

51st ANNUAL REPORT 2012-2013



MOIL LIMITED
(A Govt. of India Enterprise)

Adding **Strength** to Steel

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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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 G. P. Kundargi
Chairman-cum-Managing Director

GOVERNMENT DIRECTORS



Shri Lokesh Chandra



Shri Apurva Chandra

INDEPENDENT DIRECTORS



Shri Sanjeeva Narayan



Shri Hem Chander Disodia



Shri Bal Kishan Gupta



Dr. D.D. Kaushik

FUNCTIONAL DIRECTORS



Shri A. K. Mehra
Director (Commercial)

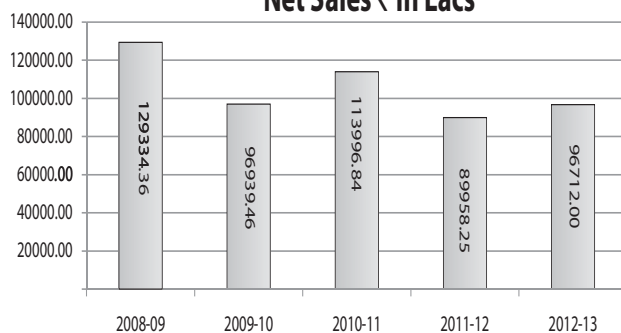
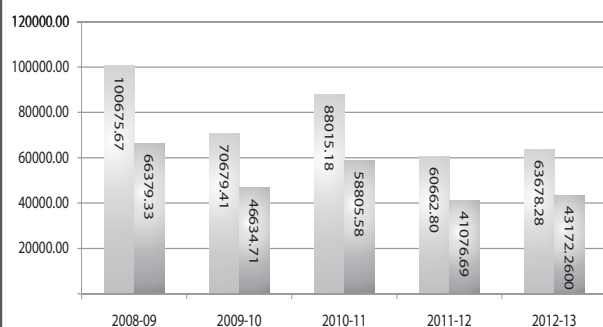
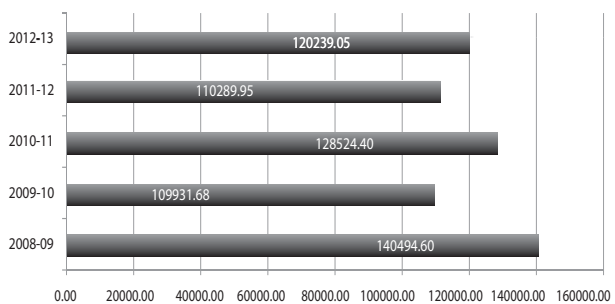
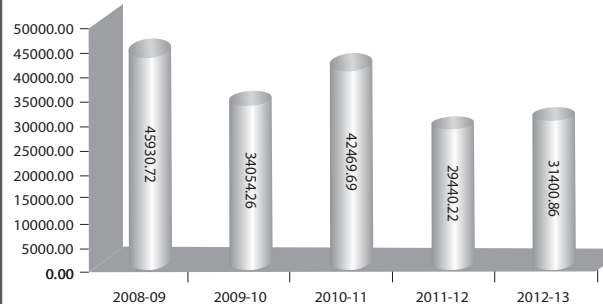
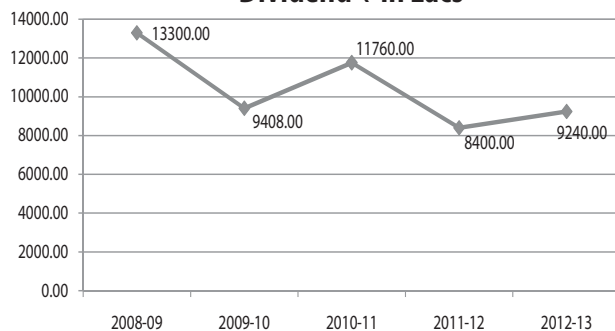
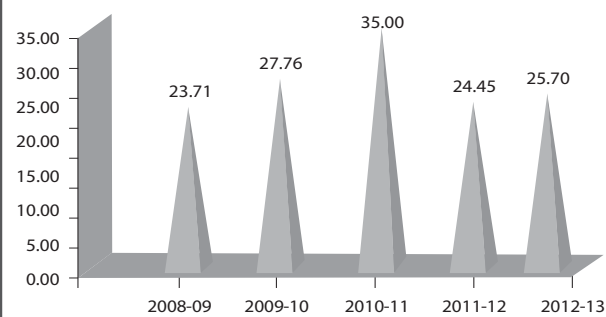
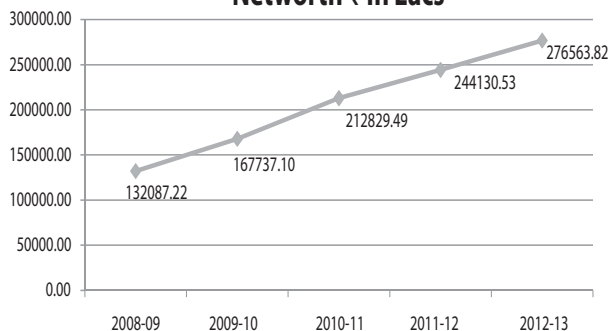
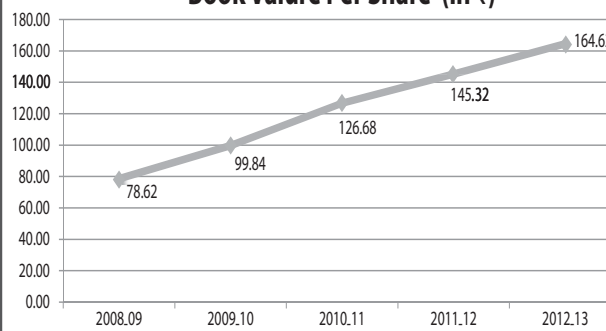


Shri M.P. Chaudhari
Director (Finance)



PERFORMANCE AT A GLANCE

Particulars	2012-13	2011-12	2010-11	2009-10	2008-09
Financial (₹ in crores)					
Net sales	967.12	899.58	1139.97	969.39	1293.34
Other Income	235.27	203.32	145.28	129.92	111.60
Total Income	1202.39	1102.90	1285.25	1099.31	1404.94
Gross Margin	669.82	636.54	912.66	732.09	1031.42
Profit Before Tax	636.78	606.63	880.15	706.79	1006.76
Profit After Tax	431.72	410.77	588.06	466.35	663.79
Dividend	92.40	84.00	117.60	94.08	133.00
Share Capital	168.00	168.00	168.00	168.00	28.00
Reserves & Surplus	2597.64	2273.31	1960.29	1509.37	1292.87
Networth	2765.64	2441.31	2128.29	1677.37	1320.87
Borrowings	0.00	0.00	0.00	0.00	0.00
Gross Block	479.91	422.58	396.46	357.03	342.00
Working Capital	2485.50	2184.36	1892.81	1471.27	1118.17
Capital Employed	2734.45	2398.06	2097.29	1654.98	1305.31
Important ratios					
Profit before tax to Capital Employed %	23.29	25.30	41.97	42.71	77.13
Profit before tax to Sales %	65.84	67.43	77.21	72.91	77.84
Debt Equity Ratio	0.00	0.00	0.00	0.00	0.00
Earnings per Share (₹) (on face value of ₹10)	25.70	24.45	35.00	27.76	23.71
Contribution to Exchequer (₹ in crores)					
Income Tax	213.84	204.01	303.43	246.12	341.23
Dividend Distribution Tax	14.99	13.76	19.53	15.77	22.60
Sales Tax and VAT	23.72	21.85	28.37	22.55	30.72
Royalty & Cess	36.38	33.10	43.50	34.69	35.00
Excise Duty	7.91	6.10	5.34	2.93	4.64
M.P.Road Cess	17.17	15.59	24.52	18.48	25.11
Total	314.01	294.41	424.69	340.54	459.30
Production					
Manganese ore (MT)	1138895	1070717	1150742	1093363	1175318
E.M.D. (MT)	786	714	805	1150	1240
Ferro manganese (MT)	9210	8694	9081	9555	10120
Electricity from wind mills (KwH)	37545155	33022835	31039998	33101066	30039353

