846821811</u>

FIXED ASSETS 2008 - 2009
SCHEDULE - 3

(Figure is Rupees)

Sl. No.	Description of Assets	B E R D S S E R L O C K E D I P E K A T I O N N E T W O R K									
		As on 31.3.2008	Address	Sold/ Disposed	As on 31.3.2008	As on 31.3.2008	Per Annum	Scrapped/ Withdrawal	As on 31.3.2009	As on 31.3.2009	As on 31.3.2009
1	Land	65201328	0	0	65201328	0	0	0	65201328	65201328	65201328
2	Leased Land	13948273	12987298	0	41159141	8294820	0	48998214	90462985	85713092	
3	Buildings	853457687	22138236	8013	638287688	27088268	5225	198796566	505913350	500733778	
4	Data Processing M.	15747268	1123763	1229586	15842895	2097230	1179839	11301222	3241143	4742777	
5	Plant & machinery	1388716778	98288881	18133845	1474941884	187182713	18658728	682785328	572988338	534882328	
6	Motor Vehicle Conv.	694573148	215800000	0	679173148	65000012	0	143782117	854387628	644154628	
7	Railway rolling	2817728	0	0	2817728	588482	0	1908677	2827131	2886530	
8	Furniture & Office E.	453481584	4848177	301272	453883538	5221990	238445	38818020	11198830	10712873	
9	Vehicles	48364627	2883889	1088128	48757844	5879520	1382533	53813878	10587186	11154076	
	Grand Total	382423713	61888724	2876187	381997298	24627821	1897958	126382995	381638727	388298183	
	Provision Year	18288823	128828814	1459404	288873713	14038288	1812782	11229829	191802879	17225598	

- Land and building at Nagpur Office have been grouped together for purpose of consolidation as all the value of land has not been determined.
- Depreciation withdrawn on the assets (consolidated during the year amounts to Rs. 1897958/Rs.11229829)
 Depreciation for the year Includes Rs. 1807881/- (Rs. 698881/-) on EMD Plant.
 Depreciation for the year Includes Rs. 288881/- (Rs. 288881/-) on Iron Management Plant.
 Depreciation for the year Includes Rs. 1897958- (Rs.3118882/-) on Wind Turbine Generation Unit.
 Capital Work in Progress includes advances in connection on capital works for Rs. 10188534/- (Rs. 8782888/-)



PARTICULARS	31-3-2009 Rs.	31-03-2008 Rs.
SCHEDULE - 4		
INVESTMENTS		
500(500) Shares of Rs. 5/- each fully paid up of Co-operative Stores at Mines.	2500	2500
1612(1612) Shares of Rs. 25/- each fully paid up of Co-operative Societies at Mines.	40300	40300
8556 (8556) Shares of Rs. 10/- each fully paid up of Co-operative Societies at Mines.	85560	85560
Investment in SAIL MOIL Joint venture	1000000	0
TOTAL :	1128340	128360

- NOTE :-**
1. Shares of the value of Rs. 0.03 lakh(Rs. 0.03 lakh) are in Co-operative Stores, which are Unregistered.
 2. Shares, are unquoted and are at cost.
 3. Investment in Joint Venture- SAIL and MOIL Ferro Alloys Pvt. Ltd.- represents initial subscription made by the Company against which 100000 shares of Rs.10/- each fully paid up at par are pending for allotment

SCHEDULE - 5

CURRENT ASSETS

(i) Inventories :

Stock of Raw material valued at cost and certified by Management	7841065	4766041
Stock of Stores & Spares valued at cost and certified by Management	59326048	
Less provision for loss on sale of obsolete store and spares	<u>(419986)</u>	48536206
Stock in Transit at cost	195647	181878
Stock in trade at cost or Net Realisable value whichever is less and certified by Management		
Stock in Trade	516091139	171946976
Work -in-Process	619053	1515307
TOTAL :	583652966	226946408

ii) Sundry Debtors

a) Considered Good		
Debits outstanding for period exceeding 6 months	1224137	7758
Others	609663411	1589285865
b) Considered Doubtful	4780637	5358870
SUB TOTAL	615668185	1594652493
Less : Provision for doubtful debts	<u>(4780637)</u>	<u>(5358870)</u>
TOTAL :	610887548	1589293623

Contd...



PARTICULARS	31-3-2009 Rs.	31-03-2008 Rs.
SCHEDULE - 5 (CONTD.)		
iii) Cash & Bank Balances		
Cash in Hand - At Head Office	81250	121270
At Mines	668737	633806
Balance with Schedule Banks		
(a) In Fixed Deposits	12255550405	5713450389
(b) In Current Account	65420815	371323886
TOTAL	12321721207	6085529345
iv) Other current assets		
Interest accrued on fixed & other Deposits	531773471	208025311
Sundry Receivable	9633330	7092010
TOTAL :	541406801	215117321
GRAND TOTAL :	14057668522	8116886697

NOTES :

- i) Cash -in-hand includes Revenue Stamps and Postage worth Rs. 7597/-(Rs. 6944/-)
ii) Fixed Deposits Receipt to the extent of Rs. 170.93 lakhs(166.50 lakhs) are held by Bank/Govt.Deptt. meant for obtaining Bank Guarantee/Security.

