

ANNUAL REPORT 2011-2012



MOIL LIMITED
(A Govt. of India Enterprise)

Adding **Strength** to Steel

Vision & Mission & Objectives

GOLDEN JUBILEE
1962-2012



VISION / MISSION

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

OBJECTIVES

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

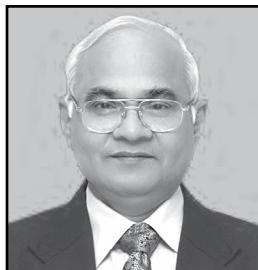
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Important Communication to Members

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

BOARD OF DIRECTORS



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

GOVERNMENT DIRECTORS



Dr. Dalip Singh



Dr. K. Shivaji



Shri S.K. Mishra

INDEPENDENT DIRECTORS



Dr. S.K. Bhattacharyya



Shri Vijay Kale



Dr. Madhu Vij



Shri Sanjeeva Narayan



Shri H.C. Disodia



Shri Bal Kishan Gupta



Dr. D.D. Kaushik

FUNCTIONAL DIRECTORS



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



Shri A.K. Mehra
Director (Commercial)

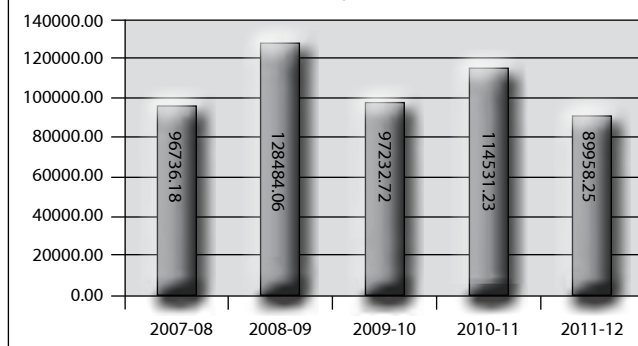


Shri G.P. Kundargi
Director (Prod. & Plng.)

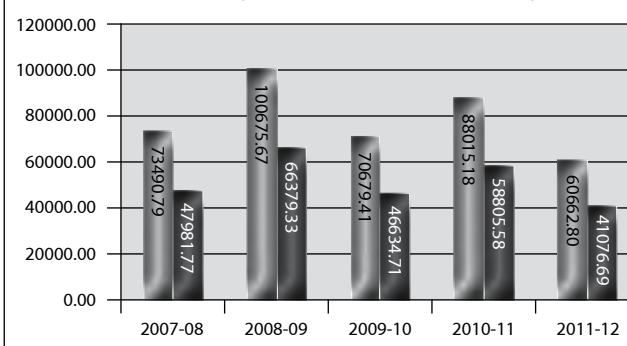
Performance at a Glance

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

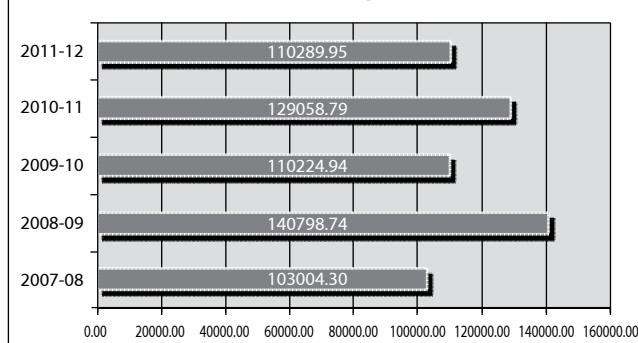
Net Sales ₹ in Lacs



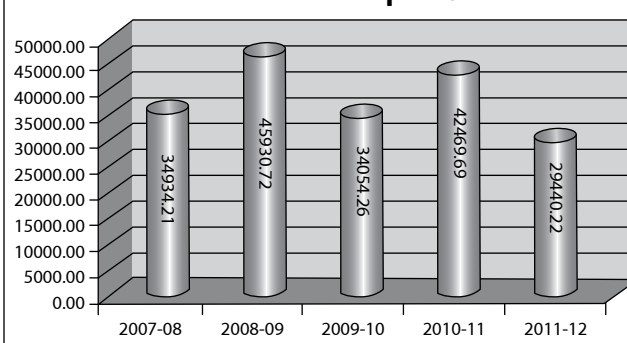
Profit Before Tax ₹ in Lacs ■ Profit After Tax ₹ in Lacs



