



MOIL LIMITED

[Formerly Manganese Ore (India) Limited]



49th

Annual Report 2010-11

Adding Strength to Steel...



VISION / MISSION AND OBJECTIVES

VISION / MISSION

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

OBJECTIVES

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

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ANNUAL ACCOUNTS

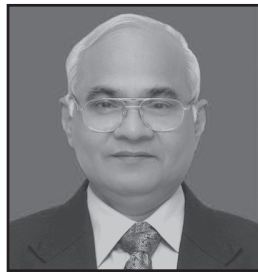
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Important Communication to Members

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



BOARD OF DIRECTORS



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

GOVERNMENT DIRECTORS



Dr. Dalip Singh



Shri A.M. Khan



Shri S.K. Mishra

INDEPENDENT DIRECTORS



Dr. S.K. Bhattacharyya



Shri Vijay Kale



Dr. Madhu Vij



Shri Sanjeeva Narayan



Shri H.C. Disodia



Shri Bal Kishan Gupta



Dr. D.D. Kaushik

FUNCTIONAL DIRECTORS



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



Shri A.K. Mehra
Director (Commercial)



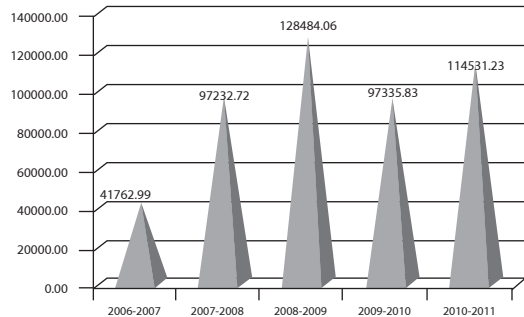
Shri G.P. Kundargi
Director (Prod. & Plng.)

Performance at a Glance

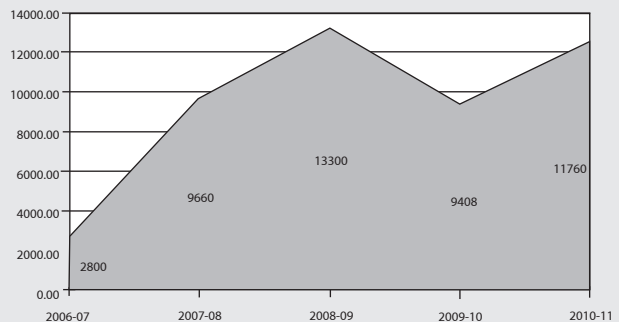
Particulars	2010-11	2009-10	2008-09	2007-08	2006-07
Financial (Rs. Lakhs)					
Sales	114531.23	97232.72	128484.06	97335.83	41762.99
Other Income	14527.56	12992.22	12314.68	5668.47	3419.26
Total Income	129058.79	110224.94	140798.74	103004.30	45182.25
Gross Margin	91266.35	73209.27	103142.25	75098.44	21020.78
Profit Before Tax	88015.18	70679.41	100675.67	73490.79	20114.58
Profit After Tax	58805.58	46634.71	66379.33	47981.77	13420.75
Dividend	11760.00	9408.00	13300.00	9660.00	2800.00
Share Capital	16800.00	16800.00	2800.00	2800.00	2800.00
Reserves & Surplus	196029.49	150937.10	129287.22	78468.22	43348.50
Borrowings	0.00	0.00	0.00	0.00	0.00
Gross Block	39646.13	35702.66	34199.97	30247.57	17151.97
Working Capital	189281.25	147127.32	111817.20	63200.54	34285.38
Capital Employed	209876.26	166781.37	132380.87	82088.42	41894.00
Profit before tax to Capital Employed %	41.94	42.38	76.05	89.53	48.01
Profit before tax to Sales %	76.85	72.69	78.36	75.50	48.16
Debt to Equity Ratio	0.00	0.00	0.00	0.00	0.00
Earnings per Share (₹)	35.00	27.76	2370.69	1713.63	479.31
Networth	211849.98	167737.10	132087.22	81268.22	45763.59
Contribution to Exchequer					
Income Tax	30343.08	24611.61	34122.93	24112.29	6035.41
Dividend Tax	1953.19	1576.83	2260.33	1641.72	409.33
Sales Tax	2837.12	2254.81	3072.00	2925.83	1524.00
Royalty & Cess	4349.81	3469.42	3500.34	2688.17	1148.88
Excise Duty	534.39	293.26	464.00	763.49	381.85
M.P.Road Cess	2452.10	1848.33	2511.12	2802.71	0.00
Total	42469.69	34054.26	45930.72	34934.21	9499.47
Physical Production					
Manganese Ore (Lakhs tonnes)	11.51	10.93	11.75	13.65	10.47
Ferro Grades (Lakhs tonnes)	5.19	5.95	6.31	6.44	6.06
E.M.D. (Tonnes)	805.00	1150.00	1240.00	1122.00	1312.00
Ferro Manganese (Tonnes)	9081.00	9555.00	10120.00	11130.00	10200.00
Output per Man Shift (O.M.S. / Tonnes)	0.78	0.73	0.77	0.88	0.66