SCHEDULE - 6

LOANS AND ADVANCES

(Considered Good)

i) Secured :

Loans to employees 14642276 15057210

ii) Unsecured :

Advances to employees 7134637 6708284

Advances for purchase of stores,
Spares, Plant & Machinery & Land 5433604

Less Provision for doubtful advance 56574 5377030 15191757

Advances to Contractors & others 18605180 17084645

Claims Receivable 53129

Less Provision for doubtful claims 53129 0 0

Pre-Paid Expenses 2236768 3743776

Deposit with Railway, Electricity
Board and Others 41286210 39590989

Advance Payment of Income Tax (Net) 339031883 15351530

TOTAL :

428315984 112728191

NOTES:

- | | | |
|---|-----------------|-----------------|
| 1. (a) Advances to Officers | 10000 | 0 |
| (b) Maximum Outstandings against
Individual Officers during the year | 10000 | 0 |
| 2. (a) Advances to Chairman-cum
Managing Director. | 0 | 0 |
| (b) Maximum Outstanding during the year | 0 | 0 |
| 3. Deposits include interest bearing
deposits with MSEB & MPEB | 32477038 | 32327338 |



PARTICULARS	31-3-2009 Rs.	31-03-2008 Rs.
SCHEDULE - 7		
CURRENT LIABILITIES		
Sundry Creditors		
i) SSI (Outstanding Rs. 1 lakh or more for more than 30 days)	0	
ii) Others	<u>200584024</u>	227067933
Advance from Customers	127962729	50926767
Security Deposits from suppliers contractors & others	118895505	134843056
Liabilities for expenses	1391379631	492480708
Other liabilities	27939653	131005946
TOTAL :	<u>1866761742</u>	<u>1036324410</u>
SCHEDULE - 8		
PROVISIONS		
Proposed Dividend on Equity Share	77000000	60200000
Provision for Tax on dividend	130661500	126102900
Provision for unavailed leave Liability as on 31.3.2009	256497325	
Less : Fund with L.I.C.	<u>140030242</u>	14972615
Provision for Gratuity	175931993	105310780
Provision for Pension Fund	211588140	
Provision for Mines closure expenses	32654074	24849962
TOTAL :	<u>1437502790</u>	<u>873236257</u>
SCHEDULE - 9		
SALES		
i) Sale of Manganese Ore	11872825653	9051021746
ii) Sale of EMD	92820716	74550482
iii) Sale of Ferro Manganese	800301200	603963174
iv) Sale of Power to MPEB	82458215	4047732
TOTAL	<u>12848405784</u>	<u>9733583136</u>



PARTICULARS	31-3-2009 Rs.	31-03-2008 Rs.
SCHEDULE - 10		
OTHER INCOME		
Interest		
On Deposits	1038704110	434391672
On Advances	1372722	8556532
On Outstanding	1245827	3125853
On Income Tax /Sales Tax refund	830771	0
Recoveries from employees		
Rent	210979	191932
Electricity	663229	654540
School Bus	221720	226653
Sale of Scrap	46542	246565
Rent on Buildings	1298111	1217220
Reimbursement from Welfare Commissioner	202286	91876
Miscellaneous income	21182282	3158592
EMD forfeiture	38661906	2767977
Sales tax set off/Refund	11383910	10458637
Sale of Ferro Mn. Slag	131431145	
Less: Excise duty	15986983	
Sale of Ferro Mn. Slag(Net of E.duty)	115444162	101758469
TOTAL	1231468537	566846518
SCHEDULE -11		
PROVISIONS WRITTEN BACK		
Provision for doubtful debtors	515197	1280739
Provision for Advances	423993	0
Provision no longer required	68669	0
Provision for loss on obsolete store	28448	50083
TOTAL :	1036307	1330822
SCHEDULE -12		
ACCRETION/(DECRETION) TO STOCKS		
(i) Manganese Ore		
Closing Stock	399524174	99939977
Less Opening Stock	(99939977)	(192290777)
	299584197	(92350800)
(ii) EMD		
Closing Stock	22143994	29664815
Less Opening Stock (Stock includes work in process)	(29664815)	(47535305)
	(7520821)	(17870490)

Contd...



PARTICULARS	31-3-2009 Rs.	31-03-2008 Rs.
SCHEDULE -12 (Contd..)		
(i) Ferro Manganese		
Closing Stock	95042025	43857492
Less Opening Stock	(43857492)	(21446426)
	51184533	22411066
TOTAL	343247909	(87810224)

SCHEDULE -13

ORE RAISING / OPERATING EXPENSES

Salaries, Wages & Allowances	1512318260	819058608
Contribution to P.F. & other Funds	82441812	75127435
Bonus	35490061	42115647
Group gratuity insurance and Gratuities *	175797450	85674065
Welfare Expenses	48310899	45171648
Transport, Railing & Other works through Contractors	294877782	292252618
Stores & Spares	285521181	269407337
Power & Fuel	93309317	83216799
Railway Siding & Maintenance	2552976	2632945
Repairs and Maintenance to :		
Buildings	18017644	19591763
Plant & Machinery	58931887	53541534
Furniture & Fixtures	2816878	2994182
Vehicles	10670877	8557316
Rent	100673	243865
Rates & Taxes	8492870	7765905
Insurance	2970531	2534033
Printing & Stationery	3324715	2013041
Postage, Telegram and Telephone /Fax	1244146	1486990
Entertainment	49130	47903
Travelling & Conveyance Allowance	8698865	7938133
Administrative charges for P.F.	6406549	5732590
Management Training	3886877	3385060
Miscellaneous Expenses	10484742	8669289
SUB TOTAL :	2664716122	1819158704
Less cost of Manganese Ore transferred to EMD & Fe.Mn. Plant	59671386	41570513
TOTAL :	2605044736	1777588191

NOTES :

- Repairs and Maintenance of Assets include salaries and wages of Rs. 44525145 (Rs.38529577) and stores and spares of Rs. 5467562 (Rs.8769246)
- * Includes Gratuity for H.O. employees