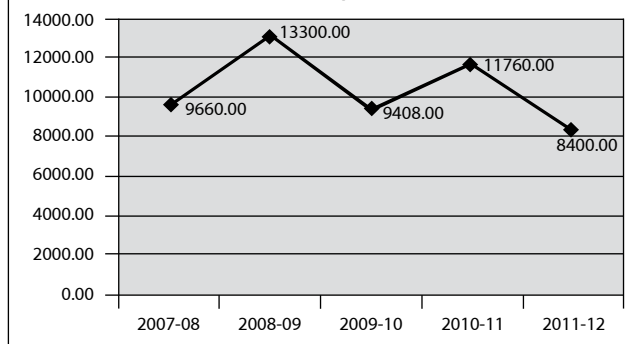
Total Income ₹ in Lacs



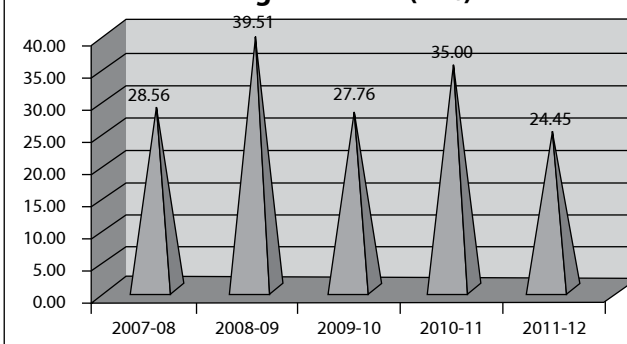
Contribution to Exchequer ₹ in Lacs



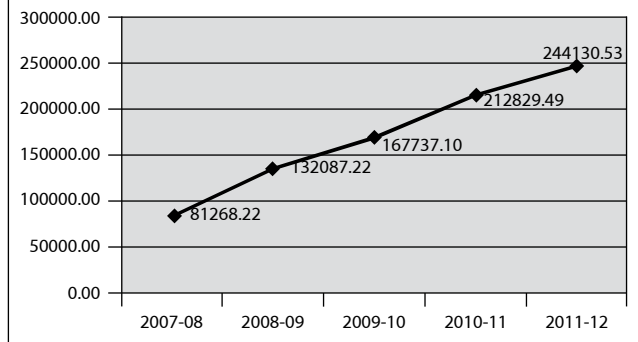
Dividend ₹ in Lacs



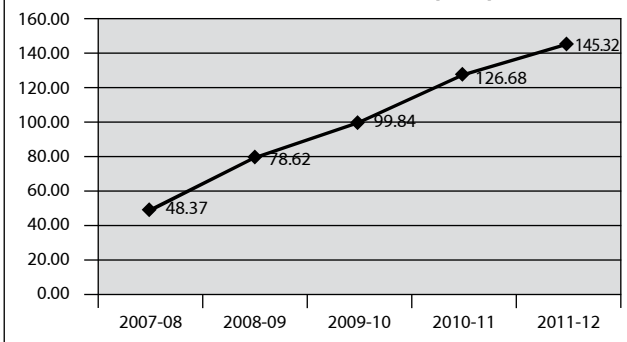
Earning Per Share (in ₹)



Networth ₹ in Lacs



Book Value Per Share (in ₹)



CHAIRMAN'S STATEMENT



Dear Shareholders,

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

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

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

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

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

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

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

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

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

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

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

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

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

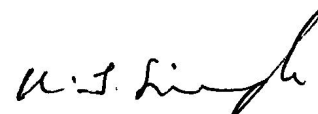
MOIL is the largest manganese ore producer in India with its market share of about 42%. Your Company holds about 30% of proven reserves with around 73.5 MT of reserves and resources of manganese ore. It is very well positioned to capitalize on India's steel demand growth, given its dominant position,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

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

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

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

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



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

NOTICE

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

ORDINARY BUSINESS

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

By order of the Board of Directors

Sd/-

Neeraj D. Pandey
(Company Secretary)

Place: Nagpur

Dated: 2nd July, 2012

Regd. Office:

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

NOTES:

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

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

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

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