**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 in communicating with you on the occasion of 51st Annual General Meeting and presenting Annual Report for the financial year 2012-13 for the first-time as Chairman-cum-Managing Director of your company.

I congratulate all employees, stake holders, associates and all others who have contributed in the success of this great organization.

The year 2012-13 has been a year of ups and down not only for MOIL but for entire economy as the GDP has reached the lowest rate in last nine years. The manganese ore prices have been under pressure throughout the year. Despite that, your company has been able to outperform the last year. With good marketing strategy and pricing policy, your company has been able to increase the prices of manganese ore by about 19% during 2012-13. However, availability and supply of High grade Manganese Ore in international market is still a major threat for manganese industry in the country.

Your Company has produced 11.38 lakh tonnes of various grades of Manganese Ore as against 10.71 lakh tonnes in the previous year registering growth of 6.35%. The Company has recorded 7.51% higher sales turnover at ₹967.12 Crores during the financial year 2012-13, as compared to ₹899.58 Crores in the previous year. The profitability of the company has also improved during the year and it has posted PBT and PAT of ₹636.78 Crores and ₹ 431.72 Crores, respectively, as against ₹ 606.63 Crores and ₹ 410.77 Crores last year.

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 March, 2013. The Board of Directors of your Company has further recommended a final dividend @ 35%, i.e., ₹3.50 per Equity Share. Thus, total dividend for the year 2012-13 works out to ₹5.50 per equity share as compared to ₹5.00 per equity share last year.

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. MOIL is complying with the Government Guidelines and listing agreements on Corporate Governance. A report on Corporate Governance compliances has been made part of the Directors' Report. I am pleased to inform that Department of Public Enterprises (DPE) has given EXCELLENT rating to your company for complying with various norms of Corporate Governance for the year 2011-12.

Being a good Corporate Citizen of the Nation, your Company has always been in forefront in extending its assistance for upliftment of the needy people of the society through development and improvement of the quality of life of internal as well as external stakeholders and society at large. Your Company has undertaken a number of CSR initiatives in the area of health, education, construction/renovation of roads and 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 once again successfully achieved the MoU excellent target of CSR expenditure fixed at ₹7.15 Crores by the Government of India for the year 2012-13. The total expenditure on CSR during the year 2012-13 has been ₹10.56 Crores including ₹2.04 Crores for the year 2011-12.

With a vision to become one of the best manganese ore mining companies of the world, MOIL has formulated a Corporate Plan for the period up to the year 2020-21. Long-term planning horizons, maintaining financial stability with strong balance-sheet, good cash flow and focus on operational costs and productivity, determine company's major decisions.

In order to meet the demand of Manganese ore in the steel industry and to remain market leader in Manganese ore production, your company has planned huge investments for development of its existing mines and for this purpose it has taken up / proposed various



projects like Sinking of High speed vertical shaft at Balaghat mine, Sinking of vertical shafts at Chikla, Ukwa, Munsar and Gumgaon mines, deepening of vertical shaft at Balaghat, Chikla mines.

The performance of manganese ore industry mainly depends on the performance of steel industry. India's per capita consumption of crude steel is about 60 Kgs compared to global average of 219.6 kgs. India's steel demand may rise very sharply once the economy move upto the next round of investment in industry infrastructure.

The world steel production grew at 1.36% from 1490 million tonnes in calendar year 2011 to 1510.22 million tonnes in calendar year 2012, while in India the production grew at 6.25% from 72.2 million tonnes in 2011 to 76.72 million tonnes in 2012. However, the world manganese production fell by 3.57% from 55.43 million tonnes in calendar 2011 to 53.45 million tonnes in calendar 2012, while in India the production fell by 12.60% from 2.54 million tonnes in 2011 to 2.22 million tonnes in 2012. MOIL production increased from 10.71 lakhs tonnes in 2011-12 to 11.39 lakhs tonnes in 2012-13 registering growth of 6.35%. Its market share of production has also increased from 42% to 51%.

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.

I am pleased to inform you that the grant of Prospecting License for an area of 597.44 hectares in the Nagpur and Bhandara districts by the Government of Maharashtra has come at the right time. The areas will be utilized for expansion of the existing mines and there is a possibility of opening up of at least 4 mines. This will go a long way in augmenting the production of manganese ore in the country in the coming years which in turn will help to meet the demand of Steel Industry to a great extent. Your Company is taking expeditious action to develop the area as early as possible after completion of all statutory formalities. Anticipating the grant of PL, sum of ₹250.00 Crores has been earmarked for conducting geophysical studies, exploratory drilling, etc. After completion of preliminary studies, these leases shall be converted to Mining Leases so as to start the mining operations in the coming years.

At present, your Company is the largest producer of manganese ore in the country with a share of 51%. However, it is seen that India is importing large quantities of high grade manganese ore to the tune of 23.27 lakhs tonnes per annum. This is mainly for the purpose of blending with low and medium grade of manganese ore available in India and also for conversion of the same to Ferro Alloys to cater to the European market. With the projected demand of steel in the domestic market being 120 million tonnes by 2016-17 in the 12th Plan period, there will be very good opportunity for your Company to increase production with a view to

increase its market share. For the purpose, as mentioned earlier, the Company is executing a number of mining projects with a view to increase the capacity of the existing mines as well as to sustain the existing production level. It is proposed to achieve a production level of 1.5 million tonnes by 2016-17 and 2.2 million tonnes by 2020-21.

Your Company holds about 73.5 MT of reserves and resources of manganese ore out of which about 44% are proven reserves. 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 is one of the public sector enterprises in the country known for its continuous excellent performance and received MoU EXCELENT rating for the year 2011-12. The Company has been getting national /regional recognition for its good works in almost all the fields of its activities. During the year, it has received some prestigious awards and reorganizations like National Safety Award from President of India, National Quality Circle Award, Corporate Governance CSR Award, Rajbhasha Shield, etc.

Your Company is in the process of searching good mining property outside the country and has invited open ended expression of interest for potential investment opportunities, primarily for manganese ore and other minerals both within India and globally. Your Company, being a debt free Company with good cash reserve, is very well poised to grab any opportunity for brown field as well as green field projects. MOIL had applied for 6 coal blocks for power generation purpose and 2 for commercial mining. Government of India has recently taken a decision on allocation of coal blocks available for power generation. However, the Government has preferred to allot these coal blocks to those companies that are having power projects in advance stage and hence MOIL could not get any allotment. However, decision in respect of coal blocks for commercial mining is yet to be taken by the Government. In the meanwhile, your company is exploring the possibilities for availability of power through joint ventures with SAIL and RINL.