PARTICULARS	31-3-2009 Rs.	31-03-2008 Rs.
SCHEDULE - 14		
MANUFACTURING EXPENSES		
a) Electrolytic Manganese Dioxide		
Salaries, Wages & Allowances	19128158	10231970
Contribution to P.F.	864396	848400
Bonus	266288	455800
Gratuity	638613	611432
Welfare Expenses	290671	303216
Contractors Payment		
Ore reduction expenses	11167408	8146040
Others	1816243	1515321
Raw Materials Consumption	6472141	3591200
Sundry Consumables	2949272	2545626
Repairs to Plant & Machinery	486652	166473
Insurance	52563	112697
Power & Fuel	19852473	16682155
Travelling & Conveyance Allowances	142948	81373
Administrative Charges for P.F.	77828	58416
Stores Handling	2514	943
Miscellaneous Expenses	415290	127427
TOTAL :	64643458	45478489
b) Ferro Manganese		
Salaries, Wages & Allowances	12686925	6713809
Contribution to P.F.	499057	547738
Bonus	275200	275200
Gratuity	450242	424493
Welfare Expenses	351401	347523
Contractors Payment	4960737	4089108
Raw Materials Consumption	223056155	111771091
Sundry Consumables	2170974	1582367
Repairs to Plant & Machinery	383637	374912
Insurance	79073	39117
Power & Fuel	115399075	115304157
Travelling & Conveyance Allowances	367501	300014
Administrative Charges for P.F.	42674	34652
Miscellaneous Expenses	5843609	1279978
TOTAL :	366566260	243084159
c) Wind Power Generation Unit :		
Repairs & Maintenance	2240508	0
Insurance	166786	0
TOTAL :	2407294	0
GRAND TOTAL :	433617012	288562648



PARTICULARS	31-3-2009 Rs.	31-03-2008 Rs.
SCHEDULE - 15		
EXCISE DUTY - SALE		
i) On Sale of EMD	10936917	10417889
ii) On Sale of Ferro Manganese	19476466	49546802
SUB - TOTAL	30413383	59964691
iv) On sale of Ferro Mn. Slag	15986983	16384225
EXCISE DUTY ON SALE	46400366	76348916
SCHEDULE - 15A		
EXCISE DUTY - CLOSING STOCK		
i) On EMD		
On Opening Stock	3738565	
On Closing Stock	<u>1685759</u>	(2986897)
ii) On Ferro Manganese		
On Opening Stock	5527225	
On Closing Stock	<u>7235276</u>	2493335
SUB - TOTAL	(344755)	(493562)
SCHEDULE - 16		
ADMINISTRATIVE AND SELLING EXPENSES		
i) Administrative Expenses :		
Salaries, Wages & Allowances *	119673133	61878129
Bonus	681848	784289
Contribution to P.F. & other Funds	5781794	4654436
Welfare Expenses	7043150	7623376
Power & Fuel	5126245	3698633
Repairs and Maintenance to :		
Buildings	8937359	7070102
Plant & Machinery	744212	500868
Furniture & Fixtures	1379401	1268809
Vehicles	91166	131898
Rent	132712	151966
Rates & Taxes	1151392	5638283
Insurance	3499909	2870474
Printing & Stationery	3615599	2848368
Postage, Telegram and Telephone /Fax	2035517	2187129
Entertainment	34868	35714
Travelling & Conveyance Allowance	13234217	10716991
Legal/Professional Fees & Expenses	2896052	2193172
Auditor's Remuneration	294134	299627
Administrative charges for P.F.	1129681	985262
Bank Commission	331784	403985
		Contd...



PARTICULARS	31-3-2009 Rs.	31-03-2008 Rs.
SCHEDULE - 16 Contd..		
Advertisement	4433573	15649204
Management Training	2392443	1988029
Books & Periodicals	124908	104351
Donation	5000	515000
Expenditure on Corporate Social Responsibility	54211962	28733751
Miscellaneous Expenses	6314702	6389383
Directors Sitting Fees	165000	184000
SUB TOTAL :	245461761	169505229
ii) Selling Expenses		
Railway Freight & Forwarding Charges	1554449	2036502
Royalty & Cess	350034122	268817016
Cash Discount on sales	8650042	5809633
Compensation against arbitration award	63915245	0
Service charges on e-auction sale	9583890	29611003
SUB TOTAL	433737748	306274154
TOTAL	679199509	475779383
NOTES :		
1. Travelling Expenses include Travelling Expenses of		
a) Chairman-Cum-Managing Director	1706744	1696055
b) Directors	4200854	2595310
2. Auditors Remuneration		
a) i) Audit Fee	220600	224720
ii) Expenses	14300	9000
b) Other services	73534	74907
3. Advertisement expenses include expenditure on Public Relations & Publicity	2201142	13866362
4. Managerial Remuneration *		
a) Salaries & Allowances	3022675	2513891
b) Contribution to Provident Fund	289831	272492
c) Actual/Estimated value of perquisites	661177	637433
	3973683	3423816

(*) Chairman-Cum-Managing Director and Full-time Directors have been allowed the use of staff car/hired cars for private journey up to a ceiling of 750 kms. Per month on payment of Rs. 520/- for AC car in accordance with the provision of Govt. of India, Ministry of Industry, Bureau of Public Enterprises O.M.No. 4(12)82/BPE(WC) dated 1.4.1987.



PARTICULARS	31-3-2009 Rs.	31-03-2008 Rs.
SCHEDULE - 17		
RESEARCH & DEVELOPMENT EXPENSES		
Exploratory Drilling at Mines	13763664	25345499
Expenditure on Studies on Blasting, Rock Mechanics and Slope design system etc.	2955301	2592937
TOTAL :	16718965	27938436
SCHEDULE - 18-A		
WRITE OFF & PROVISIONS		
Write off of discarded assets	1764792	1438732
Write off of stores & Spares-shortage	134178	99762
Write off of Bad Debts	69573	0
Write off of Advances to Suppliers	423993	0
Provision for Un-availed leave	116435969	5476730
Provision for Post Superannuation Fund	211588140	0
Provision for Bad Debts	5633	573143
Provision for Mines closure Expenses	7804112	8677332
Write off of Old Medical/Other advances	13426	31016
Total	338239816	16296715
SCHEDULE - 18 - B		
MISC. EXPENDITURE WRITTEN OFF		
V R S Expenses	6383376	57974812
Total	6383376	57974812



ACCOUNTING POLICIES

SCHEDULE 19

ACCOUNTING POLICIES

1. Accounting for fixed assets

(a) Valuation of fixed assets :

Fixed assets are maintained at original cost.