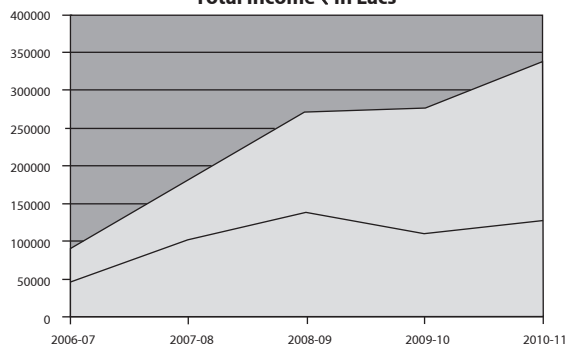
Sales ₹ in Lacs



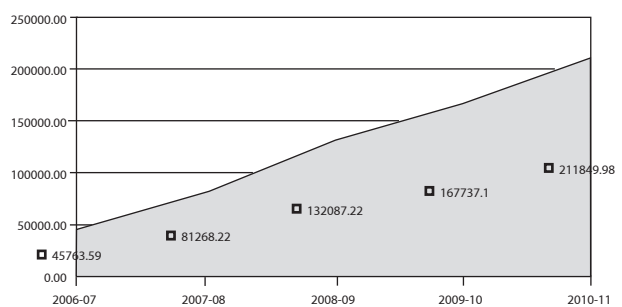
Dividend ₹ in Lacs



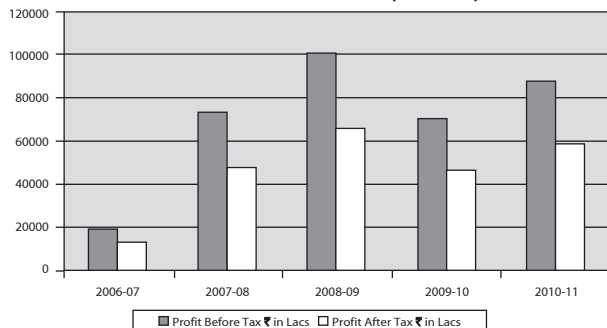
Total Income ₹ in Lacs



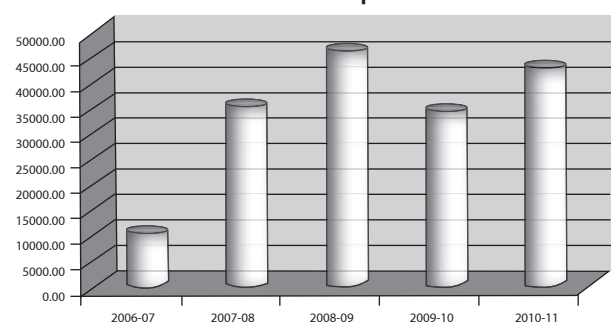
Networth ₹ in Lacs



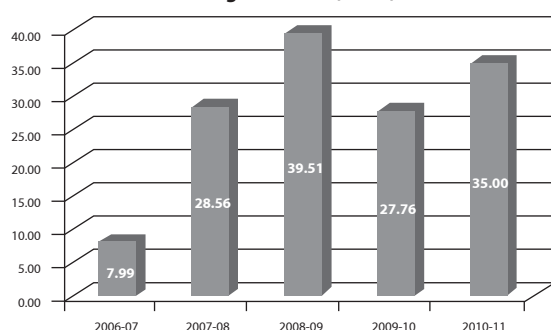
Profit Before and After Tax (₹ in Lacs)



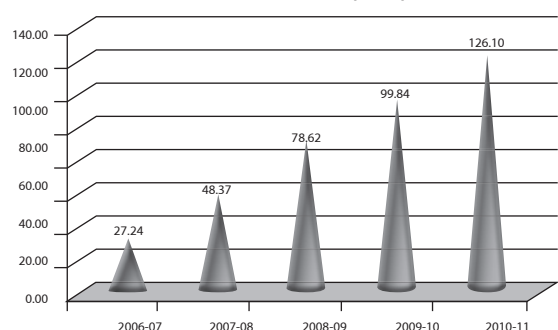
Contribution to Exchequer ₹ in Lacs



Earning Per Share (in Rs.)