I would like to take this opportunity to thank the Government of India, Ministry of Steel, State Governments of Maharashtra and Madhya Pradesh, our valued customers, Company's bankers, suppliers and all MOILIANS for their great 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 have not been possible to lead the Company in the growth direction. I look forward to continued support and commitment of all stakeholders to Company's reaching greater heights and enhancing stakeholders' value in coming times.

G. P. Kundargi

(Chairman-cum-Managing Director)



NOTICE

NOTICE IS HEREBY GIVEN THAT 51st Annual General Meeting of the Members of MOIL Limited will be held on Thursday, 22nd August, 2013 at 2.30 p.m. at MOIL Ltd., Golden Jubilee Hall, West Court Premises, In-front-of Z.P. (Ex. Govt.) High School, Katol Road, Nagpur - 440013, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2013 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 2012-13.
3. To appoint a Director in place of Shri Sanjeeva Narayan, who retires by rotation and being eligible, proposed to be re-appointed
4. To appoint a Director in place of Shri Bal Kishan Gupta, who retires by rotation and being eligible, proposed to be re-appointed
5. To appoint a Director in place of Shri H.C. Disodia, who retires by rotation and being eligible, proposed to be re-appointed
6. 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 2013-14, as may be deemed fit.

By order of the Board of Directors

Neeraj D. Pandey
(Company Secretary)

Place: Nagpur

Dated: 25th July, 2013

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 since last Annual General Meeting, as mandated under Clause 49 of Listing Agreement with the Stock Exchanges is annexed hereto and forms part of the notice.
3. The Registrar of Members and Share Transfer Books of the Company will remain closed from 17th August, 2013, to 22nd August, 2013 (Both days inclusive). The final dividend on equity shares, as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid on and from 16th September, 2013 to the Members or their mandates whose names appear in the Company's Register of Members on 22nd August, 2013 in respect of physical shares. In respect of dematerialised shares, the dividend will be payable to the beneficial owners of the shares whose names appear in the statement of Beneficial Ownership furnished by National Securities Depository Limited and Central Depository (India) Limited at the close of business hours on 16th August, 2013.
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. Members are requested to notify immediately any change of address:
- To their Depository Participant(DP) in respect of shares held in dematerialised form, and
 - To the Company at its Registered Office or to its RTA, M/s. Bigshare Services Pvt. Ltd. In respect of their physical shares, if any, quoting their folio number.
7. Facility of payment of dividend through ECS / NECS is available. Those shareholders who are holding shares in electronic mode should register their ECS mandate with their respective depository participants directly and shareholders who are holding equity shares in physical mode, they are requested to deposit ECS mandate with the Company or RTA.
8. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956 dividends which had remained unclaimed for a period of seven years from the date of transfer of the same will have to be transferred to the 'Investor Education and Protection Fund' established by the Central Government. Shareholders who have not encashed the dividend warrant(s) so far for various years are requested to make their claim to M/s. **Bigshare Services Pvt. Ltd.**, Mumbai, RTA of the Company. Shareholders are requested to note that no claims shall lie against the said Fund or the Company in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claims.
9. 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.
10. 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 50th Annual General Meeting held on July 27th, 2012 authorised the Board of Directors to fix the remuneration of Statutory Auditors for the year 2012-13. Accordingly, the Board of Directors had fixed audit fee of Rs. 3.50 Lakhs 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.
11. 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.
12. The Address of Registrar and Transfer agents of the company is as follows:
- Bigshare Services Pvt. Ltd.**
E-2 & 3, Ansa Industrial Estate,
Saki-Vihar Road, Sakinaka.
Andheri(E), Mumbai - 400 072.
Tel: 91-22-2847 0652 | 40430200| 2847 0653
Fax: 91-22-2847 5207
E-mail: investor@bigshareonline.com
for Investor queries/grievance



Brief Resume of Directors Appointed Since Last Annual General Meeting

Name	Shri M.P. Chaudhari	Shri Lokesh Chandra	Shri Apurva Chandra
Date of Birth	06 th October, 1962	30 th November, 1970	19 th September, 1964
Date of Appointment	01 st August, 2012	14 th March, 2013	19 th March, 2013
Qualification	B. Com., A.C.A.	M. Tech (Structures), B.E. Civil	B.Tech., Civil Engineering (IIT, Delhi) M. Tech., Structural Engineering (IIT, Delhi)
Expertise in specific functional area	Shri M.P. Chaudhari is currently Director (Finance) of our Company. He is a Chartered Accountant. He started his carrier with M/s Bajaj Steel Industries Limited as a Accounts Officer and has worked in other private sector companies before joining MOIL in December, 1997 as Manager (Finance). Shri Chaudhari has more than 25 years experience in the field of finance, accounts and taxation.	Shri Lokesh Chandra currently Joint Secretary, Ministry of Steel is an IAS Officer of 1993 Batch of Maharashtra cadre. On Central Deputation he held various positions: - PS to Union Home Minister - PS to Union Power Minister - Director, Ministry of Power, Govt. of India. On state cadre, he has served as Municipal Commissioner, Collector & DM in the various districts of Maharashtra. He has approximately 18 years' experience in Public Administration.	Shri Apurva Chandra currently Principal Secretary (Industries), Industries, Energy & Labour Department, Govt. of Maharashtra, Mumbai is an IAS Officer of 1988 Batch of Maharashtra cadre. On Central Deputation he held various positions: - Joint Secretary, Ministry of Petroleum & Natural Gas - Joint Secretary, Ministry of Human Resources Development D/o School Education & Literacy - Pvt. Secretary., Ministry of Petroleum & Natural Gas - Dy. Secretary, Ministry of Surface Transport On state cadre, he has served as Sugar Commissioner & Collector in various districts of Maharashtra. He has approximately 24 years' experience.
Directorship held in other Companies	1. SAIL & MOIL Ferro Alloys Pvt. Ltd. 2. RINMOIL Ferro Alloys Pvt. Ltd.	1. Rashtriya Ispat Nigam Limited 2. KIOCL Ltd. 3. Hindustan Steelworks Construction Ltd. 4. Eastern Investments Ltd. 5. The Orissa Minerals Development Company Ltd. 6. The Bisra Stone Lime Company Ltd.	1. Mahanagar Gas Limited 2. Maharashtra Airport Development Company Ltd. 3. Pune International Exhibition and Convention Centre Moshi Ltd. 4. Maharashtra Ex-servicemen Corporation Ltd. 5. Maharashtra Vikrikar Rokha Pradhikaran Ltd.
Membership / Chairmanship of Committees across all Public Companies*	Shareholders' / Investors' Grievance Committee 1. MOIL Limited	NIL	NIL
No. of Shares held	NIL	NIL	NIL

