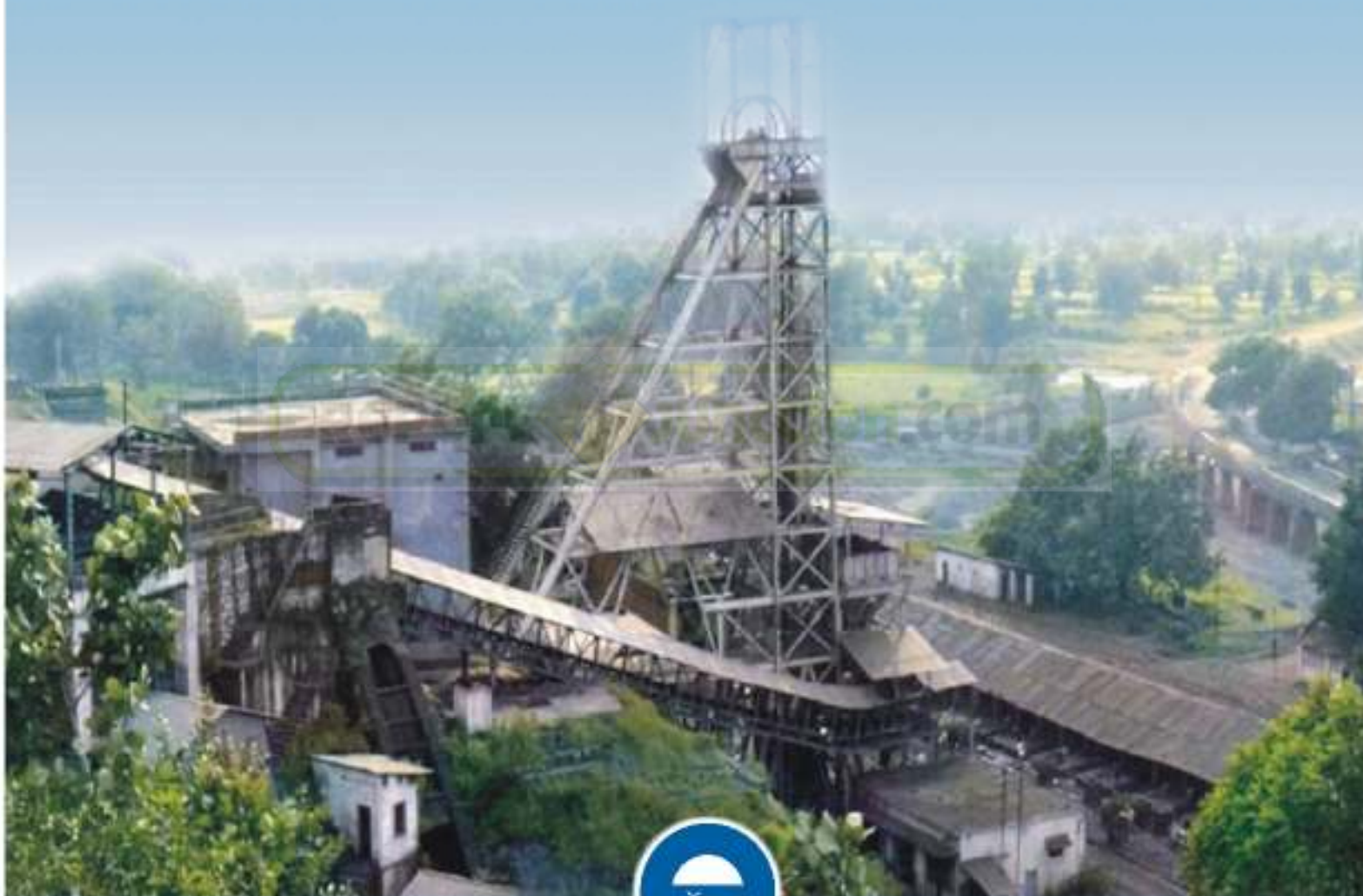


47th ANNUAL REPORT

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, Katol 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. Mahajan

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	34603.86	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	45990.72	34934.21	9499.47	8343.74	10746.71	3770.49	2602.59
PHYSICAL Production							
Manganese Ore (Lakhs tonnes)	11.75	13.65	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. M. Khan



Shri S. K. Mishra

INDEPENDENT DIRECTORS



Shri A. Bhatnagar



Dr. D.J. Koushik



Dr. M. Moharajen

FUNCTIONAL DIRECTORS



Shri N.A.Y. Gouthan



Shri A. K. Mohan



Shri G.P. Kuncargi

COMPANY SECRETARY



Shri Manoj D. Pandey



DIRECTORS RETIRED



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



Shri S. K. Banerjee
(Independent Director)

SENIOR EXECUTIVES



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



Shri G. Wonghoo
G.M. (Technical)



Shri M.D. Soraliaiya
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.

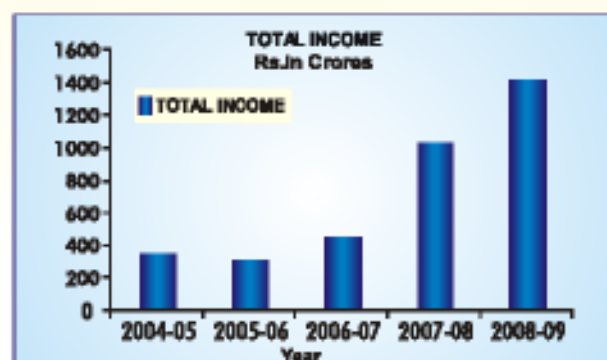
■ **PERFORMANCE OVERVIEW:**

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 tonnes 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 4.661 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.