Book Value Per Share (in Rs.)



CHAIRMAN'S STATEMENT



Dear Shareholders,

I feel extremely privileged and delighted to communicate with you on the occasion of the 49th Annual General Meeting of your Company and present the Annual Report for the financial year 2010-11, first time after being listed.

As we all know, on 15th December, 2010 last year, your Company got listed on National Stock Exchange and Bombay Stock Exchange. It gives me a great pleasure in mentioning that your Company's IPO was oversubscribed by about 56 times with overwhelming response from retail and institutional investors. I, on behalf of the Board of Directors of your Company, would like to thank our investors/shareholders who have shown their faith in the Company and have made the IPO a huge success.

I am glad to mention that your Company has posted impressive operational and financial numbers during 2010-11. Your Company has produced 11.50 lakh Tonnes of various grades of Manganese Ore as against 10.93 lakh Tonnes in the previous year. The company has recorded sales turnover of Rs. 1139.97 Crores during the financial year 2010-11, as compared to Rs. 969.39 Crores in the previous year. Your Company has posted PBT and PAT of Rs. 880.15 Crores and Rs. 588.05 Crores, respectively.

Your Company has already paid Interim Dividend @ 25% i.e. Rs. 2.50 per Equity Share in the month of March, 2011 and the Board of Directors of your Company has further recommended a final dividend @ 45% i.e. Rs. 4.50 per Equity Share. The total dividend for the year 2010-11 works out to Rs. 7.00 per equity share as against Rs. 5.60 paid in the previous year.

Your Company has contributed to the economic development and improving the quality of life of internal as well as external stakeholders and society at large with its continued commitment towards Corporate Social Responsibility and ethical behaviour. As a responsible corporate citizen to the nation, your Company has spent Rs.5.75 Crores on various CSR activities during the year 2010-11. The Board of Director of the Company has earmarked Rs. 9.50 Crores for CSR activities proposed to be carried out during the year 2011-12. Your Company has undertaken a number of CSR initiatives in the area of health, education, construction/renovation of roads & schools, water supply facilities, peripheral development, sports and culture, development of employment opportunities etc. for community living in and around the mines of the Company.

Your Company always strives to attain high standards of Corporate Governance. Implementation of Integrity Pact, adoption of code of conduct and a well-defined Internal Control Framework add to the transparency of the Company's business practices. At MOIL, we are complying with the Government Guidelines and listing agreement on Corporate Governance.

Your Company has been signing Memorandum of Understanding with the Government every year and getting *EXCELLENT* rating continuously from last 15 years. It has been getting national /regional recognitions for good works done in different areas. With a vision to become one of the largest and best manganese ore mining company of the world, we are in the process of formulating a Corporate Plan for the period up to the year



2020. Long-term planning horizons, maintaining financial stability with strong balance-sheet, good cash flow and focus on operational costs and productivity, determine our major decisions.

The world economies have shown a significant recovery during last year. As a result, the domestic and international producers of Steel have planned for capacity expansion. Manganese ore is one of the most crucial materials for the production of steel, and therefore the performance of manganese ore industry is inter-linked with the performance of steel industry. As per forecast of World Steel Association (WSA), India's steel consumption is expected to grow by 13.3%, in 2011 and by 14.3% in 2012.

At the projected GDP growth rate of the country between 8%-9% and infrastructure development policy of Government of India, Steel being backbone for infrastructure development, its demand is expected to grow in coming times, which in turn will increase the demand of manganese ore as well.

Though India's economy is one of the strongest economies in the world, still there are certain areas of concern. In recent times, the manganese ore industry has seen significant price drop in manganese ore mainly due to the build-up of higher inventory level in both domestic as well as international market. The global production of manganese ore has touched about 47 million tonnes as against previous year production of about 35 million tonnes. In our country also, the production of manganese ore has gone up from 2.24 to 2.82 million tonnes and the availability of excess manganese ore has put pressure on its price. Moreover, worldwide production of steel has increased by about 16% vis-à-vis 6% in India, whereas manganese ore production in the world has increased by 33% vis-à-vis 22% in India. Nevertheless, we feel that demand of manganese ore is cyclic in nature and with the increase in demand and production of steel, the demand of manganese ore will also improve. Your Company has already aimed to produce about 1.2 million tonnes of manganese ore during the year 2011-12.