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

**Brief Resume of Directors proposed to be Re-appointment at 51th AGM**

Name	Shri Sanjeeva Narayan	Shri H C Disodia	Shri Bal Kishan Gupta
Date of Birth	21 st September, 1960	02 nd February, 1948	09 th June, 1949
Date of Appointment	16 th October, 2010	09 th November, 2010	09 th November, 2010
Qualification	FCA, ACS and B.com	M.A (Political Science)	L.L.B and B.Sc
Expertise in specific functional area	Shri Sanjeeva Narayan is a Chartered Accountant and is a partner in M/s Ashwani and Associates, Chartered Accountants. He specializes in the areas of Audit and Direct Taxes. Mr. Narayan has contributed various articles in publications such as 'Taxman', 'Chartered Accountants Today' and the 'Chartered Accountant' on various taxation and accounting issues of a contemporary nature. Mr. Narayan has over 29 years of experience in the field of audit and direct taxes.	Mr. Disodia is a retired IAS officer of 1975 Batch of Haryana cadre and the post he last held was Financial Commissioner and Principal Secretary to Govt. As Financial Commissioner he functioned as the apex authority of the State to adjudicate matters relating to Land Administration. As Principal Secretary/Secretary to Govt., he handled important departments like Food & Supplies, Agriculture, Environment & Forest, Technical Education etc. He also worked as Appellate Divisional Commissioner and member Sales Tax Tribunal. In Corporate Sector, he held the position of Chairman and Managing Director of various Boards and Corporations of the Govt. He also handled various Govt. Depts. as Joint Secretary and Director besides being Collector & D.M, ADM and SDM at various places in Haryana. Prior to Joining IAS, Sh. Disodia gained experienced of Banking Sector as well while working in Reserve Bank of India. He has approximately 40 years' experience at his credit.	Shri Bal Kishan Gupta is a retired Indian Revenue Service officer and was Chief Commissioner, Income Tax, West Bengal, Kolkata. He has served in various capacities such as Chief Commissioner, Income Tax, Shilong, Commissioner, Income Tax, Kolkata and Muzzafarpur. He has also held the positions of Member, Finance, Delhi Vidyut Board, Additional Commissioner, Income Tax, Jaipur and Assistant Commissioner, Delhi. He has approximately 37 years' experience.
Directorship held in other Companies	1. D & M Components Limited 2. Best Properties Pvt. Ltd. 3. Hindon Mercantile Limited 4. Elegant Advisory Services Pvt. Ltd. 5. Rajdhani Vanijya Private Ltd 6. Shanti Portfolio Pvt. Ltd. 7. Merveille Advisory Services Pvt. Ltd.	NIL	NIL
Membership / Chairmanship of Committees across all Public Companies*	Audit Committee 1. MOIL Ltd.	NIL	Audit Committee 1. MOIL Ltd.
No. of Shares held	NIL	NIL	NIL

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



DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Member,

On behalf of Board of Directors, I feel great pleasure in presenting the 51st Annual Report of your Company, together with the Audit Report and Audited Accounts, for the year ended 31st March, 2013.

FINANCIAL RESULTS

The financial results of 2012-13 and of the previous year are highlighted below:

₹ in Crores

Particulars	2012-13	2011-12
Net Sales	967.12	899.58
Other Income	235.27	203.32
Total Income	1202.39	1102.90
Profit before interest, depreciation and tax (EBIDTA)	669.82	636.54
Depreciation	33.03	29.92
Profit before tax for the year (PBT)	636.78	606.63
Less: Provision for Taxation	205.06	195.86
Profit after tax for the year (PAT)	431.72	410.77
Transfer to General Reserve and CSR Reserve	326.63	300.00

KEY Financial Ratios

	2012-13	2011-12
EBIDTA to Sales Turnover (%)	69.26	70.76
PAT to net worth (%)	15.61	16.83
EBIDTA to average capital employed (%)	26.10	28.32
Earning Per share (Face Value ₹10 each)	25.70	24.45
Book Value per share	164.62	145.32

DIVIDEND

Continuing the previous many years dividend paying practice, during the year 2012-13, an Interim Dividend @ 20% i.e., ₹2.00 per Equity Share, has been paid/dispatched in the month of March, 2013. Taking into consideration the profit for the year, the Board of Directors of your company has further recommended a final dividend @ 35% i.e., ₹3.50 per Equity Share, in this financial year. The total dividend for the year 2012-13 works out ₹5.50 per equity share as against ₹5.00 paid in previous year. The total dividend

payout for the year works out ₹92.40 Crores @55% (Previous year @50% i.e. 84 Crores).

FINANCIAL PERFORMANCE

Your company has recorded net sales (excluding excise duty) of ₹967.12 Crores during the financial year 2012-13, as compared to ₹899.58 Crores of previous year. Profit before tax (PBT) for the year has increased by 4.97%, to ₹636.78 Crores, as compared to previous year. The Company has earned a Profit after Tax (PAT) of ₹431.72 Crores as against ₹410.77 Crores in the previous year.

SALES

The Board is pleased to inform that the Company has sold 11.93 Lakh tonnes of Manganese ore in comparison to 10.78 Lakh tonnes of Manganese ore last year. During 2012-13, a net sale of Manganese Ore was of ₹890.73 Crores against ₹810.39 Crores in the year 2011-12. The Company, mainly due to its prudent marketing policy, has registered an increase of 10.67% in sales quantity and increase in sales turnover by 9.91%.

In respect of manufactured products viz. Ferro Manganese, EMD, Ferro Manganese Slag, net sale during the year 2012-13 was of ₹67.13 Crores in comparison to ₹80.73 Crores during the year 2011-12. The sale of Electrolytic Manganese Dioxide (EMD) was 1014 tonnes, as against the previous year 1005 tonnes, whereas sale of Ferro Manganese was at 10080 tonnes in comparison to sales of 13239 tonnes during 2011-12.

PRODUCTION AND PRODUCTIVITY

During the year the company has produced 11.39 Lakh Tonnes of various grades of Manganese Ore as against previous year 10.71 Lakh Tonnes. The production of Electrolytic Manganese Dioxide (EMD) was 786 tonnes as against 714 tonnes, during 2012-13. The production of Ferro Manganese was 9210 tonnes as against previous year's production of 8694 tonnes. The Output per Manshift of the Company has been 0.798 tonnes (previous year 0.711 tonnes).

The Company has a closing stock of 0.77 lakh tonnes of manganese ore valued at ₹30.72 Crores as on 31.03.2013 as compared to 1.58 lakh tonnes of manganese valued at ₹57.08 Crores as on 31.03.2012. The closing stock of Ferro manganese was 1208 tonnes valued at ₹5.50 Crores as on 31.03.2013 as against 2078 tonnes valued at 8.15 Crores as on 31.03.2012. The closing stock of EMD as on 31.03.2013 was 71 tonnes (Previous Year 299 Tonnes) valued at ₹0.58 Crores (Previous Year ₹2.08 Crores).

**OTHER INCOME**

As per the Government Guidelines, your Company deployed surplus funds in fixed deposits and earned an interest income which is included in total interest received of ₹229.17 Crores (Previous Year ₹193.84 Crores) and shown in other income.