(b) Depreciation :

Company is charging 100% depreciation on fixed assets up to the value of Rs. 5000 as prescribed in Schedule XIV to Companies Act. Depreciation is calculated

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

Cost of leasehold land 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 of 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.

2. Valuation of dosing 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 raiiling/shipment against each stack is ascertained and the same is accounted for in the books of the company in that year.

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

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

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

(c) Stock of slag :- Slag is a molten mass of impurities produced in manufacture of ferro manganese and is treated as scrap. Due to uncertainties involved in its sale, it cannot be valued. Hence, it is accounted for in the year in which sale takes place and shown under other income.

(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, are valued at cost on weighted average method. The stock of manganese ore at plant is valued at current year's cost of production or net realizable value, whichever is less, plus cost of



transport and other charges, if any. Opening and closing stock of ore at the plant is grouped under the head "Stock of raw materials".

3. Sales

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

(a) Manganese Ore sales :-

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

(ii) Sales include royalty.

(b) EMD/Ferro manganese/silico manganese sales :-

Sales of EMD and Ferro manganese include excise duty and education cess applicable thereon.

(c) Sales of Electricity to Utilities :

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

4. Other income

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

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

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

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

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

taken as miscellaneous receipt of that year.

5. Captive consumption

Manganese ore

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

6. Sales tax, income tax, etc.

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

(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 accounted for by the company.

7. Employee Benefits:

(a) Short term Employee Benefits:

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

(b) Post Employment Benefits :

(i) Defined benefit plans

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

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans, under which the company pays fixed contributions into separate entities (funds). The company's contribution to defined contribution plans



are recognized in the profit and loss statement in the financial year to which they relate.

8. V.R.S. Expenditure

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

9. Accounting for subsidies from Welfare Commissioner

(a) Labour quarters

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

(b) Welfare assets

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

10. Claims by the company

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

11. 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.

12. 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.

13. Mine closure expenditure

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

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

The liability is recognised on receipt of necessary permission from the concerned authorities and this amount is amortised over the lease period of the respective leases.

15. Prior period expenses

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

16. 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.

17. Prepaid Expenses

Prepaid expenses of an item of expenses of Rs. 1,00,000/- and below are charged to revenue in the year of payment.



NOTES ON ACCOUNTS FOR THE YEAR ENDED 31 MARCH, 2009

SCHEDULE 20

1. Contingent liabilities

Claims against the company not acknowledged as debts -

- (a) For wages and other benefits to employees - Rs. 28.66 (Rs. 27.85) lakhs.
 (b) Claims by South East Central Railway for payment of arrears of rent pertaining to railway siding disputed by the Company amounting to Rs. 109.68(Nil) lakh.
 (c) Claims by contractors for non-fulfillment of contractual obligations Rs. 26.42 (Rs. 29.75) lakhs.
 (d) Income tax assessments are completed upto assessment year 2006-07. Income tax payments made/refunds adjusted by the department against the disputed demands are shown under loans and advances. Adjustment of these advances against disputed demand is made only after final settlement of appeals, pending at various levels.

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

Assessment year	Disputed demand Rs.	Amount paid Rs.	Balance as on 31 st Mar'09 Rs.	Pending with
2005-06	4746760	4746760	Nil	Income Tax Appellate Tribunal (ITAT)
2006-07	1744410	1744410	Nil	A.O. and Commissioner of Income Tax (Appeals)

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

- (e) Company has given financial assurance of Rs. 170.93 (Rs. 166.42) lakhs to IBM by way of bank guarantees, towards progressive mine closure, in respect of progressive mine closure plans.
 (f) Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. 1631.99 (Rs. 4024.48) lakhs. Advance paid for such contracts is Rs. 10.18 lakhs (Rs. 278.25 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. 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.

4. For anticipated loss on disposal of obsolete stores/spares, provision of Rs. 4.20 (Rs. 4.48) lakhs made in accounts is considered adequate.

5. Two of Company's customers had lodged claims for supply of ore during 1989-90 to 1992-93 which, according to them, was not as per specifications. The matter was under arbitration and the arbitrator has given award after close of the financial year, holding the company liable for payment of damages and other costs. The company is taking further action in the matter. As per Accounting Standard 4 on Contingencies and Events occurring after Balance Sheet date issued by the Institute of Chartered Accountants of India, liability of Rs. 639.15 lakhs has been created in the accounts for the year.

6. (a) Production and inventory of manganese ore is arrived on weight-volume ratio basis
 (b) Inventories of bulk raw materials and finished goods in respect of ferro manganese plant are determined as per weight-volume ratio by the production/technical department and the same are accounted for accordingly.
 (c) Inventory of raw materials includes stock of manganese ore of 266 (97) tonnes valuing Rs. 6.36 (Rs.1.84) lakhs lying in ferro manganese plant site as on 31.03.09.

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

8. Due to non-fulfillment of contracted quantity, cases of various defaulting customers have been reviewed on case to case basis and the EMD of Rs.386.62(Rs. 27.66) lakh has been forfeited.



9. Value of imports for capital goods, stores/spares and raw materials is Rs. 87.24 (Rs. 8.03) lakh.

10. Expenditure in foreign currency for travelling is Rs. 6.47 (Rs. 4.55) lakh.

11. The Company has taken a decision that prepaid expenses for an item of expenses below Rs.100000/- should be charged to revenue in the year of payment.

Hitherto, the Company was bifurcating such payments into revenue and prepaid expenses. The impact due to change is not material.