Your Company is the largest manganese ore producer in India. Your Company holds about 17% of proven reserves with around 69.5 MT of reserves and resources of manganese ore. It is very well positioned to capitalize on India's steel demand growth, given to its dominant

position, medium- to high-grade ore reserves, centrally located mines, low cost of production and strong customer ties.

Your Company has tied up JVs with SAIL and RINL to produce Ferro Alloys which will provide a ready market for its Manganese Ore production. Your Company has also planned huge investments for developments of its existing mines which will further increase the production and productivity to meet the future requirements. The Government of Maharashtra has reserved an area of 814.71 Hecter land in Nagpur & Bhandara district of Maharashtra and the Company has already applied for prospecting license of 765.61 Hecter land. This project will add to the production of the manganese ore to cater its demand in future and to achieve planned production of 2.2 million tonnes by 2020. Your Company is also in process of search of good mining property outside the country. Your Company is a debt free Company carrying good cash reserve, which provides opportunity to go for various brown field as well as green field projects in coming times.

In the larger interest of the nation to produce clean and green energy through renewable source of wind power, your Company had commissioned 20 MW Wind Farm near at Dewas, MP, as a CDM (Clean Development Mechanism) Project. In July 2011, the project has been registered under UNFCCC (United Nations Framework Conventions on Climate Change) for 15.2 MW Wind Farm, which will save emission of 27,149 Tons of Co2 per annum, equivalent to 27149 Certified Emission Reduction (CER). CER is tradable in open market and it is expected that with the current rate of generation of energy, it will generate revenue of about Rs. 2.00 Crores per annum, in next 10 years.

Last but not least, I very warmly want to thank to Government of India, Ministry of Steel, State Governments of Maharashtra and Madhya Pradesh, valued customers and suppliers, all MOILIANS for their immense contribution to your Company's performance. I look forward to their continued support and commitment to your Company's reaching greater heights and enhancing shareholder value.

Nagpur
19th August 2011

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



NOTICE

NOTICE IS HEREBY GIVEN THAT the 49th Annual General Meeting of the Members of MOIL Limited will be held on Friday, 23rd September, 2011 at 2.30 P.M. at Vasant Rao Deshpande Hall, Near MLA Hostel, Civil Lines, Nagpur-440001, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2011 and Profit and Loss Account for the financial year ended on that date together with Report of the Board of Directors and Auditors thereon.
2. To declare Final Dividend for the Financial Year 2010-11.
3. To appoint a Director in place of Shri M.A.V. Goutham, who retires by rotation and being eligible, offers himself for re-appointment
4. To appoint a Director in place of Shri A.K. Mehra, who retires by rotation and being eligible, offers himself for re-appointment
5. To appoint a Director in place of Shri G.P. Kundargi, who retires by rotation and being eligible, offers himself for re-appointment
6. To appoint a Director in place of Shri Vijay Kale, who retires by rotation and being eligible, offers himself for re-appointment
7. To appoint a Director in place of Dr. Madhu Vij, who retires by rotation and being eligible, offers himself for re-appointment
8. To appoint a Director in place of Dr. S.K. Bhattacharya, who retires by rotation and being eligible, offers himself for re-appointment
9. To appoint a Director in place of Shri Sanjeeva Narayan, who retires by rotation and being eligible, offers himself for re-appointment
10. To appoint a Director in place of Shri H.C. Disodia, who retires by rotation and being eligible, offers himself for re-appointment
11. To appoint a Director in place of Shri B.K. Gupta, who retires by rotation and being eligible, offers himself for re-appointment
12. As per the provisions of Section 224(8) (aa) of the Companies Act, 1956, the remuneration of Auditors of Government Companies, appointed by Comptroller and Auditor-General of India, shall be fixed by the Company in General Meeting or in such manner as the Company in General Meeting may determine. Hence, it is proposed that the members may fix the remuneration of the Statutory Auditors of the Company for the year 2011-12, as may be deemed fit.

SPECIAL BUSINESS

13. To consider and, if thought fit, to pass with or without modification the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT Dr. D.D. Kaushik, who was appointed as a Part- time Non official Director of the Company, by Government of India, Ministry of Steel Vide their order no. 1(6)2009-RM-II dated 17.01.2011 and taken on record by the Board of Directors, in their Meeting held on 09.02.2011, as an Additional Director of the Company and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company, liable to retire by rotation in terms of provisions of the Companies Act, 1956."