CAPITAL / VALUE ADDITION PROJECTS

In order to meet the demand of Manganese ore in the steel industry and to remain market leader in Manganese industry, it is required to enhance the Manganese Ore production. The company has prepared an ambitious plan to enhance the present level of production of Manganese ore from 1.1 million Ton to 2.2 million Ton by the year 2020-21. In order to implement this plan, your company has planned huge investments for development of existing mines, acquisition of new mines in and outside the country, setting up Manganese based value addition projects etc.

Mine Expansion Projects :

MOIL has also undertaken ambitious mine expansion projects to enhance the production from its promising mines. Few projects have been recently completed and remaining are at various stages of implementation as under:

Balaghat Mine

Balaghat Mine produces high grade Manganese ore with +46% Manganese content. As on date around 24.20 million Ton ore reserve in different categories are available up to 650 meters depth from surface. It is planned to enhance the production of this Mine from present level of production of 0.31 million Ton per annum to 0.80 million Ton per annum by the year 2020-21. In order to sustain the present level of production and to achieve planned production following Mine expansion Projects have been undertaken:

- **Deepening of Production shaft from 10th. level (240 mtr.) to 15th. level (390 mtr.)**

The deepening of production shaft work was completed in October 2011. The total expenditure on the project was 8.00 Crores. Deepening of Production shaft was required to sustain the present level of production of 3.10 Lakhs Ton per annum and to enhance the production by 0.60 Lac Ton per annum. Deepening of this shaft was essential to commence the production and development related activities below 12th level.

- **Deepening of Holmes shaft from 12th. level (300 meters) to 16½ level (435 meters)**

Deepening of Holmes shaft has been undertaken which is in progress and scheduled to be completed by 2016 with an estimated cost of ₹28.00 Crore. The project will be helpful in enhancing the production from 3.10 Lakhs Ton to 4.20 Lakhs Ton per annum by the year 2016-17.

- **Sinking of 7.5 meter Diameter; 650 meters depth, high speed vertical shaft from surface to 22½ level**

The ambitious project has been planned in order to achieve production of 8.00 Lakhs Ton per annum from Balaghat Mine. The project envisages a new shaft up to a depth of 650 meters; having a hoisting capacity of 1.0 million Ton of ROM per annum. This independent shaft will facilitate nos. of underground levels to exploit required quantity of Manganese ore. The High speed shaft project has a estimated capital outlay of ₹200 Crores. Global Tenders have been called for the project and it is expected that the work order shall be placed by the end of July 2013.

Ukwa Mine

This Mine produces Ferro grade Manganese ore with +36% Manganese content . As on date around 8.70 million Tons of Manganese ore reserves in different categories are available up to depth of 250 meters. It is planned to enhance the production of this Mine from present level of 0.55 Lac Ton to 0.80 Lac Ton per annum by the year 2020-21. In order to sustain the present level of production and to achieve planned production following Mine expansion Projects are undertaken:

- **Sinking of first vertical shaft having 4.5 meters Diameter and 134 meters depth**

The work of sinking of vertical shaft is in progress at approximate cost of ₹18.50 Crores. The work scheduled to be completed by August 2014. This is the first vertical shaft at Ukwa which will facilitate new working levels and improved hoisting capacity leading to increased production and productivity.

- **Sinking of second vertical shaft having 5.5 meters Diameter and 335 meters depth**

The sinking of second vertical shaft is proposed at Ukwa mine to win ore from deeper levels as well as to reduce tramming distance. The proposed shaft will help to achieve planned production beyond 2016. Vertical shaft Design work is in progress and it is planned to complete the vertical shaft sinking work by 2017.



Chikla Mine

This Mine produces Ferro grade Manganese ore with +36% Manganese content. As on date around 5.10 million Ton Manganese ore reserves in different categories are available up to 250 meters depth from surface. It is planned to enhance the production of this Mine from present level of 1.50 Lakhs Ton to 2.00 Lakhs Ton per annum by the year 2020-21. In order to sustain the present production level and to achieve planned production following Mine expansion Projects have been undertaken:

- **Deepening of vertical shaft from -270' level (109 meters) to -470' level (169 meters) and allied works-**

To sustain the present level of production it is required to deepen the existing vertical shaft to get virgin production area from 109 meters depth to 169 meters. The deepening of vertical shaft has been undertaken with an estimated cost of ₹9.50 Crores. The work of shaft deepening is in progress and is scheduled to be completed by 2015.

- **Sinking of second vertical shaft having 4.5 meters Diameter and 160 meters depth and allied works-**

The ore body strike length at Chikla mine is 2.1 Kms. To exploit the ore body economically and achieve planned production sinking of second vertical shaft has been proposed with an estimated cost of ₹45.00 Crores. Designing work of the shaft is in progress and it is planned to complete sinking of vertical shaft by 2017.

Munsar Mine

This Mine also produces Ferro grade Manganese ore with +36% Manganese content. As on date around 4.64 million Ton ore reserves in different categories are available up to 190 meters depth from surface. It is planned to enhance the production of mine from present level of 0.55 Lac Ton to 1.25 Lakhs Ton per annum by the year 2020-21. In order to sustain the present production level and to enhance the production as planned, following mine expansion Projects have been undertaken:

- **Sinking of first vertical shaft having 4.5 meters Diameter and 156 meters depth and allied works-**

Sinking of vertical shaft at central portion of the main ore body to exploit the ore from the strike length of 1.6 Kms. is in progress with an estimated cost of ₹26.00 Crores. The scheduled completion of the project is in May 2014.

- **Sinking of second vertical shaft having 4.5 meters Diameter and 160 meters depth and allied works-**

Mansar Mine ore body has a strike length of 2.8 Kms. The exploitation of ore from the vertical shaft under sinking will not be economical as the approach to ore body will lead to long distance tramming. In order to win over entire length of ore body as well to achieve planned production from underground; second vertical shaft is proposed to be sunk. The proposed vertical shaft will be circular in cross section having finished dia. of 4.5 meters having a total depth as 160 Meters with a provision of further sinking. Approximate cost of this project will be ₹45.00 Crores. Designing work is in progress and the work of shaft sinking is planned to be completed by 2017.

Gumgaon Mine

This Mine produces high grade Manganese ore having +42% Manganese content. As on date, around 4.34 million Ton ore reserve in different categories are available up to 300 meters depth from surface. It is planned to enhance the production of Mine from present level of 0.60 Lac Ton to 1.30 Lakhs Ton by the year 2020-21. In order to sustain the present production level as well as to enhance present level of production as per planning following Mine expansion Projects are undertaken:

- **Sinking of first vertical shaft having 4.5 meters Diameter and 190 meters depth and allied works-**

In view of the availability of quality Manganese Ore and quantity of ore reserves available as well as high demand of ore in the market; it was necessary to extract the ore at faster rate. The higher rate of production is achievable by putting a vertical shaft up to a depth of 190 meters. In view of the above sinking of first vertical shaft at Gumgaon was undertaken and work was completed in July 2012, the cost of vertical shaft sinking project was ₹18.00 Crores.

- **Sinking of 2nd High speed vertical shaft having 6.5 mtrs. Dia. and 350 mtrs. depth and allied works-**

Exploration of ore has been proved up to 300 meters depth from surface. A large quantity of ore is located in the western part of the Mine. Thickness of ore body in this ore zone is ranging from 40 to 50 meters. The strategically located second vertical shaft in the western part of the ore body will boost production as well as economize the production cost. The Estimated cost of second vertical shaft project will be approximately ₹150.00 Crores. Designing work of the shaft is in progress and the shaft sinking is planned to be complete by 2017.