12.1. Reconciliation of opening and closing balance of Defined obligation :

Change in the present value of obligation	Gratuity (Funded) (2008-09)	Gratuity (Funded) (2007-08)	Leave Encashment (Funded) (2008-09)	Leave Encashment (Funded) (2007-08)
Present value of obligation at the beginning of the year	487067829	195851725	136465195	117168463
Additional obligation arising out of adoption of AS-15(Revised) adjusted against General Reserve and Deferred Tax	0	226911362	0	9467341
Adjusted Present value of obligation	487067829	422763087	136465195	126635804
Current Service Cost	35726455	23682776	18175119	8494314
Interest Cost	38965426	33821047	10917216	10130864
Actuarial (gain)/loss	144974695	33139022	99651483	(2465101)
Benefits paid	(27647512)	(26338103)	(8711688)	(6071050)
Present value of obligation at the close of the year	679086893	487067829	256497325	136465195

II. Reconciliation of opening and closing balance of fair value of Plan assets :

Change in fair value of plan	Gratuity (Funded) (2008-09)	Gratuity (Funded) (2007-08)	Leave Encashment (Funded)	Leave assets Encashment (Funded)
Fair value of Plan assets at the beginning of the year	381757049	195851725	121492580	105416353
Expected return on plan assets	36076041	23932655	11481049	10423711
Actuarial (gain)/loss	6704230	-	826800	-
Employer contribution	102620931	177818266	14941501	11723566
Benefits paid	(24003351)	(15845797)	(8711688)	(6071050)
Fair value of Plan assets at the close of the year	503154900	381757049	140030242	121492580



III. Reconciliation of fair value of assets and obligation :

	Gratuity (Funded) (2008-09)	Gratuity (Funded) (2007-08)	Leave Encashment (Funded) (2008-09)	Leave Encashment (Funded) (2007-08)
Fair value of Plan assets at the beginning of the year	503154900	381757049	140030242	121492580
Present value of obligation at the end of the year	679086893	467067829	256497325	136465195
Amount of liability recognized in Balance Sheet	175931993	105310780	116467083	14972615

IV. Expenses recognized in the Profit & Loss Account :

	Gratuity (Funded) (2008-09)	Gratuity (Funded) (2007-08)	Leave Encashment (Funded) (2008-09)	Leave Encashment (Funded) (2007-08)
Current service cost	35726455	23682776	18175119	8494314
Interest cost	38965426	33821047	10917216	10130864
Expected return on Plan assets	(36076041)	(23932855)	(11481049)	(10423711)
Actuarial (gain)/loss	138270465	33139022	98824683	(2724737)
Total Expenses recognized in the Profit & Loss Account	176886305	66709990	116435969	5476730

V. Actuarial assumptions :

	Gratuity (Funded) (2008-09)	Gratuity (Funded) (2007-08)	Leave Encashment (Funded) (2008-09)	Leave Encashment (Funded) (2007-08)
Mortality Table (LIC)	(1994-96) ultimate	(1994-96) ultimate	(1994-96) ultimate	(1994-96) ultimate
Discount rate (per annum)	8%	8%	8%	8%
Expected return on Plan assets (per annum)	9.45%	9.35%	9.45%	9.35%
Rate of escalation in salary (Per annum)	5%	5%	5%	5%

13 As per AS-18 framed by the Institute of Chartered Accountants of India, disclosures of transactions with related parties, as defined in the accounting standard, are given below -

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

1) Shri K.L.Mehrotraa (Upto 31 st Octoer'08)	Key management personnel
2) Shri K.J.Singh (From 16 th March'2009)	Key management personnel
3) Shri M.A.V. Goutham	Key management personnel
4) Shri C.PN.Pathak (Upto 31 st May'08)	Key management personnel



- | | |
|---|--------------------------|
| 5) Shri A. K. Mehra | Key management personnel |
| 6) Shri G.P.Kundargil(From 2 nd June'06) | Key management personnel |
| 7) SAIL and MOIL Ferro Alloys Pvt. Ltd. | Joint Venture |

(ii) Transactions during the year with related parties

- 1 Remuneration paid Rs. 3973683 (Rs.3423816)
- 2 Reimbursement of travelling expenses Rs. 5907598 (Rs. 4291365)
- 3 Initial subscription towards equity share capital Rs. 1000000/- (Nil)

(iii) Sitting fees to part-time Directors Rs. 165000 (Rs. 184000)

14. Deferred tax liability as on 31.03.09 is as detailed below

Sr No	Particulars	2008-09	2007-08
1	Deferred tax liability Related to Depreciation	320358299	196898722
2	Deferred tax assets Disallowance under the Income Tax Act,1961	135336526	29217672
3	Closing balance as on 31 st March	185021773	167681050
4	Deferred Tax for Profit & Loss Account:		
	a) Increase in liability	17340723	59327956
	b) Deferred Tax on implementation of AS-15 (Revised) adjusted against General Reserve	0	80345121
	c) Deferred Tax Expenses for the year	17340723	139673077

15. As per AS -29 framed by The Institute of Chartered Accountants of India, the disclosures of provisions made are given below :

Particulars	Opening balance as on 01.04.08	Additional provisions during the year	Amount used Write off/Write back during the year	Closing balance as on 31.03.09	Remarks
Provision for final mine closure expenses	248.50 (161.73)	78.04 (86.77)	— (—)	326.54 (248.50)	Cash outflow is expected at the time of closure of mines
Provision for Bad & Doubtful Debts	53.58 (60.66)	0.06 (5.73)	5.84 (12.81)	47.80 (53.58)	



16. Income tax deducted at source from interest and rent received by the company amounts to Rs. 2198.43 (Rs. 845.95) lakhs.

17. Interest billed on customers amounting to Rs. 39.28 (Rs. Nil) lakhs relating to next financial year has not been included in sundry debtors.

18. Closing stock value of ferro manganese and E.M.D. includes excise duty and education cess liability of Rs. 89.21 (Rs. 92.66) lakhs.

19. Wage agreement with unionized workers and staff has expired on 31.7.2007. Similarly pay revision for Executives is due from 1.1.2007. The Company has made necessary provision towards this liability, based on MOU signed with the recognized Union and D.P.E. guidelines for 2nd pay revision of Executives.

20. Sundry creditors include a sum of Rs. Nil (Rs. Nil) lakhs payable to S.S.I. unit, in excess of Rs. 1.00 lakh outstanding for more than thirty days. SSI units are identified based on the information available with the company.