By order of the Board of Directors

sd/-

Neeraj D. Pandey
(Company Secretary)

Place: Nagpur

Dated: 25.08.2011

Regd. Office:

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

NOTES:

1. The relevant Explanatory Statements, pursuant to Section 173(2) of the Companies Act, 1956, in respect of the business Item No.13 above is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. THE PROXY FORM IS ENCLOSED.
3. Brief Resume of the Directors seeking appointment/ re-appointment as mandated under Clause 49 of Listing Agreement with the Stock Exchanges is annexed hereto and forms part of the notice.
4. None of the Directors of the Company is in any way related with each other.
5. Members are requested to:-
 - Note that copies of Annual Report will not be distributed at the Annual General Meeting.
 - Bring their copies of Annual Report, Notice and Attendance Slip duly completed and signed at the meeting.



- Deliver duly completed and signed Attendance Slip at the entrance of the meeting venue as entry to the Hall will be strictly on the basis of the entry slip available at the counter at the venue to be exchanged with the attendance slip.
 - Quote their Folio/Client ID & DP ID Nos. in all correspondence.
 - Note that due to strict security reasons, mobile phones, brief cases, eatables and other belongings are not allowed inside the Meeting Hall.
 - Note that no gifts/coupons will be distributed at the Annual General Meeting.
6. Corporate Members are requested to send a duly certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote on their behalf at the Annual General Meeting.
7. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 16th September, 2011 to 23rd September, 2011 (both days inclusive). The final dividend on equity shares, as recommended by the Board of Directors, is subject to the provisions of Section 206A of the Companies Act, 1956.
8. MOIL has become a listed company on listing of its shares on 15.12.2010 with NSE and BSE. Before its listing, provisions of Section 255 (Appointment of directors and proportion of those who are to retire by rotation), 256 (Ascertainment of directors retiring by rotation and filling of vacancies) and 257 (Right of persons other than retiring directors to stand for directorship) of the Companies Act, 1956, were not applicable on the Company as it was 100% Government Company. Now, after its listing all these provisions are applicable. Clause 138 of Articles of Association of the Company also provides for retirement by rotation of directors except Government Directors and Chairman-cum-Managing Director. Accordingly, though all directors are appointed by the Government of India for a fixed tenure, the company is proposing to appoint all eligible directors as rotational directors in order to comply with requirements of the Companies Act and its Articles of Association, and also to have a better Corporate Governance within the Company. This being first AGM of the Company after listing and applicability of the above provisions, all directors who may be liable to be retired by rotation, are proposed to re-appointed and from next year onwards 1/3 of 2/3 directors eligible for retirement by rotation, will be proposed for retirement.
9. All the documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company on all working days (barring Saturday and Sunday), between 11.00 AM to 1.00 PM up to one day prior to the date of AGM i.e. up to 23.09.2011.
10. Members seeking further information on the Accounts or any other matter contained in the Notice, are requested to write to the Company at least 7 days before the meeting so that relevant information can be kept ready at the meeting.
11. In terms of Section 619(2) of the Companies Act, 1956, Comptroller and Auditor General of India vide their letter no. CA/V/COY/CENTRAL GOVERNMENT, MANGOR (1)/10 dated 16/08/2011, has appointed M/s V K Surana & Co, Chartered Accountants, Nagpur, as the Statutory Auditors of the Company for the year 2011-12.

EXPLANATORY STATEMENT

Item No.13

On nomination by the government of India, Ministry of Steel vide their order No. 1(6) 2009-RM-II dated 17.01.2011, Dr. D.D. Kaushik was appointed as an a Part- time Non official Director of the Company with effect from 9th February, 2011 and vacates his office of Directorship at this Annual General Meeting, pursuant to Section 260 of the Companies Act, 1956. and Articles of Association of the Company. A notice under Section 257 of the said Act has been received from Dr. D.D. Kaushik proposing himself as a candidate for the office of Director of the Company.

The Brief Bio-data of above Director is as under:

Dr. D.D. Kaushik has obtained Masters Degree in Law (L.L.M) and Doctorate in Law (L.L.D).He was Director Studies at the Institute of Company Secretaries of India (ICSI) and has held several prominent positions during his career such as Pro Vice Chancellor (BBD University), Professor at Wawasan University, Malaysia. He is the author of a number of publications in Law, Legislature, Education, etc, which have been published both nationally and internationally. He has also contributed to the study material for Commercial Law and Company Law for IGNOU. He has approximately 40 years' experience.

Dr. D.D. Kaushik, as an Additional Director, holds office upto the date of the AGM only, therefore, it is proposed to appoint him as Director of the Company at this Annual General Meeting

None of the Directors other than Dr. D.D. Kaushik, to the extent of his appointment as Director, is concerned or interested in the above resolution.