**Acquisition of Mines in and outside Country –**

MOIL has made ambitious plan to acquire Manganese and other Metalliferous minerals within and outside the country. For this purpose, an open ended Expression Of Interest (EOI) is published by MOIL to seek offers from prospective sellers who are willing to sell their Mining assets to MOIL. Some proposals received are under scrutiny and are taken up for due diligence in respect of few promising offers. We have received offers for acquisition of Manganese ore and Chrome ore assets. Consultants for due diligence are already empanelled by us.

Acquisition of Additional Leases

Govt. of India has reserved 814 Ha. Manganese bearing land in the state of Maharashtra to MOIL. Acquisition process is at advance stage. As soon as the prospecting license is granted in favour of MOIL Limited, the exploration by way of geophysical prospecting and drilling will be commenced. This will add reasonable tonnages of Manganese Ore to the total resource of MOIL and it will have positive bearing over production and productivity of the company.

Coal Blocks

Ministry of Coal, Govt. of India had invited applications from Government Companies (Central and State) for allotment of coal blocks by issuing Notice Inviting application (NIA) No. 13016/26/2004-CA-I(Pt.1) dated 31st December 2012 through allotment by Competitive Bidding of Coal Mines Rules 2012.

Out of 14 coal blocks available for producing power, MOIL has applied for 6 coal blocks and, out of 3 coal blocks available for commercial mining the company has applied for two coal blocks through competitive bidding. Company has applied for coal blocks for diversification in mining activities as well as using coal blocks at a suitable location for power generation to meet the requirement of proposed Ferro Alloys plants in joint ventures with SAIL and RINL. MOIL stands a very good chance for allotment of coal blocks due to its inherent strength of being a mining company since last more than 100 years and availability of sufficient funds for the diversification project.

Value Addition Projects

- **SAIL & MOIL Ferro Alloys Pvt. Ltd:**

Your Company has Joint Venture (50:50) with Steel Authority of India Limited (SAIL) for setting up Ferro Alloys Plant of 1.06 Lakhs TPA capacity, comprising of 31,000 tonnes of Ferro Manganese and 75,000 tonnes of Silico Manganese, at Nandini, near Bhilai in Chhattisgarh.

Due to certain receipt of very high bids in response to global tender floated earlier for furnace and auxiliaries, the tender was cancelled. In the intervening period, requirement of Silico Manganese of SAIL/RINL has gone up. Hence, revised TEFT is being prepared by MECON due to change in technical specifications. MOEF Delhi has granted Environmental Clearance for the Project. Application for Consent to establishment to Chhattisgarh Environment Conservation CG Govt. has been submitted. Approval has been received in respect of supply of water and 220 KV Sub-Station.

- **RINMOIL Ferro Alloys Pvt. Ltd-**

Your company has another Joint Venture (50:50) with Rashtriya Ispat Nigam Limited (RINL) for setting up of Ferro Alloy Plant of 57,000 TPA capacity, comprising of 20,000 Tonnes of Ferro Manganese and 37,000 Tonnes of Silico Manganese at Bobbili, Vizianagaram District of Andhra Pradesh. Due to certain receipt of very high bids in response to global tender floated earlier for furnace and auxiliaries, the tender was cancelled. In the intervening period, requirement of Silico Manganese of SAIL/RINL has gone up. Hence, revised TEFT is being prepared by MECON due to change in technical specifications. Various works such as Geo Technical investigation, survey & contouring, construction of store at site have already been completed. Environmental clearance has been obtained from MOEF. Sanction has also been obtained for supply of regular power supply from State Govt. and permission for construction of water supply connection has been obtained from APIIC.

- **Wind power generation.**

MOIL Limited has two wind farms of 4.8 MW and 15.2 MW situated at Nagda Hills and Ratedi Hills respectively at District Dewas near Indore. The power from 4.8 MW wind farm is being wheeled to Balaghat Mine and being consumed mine as well as Ferro Manganese Plant of the company. The power generated from 15.2 MW wind farm is being sold to utility i.e. Madhya Pradesh Pashchim Kshetra Vidyut Vitran Company.

RESEARCH & DEVELOPMENT

In the light of growing competition in mining industry, R&D activities are essential for efficient exploration and exploitation of Manganese Ore resources. In every stage of transformation, there are challenges to be met. In order to address these issues effectively, your Company has identified the following thrust areas in R & D:



- A collaborative research study is going on for use of overburden material for consolidated hydraulic stowing operation for the underground mining operation with Visvesvaraya National Institute Technology, Nagpur. Pilot hydraulic stowing plant has been commissioned at VNIT premises for further studies. This will help to reduce the consumption of sand for filling purpose in the underground mines of the Company. In turn it will reduce the sand mining in future years.
- The Indian Institute of Technology (IIT), Kharagpur is engaged for design of safe blasting for Single Boomer at Balaghat Mine. This will help for faster development of underground headings at Balaghat mine. This will certainly help for boosting the underground safety & productivity.
- Modern environmental friendly hydro-static drill machines have been deployed in opencast mine of Dongri Buzurg.
- Hydro-geological studies for stope design in underground mining operations at Kandri Mine is being carried out by Central Institute of Mining & Fuel Research, Dhanbad for better safety & productivity.
- Studies of control blasting techniques for fly rock & ground vibration are undergoing at opencast mines.
- Rock mechanics instrumentation and data monitoring is being carried out at Balaghat Mine for the safety of underground working with the help of stain bars.
- Inception of Load Haul & Dump (LHD) machine, tyre mounted in underground mines for development & stopping operations.
- GPS has been provided at the mines for accurate location & identifications of the lease hold area.
- Optimization of stope designs for safety & productivity improvement.
- Increased level interval (from existing 30 Meters to 45 Meters) has been introduced for rapid mining operations at Balaghat Mine.
- For proposed Independent high speed shaft sinking operation for underground mining for 650 mtr at Balaghat Mine, hydrological studies & stress monitoring has been done by CIMFR, Dhanbad at site for safety of the project.
- Development of process flow sheet for Manufacturing Electrolytic Manganese Metal (EMM), a value added product having good market potential and the company would like to enter into this segment in the future. In this context, National Metallurgical Laboratory (NML), Jamshedpur has prepared R&D report and it was established that pure EMM can be produced in bench scale with the manganese ore of the company.
- PLC driven compressors has been commissioned at Kandri, Ukwa, Gumgaon & Balaghat Mine for energy saving.
- Studies are going on for the development of alternative mining methods and support systems for underground mines.
- Modern techniques of exploration like geophysical exploration by gravity magnetic method are employed.
- Analytical works through XRF spectrophotometer for accurate and speedy analysis of manganese ore are done.
- Ventilation networking studies for deeper levels at Balaghat Mine and Gumgaon Mine have been taken up to improve productivity.
- Introduction of Total Stations - High speed survey instrument with high accuracy level for maintaining accurate survey of mines have been brought into use.
- For deeper exploration for manganese ore reserves/resources, core drilling has been done by MECL at various mines.
- For sintering of manganese fines, TEFR has been prepared by Development Consultant Private Limited, Kolkatta. The Company is examining possibility of installing sintering plant for manganese fines in the near future.