21. Disclosures relating to Joint Ventures are as follows :

(a) Name of Joint Ventures	Country of Incorporation	Proportion of Ownership
SAIL & MOIL Ferro Alloys Pvt. Ltd.	India	50%

An amount of Rs.10.00 lakhs has been paid towards initial investment under the Joint Venture participation with Steel Authority of India Limited incorporated on 31st July 2008.

(c) (i) Company's share of contingent liabilities is	Rs. Nil
(ii) Company's share of capital commitments is	Rs. Nil
(iii) Amount of guarantees given on behalf of the joint venture is	Rs. Nil
(iv) Aggregate amount of company's interest as on 31 st March 2009 as per unaudited accounts of SAIL & MOIL Ferro Alloys Private Limited is as under :	
Shareholders' funds	Rs. 10.00 lakh
Secured/unsecured loans	—
Deferred Tax liability (net)	—
Fixed Assets and capital work in progress	Rs. 11.79 lakh
Net current assets	Rs. (1.79) lakh
Income	—
Expenditure	—

22. Additional information to profit and loss account



a) Major raw materials consumed

	Year ended 31-03-2009		Year ended 31-03-2008	
	Qty (MT)	Rs.in lakhs	Qty (MT)	Rs.in lakhs
Ferro Manganese plant -				
(i) Manganese ore	26120.00	586.31	27833.00	431.51
(ii) Coke	5565.10	1201.24	4513.23	558.01
(iii) Carbon paste	142.00	34.47	160.62	34.52
E.M.D. plant -				
(i) Manganese ore	4428.00	6.09	3855.00	5.47
(ii) Sulphuric acid	396.35	51.96	344.54	31.24
(iii) Sodium carbonate	22.38	4.46	23.14	3.90

b) Production/Generation, sales, opening and closing stocks -

	Year ended 31-03-2009		Year ended 31-03-2008	
	Qty (MT)	Rs.in lakhs	Qty (MT)	Rs.in lakhs
a) Production/Generation -				
Manganese ore	1175318	—	1364575	—
E.M.D.	1240	—	1122	—
Ferro manganese	10120	—	11130	—
Wind Power(Kwh)	30039353	—	9746838	—
b) Sales -				
Manganese ore	1023486	118726.26	1392188	90510.21
E.M.D.	1419	928.21	1592	745.50
Ferro manganese	9425	8003.01	10277	6039.63
Power to M .PE.B.(Kwh)	20510400	824.58	1004400	40.47
c) Opening stock -				
Manganese ore	56328	999.40	114299	1922.91
E.M.D.	582296.65	1052	475.35	
Ferro manganese	1673	438.57	820	214.46
d) Closing stock -				
Manganese ore	177443	3995.24	56328	999.40
E.M.D.	403	221.44	582	296.65
Ferro manganese	2368	950.42	1673	438.57

(c) Closing stock of manganese ore is arrived after adjustment of issue of 4428 (3855) tonnes for production of EMD and 26289 (26503) tonnes for production of ferro manganese.

(d) Generation of Power from Wind Mills include 9528953(8742438)Kwh utilized for captive consumption at

**Balaghat Mine and Ferro Manganese Plant.****(a) Licensed and installed capacity**

E.M.D. plant	1000 MT per annum
Ferro manganese plant	10000 MT per annum
Wind turbine generators(*)	40000000 Kwh per annum

(f) Actual production/generation

E.M.D.	1240 (1122) MT
Ferro manganese	10120 (11130) MT
Electricity	30039353 (9746838)Kwh

(*) Annual Capacity of 1st phase of Wind turbine generators commissioned during 2006-07 is 9600000 Kwh p.a. and 11nd phase of 19 Nos. WTG commissioned during 2007-08(12Nos.) & 2008-09 (7Nos.) is 30400000Kwh p.a.

(g) Capacity utilization

E.M.D. plant	124%	(112%)
Ferro manganese plant	101%	(111%)
Wind turbine generators	75%	(87%)

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

Schedule No. 1 to 21 form an integral part of financial statements.

For Shah Baheti Chandak & Co.
Chartered Accountants

Neesaj Pandey
Company Secretary

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

(CA. Manoj Agrawal)
Partner
(M. No. 104546)

M.A.V. Goutham
Director (Finance)

K.J. Singh
Chairman-cum-managing Director

Place : New Delhi
Date : 27/05/2009



SCHEDULE - 21

Balance Sheet Abstract & Company's General Business Profile as per Part IV of the Schedule VI to the Companies Act 1956

I. Registration Details		
1. Registration No.	:	012396
2. State Code	:	11
3. Balance Sheet date	:	31.3.2009
II. Capital raised during the year(Amount in Rs. Thousand)		
1. Public Issue	:	NIL
2. Right Issue	:	NIL
3. Bonus Issue	:	NIL
4. Private Placement	:	NIL
III. Position of Mobilisation and Deployment of Funds(Amount in Rs. Thousand)		
1. Total Liabilities	:	16698008
2. Total Assets	:	16698008
A. Sources of Funds		
1. Paid up Capital	:	280000
2. Reserves & Surplus	:	12928722
3. Deferred Tax Liability	:	185022
4. Secured Loans	:	NIL
5. Unsecured Loans	:	NIL
B. Application of Funds		
1. Net Fixed Assets	:	2056368
2. Capital Work-in-progress	:	154528
3. Investments	:	1128
4. Net Current Assets	:	11181720
5. Misc. expenditure to the extent not written off	:	0
IV. Performance of the Company(Amount in Rs. Thousand)		
1. Turnover	:	12848406
2. Net Turnover	:	12817992
3. Total Expenditure	:	2750425
4. Profit Before Tax	:	10067567
5. Profit After Tax	:	6637933



6. Basic & Diluted Earning per Share (Rs.)	:	2370.69
7. Dividend Rate (%)	:	475%

V. Generic Names of Three Principal products/services of the Company

Item code NO. (ITC Code)	Product Description
1. 26020001	MANGANESE ORE ABOVE 46%
2. 26020002	MANGANESE ORE ABOVE 44 TO 46%
3. 28201001	ELECTROLYTIC MANGANESE DIOXIDE
4. 72021100	FERRO MANGANES
5. 3601	WIND OPERATED ELECTRICITY GENERATOR

Schedule No. 1 to 21 form an integral part of financial statements.