CONSERVATION OF ENERGY

Your Company has been adopting various measures for energy conservation which includes conventional measures by improving the efficiency of existing equipment as well as introducing new Technology in line with the National Policy on Energy Conservation.

In line with National Policy on Energy Conservation, MOIL has installed & commissioned 3 Nos. 1000 CFM Screw Air Compressors with VFD panel at our various mines during the year 2010-11. One number each 4000CFM Centrifugal Air Compressors with Soft Starter during the year 2011-12 & 2012-13 at its Balaghat mine which contributes on an average 5 to 10% saving in electrical energy for operation of air compressors at respective mines.



Apart from above, conventional motor starter panels of Centrifugal Water Pump Sets installed in various underground working levels for dewatering underground water are being replaced with VFD/Soft Starter panel and Air Compressors used for pro-long hours are being provided with variable frequency drive and communication from surface to underground is also being improved, so that the equipment can be stopped immediately after its need is over to minimise the operating hours and ultimately to save energy.

Our company has made a policy to allocate fund in capital for R & D and Energy Conservation to improve the overall energy efficiency as well as induct new technology to minimise the consumption of energy, wherever possible. Following this policy, Automatic Power Factor Correction Panels have been provided at various mines of the company to maintain power factor of the power supply system close to unity which has resulted to reduction of losses as well as Company is getting incentives from Electricity Boards on account of maintaining good power factor.

The Company has been securing / receiving prestigious awards/prizes like National Energy Conservation Awards (NECA) and Maharashtra Energy Development Agency Awards (MEDA), for good works done in the field of Energy Conservation in its various Mines / EMD Plant.

In order to promote non-conventional energy resources, Our Company has installed 4.8 MW Wind Energy Farm at Nagda Hills and 15.2 MW Wind Farm at Ratedi Hills, Dist. Dewas in Madhya Pradesh which have generated 377.55 Lac units during the year 2012-13

Electricity consumption of the Company during 2012-13 as compared to 2011-12 is as under:-

KWH Consumption Per tonne of Production	2012-13	2011-12
Manganese Ore	18.75	18.33
EMD	2889	2625
Ferro Manganese	3132	3155

The KWH consumption per tonne of Manganese Ore is marginally higher during the financial year 2012-13 as compared to the last financial year 2011-12. As the mines of the Company are going deeper day by day, KWH consumption is on rising trend accordingly. However, it could be maintained up to 18.75 KWH/Tonne for the year 2012-13 which is marginally higher as compared to 18.33KWh/Tonne of last financial year 2011-12.

MINING LEASES AND EXPLORATION

The total lease areas held by MOIL as on 31st March 2013 is 1802.978 Hectors, out of which 700.066 Hectors land is in Maharashtra and 1102.912 Hectors land in Madhya Pradesh. Government of Maharashtra has reserved an area of 814.71 Hector land in Nagpur & Bhandara district of Maharashtra. Government of India, Ministry of Mines, has conveyed prior approval to grant Prospecting License for 597.44 hectors land out of this reserved area of 814.71 hectors. The remaining areas are under process at different stages of grant.

At MOIL, Proving additional Resource/ New Virgin deposits is the task of Exploration. A virgin deposit of Manganese was explored by pitting over recently acquired 5.36 Ha. Area under Prospecting Licence. The area is located at Village Nandapuri of Mauda Tahsil. Exploration activities by drilling being undertaken to establish the deposit. The virgin deposit falls in trend with Old Satuk deposit. Hence expected to attend similar depth & quality as of Old Satuk.

SAFETY AND OCCUPATIONAL HEALTH

Your Company lays special emphasis to ensure safety in the mines and also taking continuous efforts to reduce the accidents by constantly improving the standards of safety equipments through introduction of latest mining techniques and mechanization of mining operations. The following steps have been taken to improve the safety standards at the mines:

- Training and re-training of workers to inculcate safety consciousness.
- Regular meetings of Safety Committees in which accident analysis are made meticulously with a view to reduce the injury rate.
- A close inter-action with employees at all levels to prevent accidents to the maximum extent possible.
- Vocational and refresher training is imparted to each employee regularly apart from specialized training.
- Safety and Environment department had conducted training programs on
 - a) Importance of safety, health, sustainable in mines
 - b) Disasters management in mines
 - c) Occupational health and safety in mine
 - d) During the year our Chikla Mine and Dongri Buzurg Mine have awarded with National Awards for Longest Accident free period and Lowest Injury frequency rate respectively for the year 2008 & 2009.



- e) Company has obtained the OHSAS 18001: 2007 certification for Gumgaon and Mansar Mines which were issued on 25/10/2012 apart from re-certification of Dongri Buzurg and Balaghat Mines which were issued on 09/10/2012. Thus, total six mines have obtained the OHSAS certification so far.

ENVIRONMENTAL PROTECTION

Ecology conservation is crucial in today's era. It is imperative that the development process in a community is compatible with its environment as well as with the particular culture of that community. Your company, with a goal of achieving sustainable development has taken proactive measures to reduce global warming. The Company is conscious of its responsibility towards environmental protection in and around its leasehold areas. About 55000 samplings were planted during 2012-13 at different mines of the Company. The cumulative plantation till date is about 17.52 Lakhs saplings. A drive has been initiated for plantation of *Jatropha* saplings in arid / dry areas and waste dumps whose seeds will be utilized for production of bio-fuel on trial basis. In order to be eco-friendly organization the company has set up Wind Energy Farm of Total 20 MW out of which electricity generated by 4.8 Mw is consumed by the company and electricity generated by 15.2 Mw Wind Farm is sold to MPEDCL. All the units including sand ghats have got Environment Clearance from the MoEF, New Delhi.

VIGILANCE

Your Company has a full-fledged, multidisciplinary department as per DPR's Guidelines, headed by full time Chief Vigilance Officer from Indian Police Services. The functioning of vigilance department includes precautionary as well as penitentiary vigilance, for all the establishment /mines/ plants of the company including corporate office at Nagpur. Various activities of vigilance department during the year 2012-13 are as under:

Significant contribution

1) Vendor registration

With the aim to increase the participation in tender process the vigilance department has taken an initiative to prepare a web based online vendor registration. An SOP has been prepared in this regard which aims to process and dispose requests for registration in a time bond manner. This will help in obtaining a competitive price through a genuine and healthy competition.

2) Integrity Pact (IP)

For improving implementation of Integrity Pact, a presentation was made before all senior executives of the organisation. As the threshold value of IP had been reduced from existing ₹10 Cr. to ₹1 Cr. for purchase/ contract /project, many more contracts would be covered by it leading to a higher utilization of the IP mechanism.

3) CVO's meeting

A meeting of CVOs of PSU under administrative control of Ministry of Steel was held at MOIL under the chairmanship of Shri D.R.S. Choudhary, Secretary (Steel) and in presence of Shri. U.P.Singh, Joint Secretary and CVO, Ministry of Steel on 16.02.2013. In the meeting CVOs of different PSUs under administrative control of Ministry of Steel were also present.