For Shah Baheti Chandak & Co.
Chartered Accountants

Neeraj Pandey
Company Secretary

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

(CA. Manoj Agrawal)
Partner
(M. No. 104546)

M.A.V. Gourham
Director (Finance)

K.J. Singh
Chairman-cum-managing Director

Place : New Delhi
Date : 27/05/2009



**CASH FLOW STATEMENT OF MANGANESE ORE (INDIA) LIMITED
FOR THE YEAR ENDED 31.03.2009**

PARTICULARS	Rs. in Lakhs	
	31-3-2009 Rs.	31-03-2008 Rs.
A.CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and dividend	100675.67	73490.79
Adjustment for		
Depreciation	2466.58	1607.65
write off /Provisions	3354.39	135.27
Profit on Sale of Fixed Assets	0.00	0.00
Deferred Revenue Expenditure (Charged during the year)	63.83	579.75
Write off of Discarded Assets	17.65	14.39
Operating profit before working capital changes	106576.12	75827.85
Adjustment for :		
Inventories	-3567.07	862.66
Sundry Debtors	9784.06	-10894.37
Interest Receivable/Accrued	-3237.48	-1020.62
Other Current Assets	0.00	0.00
Loans and Advances -Subsidiary companies		
Loans and Advances -Others	-3155.88	
Loans and Advances -Others	-25.41	-3181.29
Current Liabilities and Provisions		7310.88
Deferred Revenue Expenditure(Additions)		-63.83
Cash Generated from Operations	113623.39	72387.40
Income taxes provision during the year	-33101.49	-25216.74
Net cash from Operating Activities	80521.90	47170.66
B.CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-4849.98	-6804.77
Sale of Investments (Refund)	-10.00	0.00
Net cash used in Investing Activities	(4859.98)	(6804.77)
C.CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid during the year	(13300.00)	(9460.00)
Net Increase in Cash & Cash Equivalents(A+B+C)	62361.92	28705.89
Opening Cash and Cash Equivalents	60855.29	32149.40
Closing Cash and Cash Equivalents	123217.21	60855.29
Net Increase/Decrease(-) in cash & Cash Equivalents	62361.92	28705.89

Notes to the Cash Flow statement

Cash and cash equivalent comprises of cash, bank balance and fixed deposit with bank.

This is the Cash Flow referred to
in Our Report of even date.

For Shah Baheti Chandak & Co.
Chartered Accountants

Manoj Pandey
Company Secretary

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

(CA. Manoj Agrawal)
Partner
(M. No. 104546)

M.A.V. Goutham
Director (Finance)

K.J. Singh
Chairman-cum-managing Director

Place : New Delhi
Date : 27/05/2009

INFORMATION ABOUT BUSINESS SEGMENT

The Company has identified four reportable segment viz. Mangnese Ore, Electrolytic Mangnese Dioxide, Ferro Mangnese & Wind Turbine Generation Unit. Segment have been identified and reported taking into account nature of product and services, the differing risk and return and internal business reporting system. Inter Segment Transfer is at cost/(cost) given/sale to utility by MPES. (Rs. in Lakhs)

	Manganese Ore		E. M. O.		Ferro Manganese		W. T. G. Unit		Electrolytic		Consolidated Total	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
REVENUE												
Edamul Sales	118728.26	90510.22	928.21	745.50	8003.01	6038.63	824.58	40.48	0	0	128484.06	97335.83
Inter Segment Sales	596.71	415.71	0	0	0	0	480.03	441.23	-1076.74	-856.94	0	0
Total Revenue	119324.97	90925.93	928.21	745.50	8003.01	6038.63	1304.61	481.71	-1076.74	-856.94	128484.06	97335.83
EXPENSE												
Segment Result	93913.25	66226.28	80.75	-5.70	4453.24	3143.98	201.56	129.94	0	0	96768.00	72197.50
Other Income	732.44	275.71	0	0	1154.44	1017.58	0	0	0	0	1904.88	1283.28
Segment Result	94645.69	66501.99	80.75	-5.70	5607.68	4161.56	201.56	129.94	0.00	0.00	100673.88	73480.79
Write Back of Prov.											0.00	0.00
Unallocated Corporate exp.											0.00	0.00
Inventories Expenses											0.00	0.00
Profit from Ordinary Activities											100673.88	73480.79
Extraordinary loss											0	0
Net Profit Before Tax											100673.88	73480.79
Prov. For Income Tax											34122.98	24112.29
Deferred Tax Liability											178.41	1856.73
Net Profit After Tax											66372.49	47511.77
OTHER INFORMATION												
Segment Assets	28014.73	32830.04	498.47	538.99	1206.36	1795.96	8530.29	6528.52			30280.65	41593.51
Unallocated corporate assets											153895.65	60387.59
Total Assets											167263.10	102081.10
Segment Liabilities	15833.99	3945.54	3.02	9.95	9.11	27.93	0.00	699.0			15948.12	4682.42
Unallocated Corporate Liab.											19044.74	16590.00
Total Liabilities											34892.86	20772.42
Capital Expenditure	116.81	4070.63	0.46	0.65	5.24	5.24	4718.24	4728.24	0	0	2670.40	6074.22
Unallocated Corporate C. E.											1880.55	1880.55
Total capital Expr.											4850.95	8854.77
Depreciation	2214.47	952.80	34.97	43.41	24.05	25.23	191.03	191.09			2466.58	1212.537
Non-Cash Expenses other than Depreciation											43.83	579.75

Note : Electricity charges of balghat Mine and Ferro Manganese Plant are grossed up by the amount of credit given by Madhya Pradesh Electricity Distribution Co. In power bills on account of power generated by Wind Turbine Generators and the same is recognised as Inter segment revenue at WTD unit as to arrive at segment revenue.

STATEMENT OF SOCIAL AMENITIES - EXPENSES AND INCOME (Figure in Rupees)

Sl. No.	Particulars	CURRENT YEAR				TOTAL	
		Township	Education	Medical Over & above statutory requirements	Welfare services including social & cultural activities	As on 31.3.2009	As on 31.3.2008
1	Salaries/Wages	2366273	4699275	4440125	17117811	28623284	26781347
2	Contribution to P.F.	248748	537449	508814	2023484	3318495	2902283
3	Stores	962979	3658766	514372	3671028	8797145	12073119
4	Power	9078891	0	962409	2836129	12877429	7348795
5	Drugs & Chemicals	0	0	5829156	20790	5849946	3539215
6	Misc. expenses	0	1493101	3231331	23486089	28210521	21956189
7	CONTRACTORS PAYMENT:						
	Repairs to Buildings/ Others	5844073	0	383439	4988477	11215989	35963329
	TOTAL	18490964	10388591	15869646	54143608	98892809	110564277
8	Depreciation	18319915	681240	1138997	137153	20277305	10612572
9	Interest	0	0	0	0	0	0
	TOTAL :	18319915	681240	1138997	137153	20277305	10612572
	TOTAL EXPENSES	36810879	11069831	17008643	54280761	119170114	121176849
	LESS :						
1	Income from Electricity	575557		0	87672	663229	1254153
2	Receipt from School Bus	0	107540	0	114180	221720	212683
3	Reimbursement from Welfare Commissioner for sports/medical/others	0	0	0	202266	202266	91876
	TOTAL :	575557	107540	0	404118	1087215	1558712
	NET EXPENSES	36235322	10962291	17008643	53876643	118082899	119618137



**MEMORANDUM ACCOUNT OF MANGANESE ORE
PROFIT AND LOSS ACCOUNT FOR THE YEAR 2008-2009**

PARTICULARS	SCHEDULE	31-3-2009 Rs.	31-03-2008 Rs.
INCOME			
Sales	9	11872825653	9051021748
Less: Excise duty		0	0
Net Sales		11872825653	9051021748
Other Income	10	1116024375	465088049
Provisions written back	11	1036307	1330822
Accretion/(Depletion) to Stocks	12	299584197	(92350800)
Total :		13289470532	9425089819
EXPENDITURE			
Ore raising/operating expenses	13	2605044736	1777588191
Electricity from Wind Mills		31995418	25746193
Excise Duty on closing stock variation	15	0	0
Administrative & Selling expenses	16	679199509	475779383
Research & Development expenses	17	16718965	27938436
Write off and provisions	18-A	338239816	16296715
Miscellaneous expenditure written off	18-B	6363376	57974812
Expenses for diversion of forest land		661652	494920
Total :		3678243472	2381818650
Gross Margin before interest and Depreciation		9611227060	7043271169
Interest		0	0
Depreciation		(144658273)	(122772193)
PROFIT FOR THE YEAR		9466568787	6920498976
Prior period adjustment		0	0
PROFIT BEFORE TAX		9466568787	6920498976



**MEMORANDUM ACCOUNT OF EMD/FERRO MANGANESE
PROFIT AND LOSS ACCOUNT FOR THE YEAR 2008-2009**

PARTICULARS		31-3-2009	31-03-2008
		Rs.	Rs.
A. ELECTROLYTIC MANGANESE DIOXIDE PLANT			
I. Sales	9(II)	92820716	74550482
Less: Excise duty		10936917	10417889
Net Sales		81883799	64132593
II. Decretion/Accretion to Stock	12(II)	(7520821)	(17870490)
Total :		74362978	46262103
III. Manufacturing Expenses	14(a)	64643458	45478489
Excise Duty on stock	15(I)	(2052806)	(2986897)
Total		62590652	42491592
IV. Profit before depreciation		11772326	3770511
Depreciation		3697388	4340691
Profit/Loss before Tax		8074938	(570180)
B. FERRO MANGANESE PLANT			
I. Sales	9(III)	600301200	603963174
Less: Excise duty		19476466	49546802
Net Sales		780824734	554416372
II. Other Income		115444162	101758469
III Accretion/Decretion to Stock	12(III)	51184533	22411066
Total :		947453429	678585907
IV. Manufacturing Expenses	14(b)	366566260	243084159
V. Electricity from Wind Mills		16006954	14328744
Excise Duty on closing stock	15(II)	1708051	2493335
Total		384281265	259906238
V. Profit before depreciation		563172164	418679669
Depreciation		2404565	2523241
Profit/Loss before Tax		560767599	416156428



**MEMORANDUM ACCOUNT OF WIND MILLS
PROFIT AND LOSS ACCOUNT FOR THE YEAR 2008-2009**

PARTICULARS	31-3-2009 Rs.	31-03-2008 Rs.
C. WIND TURBINE GENERATION UNIT		
I. Income for Supply of Power generated to:	10	
Balaghat Mine	31995418	25746193
Ferro Manganese Plant	16006954	14328744
II. Sale of Power to MPEB	82458215	4047732
Total :	130460587	44122669
III. Manufacturing and other Expenses	2407294	0
IV. Profit before depreciation	128053293	44122669
Depreciation	95897595	31128880
Profit/Loss before Tax	32155698	12993789



Shri K. J. Singh, Chairman-cum-Managing Director, exchanging MoU document with Shri P.K. Rastogi, Secretary (Steel), Govt. of India, Dr. Dalip Singh, Joint Secretary to Govt. of India, Ministry of Steel is also seen.



Shri K.J. Singh, Chairman-cum-Managing Director and Shri P.K. Bishnoi, Chairman-cum-Managing Director, Rashtriya Ispat Nigam Ltd.(RINL), exchanging the Joint Venture Agreement for setting up Ferro Alloys Plant at Bobbili, Vizag (AP)



Hon'ble Prime Minister of India Dr. Manmohan Singh presenting MoU Excellence Award to Shri K. J. Singh, Chairman-cum-Managing Director