4) Observation of Vigilance Awareness Week-2012

Vigilance Awareness Week-2012 was observed by MOIL from 29th Oct. to 3rd Nov. 2012. The function was inaugurated by Shri U.P.Singh, IAS, Joint Secretary & CVO, Ministry of Steel. The pledge was administered by Shri. U. P. Singh and Shri. Pradeep Gupta, CVO, in his keynote address, highlighted the activities and achievements of the vigilance department.

- On this occasion vigilance department came out with the first edition of in-house vigilance magazine "SHUCHITA" which was released by Shri U. P. Singh. The magazine contains technical articles of contemporary interest contributed by the officers of MOIL.
- One day seminar on Vigilance awareness was organised at Tirodi Mine. Presentations were made on 'Ethical Vigilance', 'Cyber Crime', 'Whistle Blower policy' and 'Common irregularities/lapses in Procurement'. Another vigilance awareness programme was organized at Kandri Mine in a College and a School near the mine and professors and students were engaged in a discussion regarding ill-effects of corruption and dishonesty.
- Contractor and vendor meet was organized to make them aware about Integrity pact and other matters related to vigilance observed during inspection and investigations.
- A one day workshop was organized on the theme of "Transparency in Public Procurement". The guest speaker was Shri. Girish Bhatnagar Director General, IRILMM & Ex. G.M. Ministry of Railways, New Delhi who is an acclaimed expert in area of procurement and anti-corruption. He enlighten



on how to eliminate corruption in public procurement in India.

- Inter-mine competition on "Preparation of Standard Operating Procedure (SOP)"

Regular Activities

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

A specific training programme on Whistle Blower Policy was organised for the officials of vigilance department.

2. **Preventive vigilance:** As part of preventive vigilance, 16 work contracts were scrutinized and 83 inspections were carried out during the period. Advisories have been issued, from time to time, to streamline the procedures and bringing transparency in works at different level of operations. In this connection an SOP is being prepared for on-line, time bound registration of vendors and contractors for procurement and contract works for ensuring wider participation in bidding.
3. **Complaints:** During the year, 35 complaints and 10 nos. of source information's were received and after carrying out the detailed investigations, the enquiry reports in respect of these cases have been submitted along with the findings & conclusions thereon, to the respective authorities.
4. **System improvements :** As an outcome of different investigations relating to complaint, study, inspection etc, advisories and suggestions were given for the system improvement in the following areas:
 1. SOP for vendor registration, disposal of scrap & major mining activities etc.
 2. Updation and posting of Manuals on web site.
 3. Tender processing of purchase & work contracts.
 4. Procedure related to recruitment and promotion.
 5. Preparation of estimates and rate schedules in work contracts.
 6. Rationalization of the lower limit for tendering.
 7. Refurbishing of the sales accounting system in order to prevent further occurrences of misappropriation.

5. **Leveraging Technology:** Extensive use of website as tool for communication with the stakeholders & also for curbing corruption and to bring transparency in maximum possible areas of working, has been implemented by MOIL. Accordingly, e-sales, e-auction, e-procurement, e-payments are implemented considering threshold limits. A new refurbished vigilance page has been added to the MOIL's official website containing vigilance manual and other important links.

IMPLEMENTATION OF RTI

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

MOIL has appointed CPIOs at the Corporate Office and PIOs/APIOs have also been appointed in all its Mines. Exe. Director (Tech.) has been appointed/designated as Appellate Authority under the Act. The names of all the PIOs/APIOs and the Appellate Authority has been also hoisted in Company's website www.moil.nic.in.

The information in respect of company, its employees etc. has been prepared under 17 heads as prescribed in Section 4(1)(b) of the RTI Act, and the same been hoisted in Company's portal. MOIL has been submitting necessary information and returns to the prescribed authorities and updating the same regularly.

A lot of awareness has been generated in order to make Company's employees aware about the intention and true spirit of this Act. The various provisions of the Act has been highlighted by issue of the circulars and asked them to keep transparency in day-to-day work and maintain all the records in a proper/systematic manner. Further, the Company has also hoisted/updating in Company's website as much information suo-moto at regular intervals for the public, so that public has minimum resort to use the various provisions under the RTI Act to obtain information.

For the awareness of employees at large, seminars have been organised to make them understand the importance of RTI Act in the present scenario and highlighted the provisions of the Act.

During the year under report, the company has received total 65 no. of applications under RTI Act, from which 53 applications accepted, 12 rejected & 6 appeals accepted under RTI and all have been disposed off during the period. There is no application pending as on 31st March, 2013.

TRAINING PROGRAMMES

During the year 2012-13, total 378 training programmes were conducted. It includes 290 Vocational Training Programmes which were conducted for workers at Vocational training centre at the Mines. Almost 1228



Executives, 1130 Non Executives and 2889 Workers were imparted training during the year. In addition to this 122 Executives and 13 Non-Executives also sponsored for outside training programmes. Thus, in the year under review total 1,36,670 Mandays training were completed on the various topics and total 8707 participants were imparted training. As per MOU rating excellent performance is 1.25, in comparison of this the performance recorded was 4.57 during year 2012-13.

LABOUR WELFARE SCHEMES, RECREATION & MEDICAL FACILITIES

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

Salient features of such schemes are as follows:-

- For improvement of living standard and taking into consideration of aspiration of the employees MOIL has constructed residential quarters and allotted to majority of the employees free of cost.
- The Company is also providing adequate supply of drinking water to the employees residing in the Mine Colonies by Conventional wells, Borewells, Pipeline supply etc. Periodical chlorination of well and tanks are being done.
- The Colonies and streets of the Camps are well illuminated. The employees have been provided with electricity for their residence on concessional rate.
- The Company has set up Hospitals at the Mine maintained by qualified doctors supported by duly trained paramedical staff. The arrangement of OPD as well as indoor ward separately for male and female are provided. Ambulance Van is also provided to all the hospitals for attending emergencies. The patients are also being referred for medical treatments to specialized hospitals as per the requirement.
- MOIL has also commenced the Medical Insurance for retired employees
- The Company is assisting in running Primary Schools at some of the Mines where free education is imparted to the children of the employees. School buses are provided at all the Mines so as to take children to nearby areas for High School/ College.
- The Company has also Scheme for reimbursement of tuition fees and scholarship to meritorious students. Reimbursement of tuition fees to the Children of the workers are provided for taking education in engineering.
- Two school buildings, one at Ukwa and Bharveli have been renovated and provided infrastructure, for better environment to the local children under CSR Scheme.

WELFARE MEASURES TAKEN FOR SC/ST:

MOIL is a labour intensive organization with 6485 employees on its rolls as on 31.03.2013. About 74.20% of the total strength belongs to SC/ST/OBC out of which 43.95% belongs to SC/ST. Our Company is also taking keen interest in development of the down trodden people living in the vicinity of the mines situated in remote areas as detailed below:

- Adopted villages near the mines and provided drinking water facilities, road maintenance, periodical medical check ups and treatment to the people living in these villages.
- Providing financial aid, stationery, books etc. to the school adjacent to the mining areas.
- Providing sewing machines to women for their development and self-employment.
- Organising training classes for self employment scheme.
- Provided tri-cycles to the physically challenged persons to be independent.
- Other welfare measures for the development and upliftment of tribal women such as conducting sewing classes, adult literacy classes, AIDS Awareness programmes, propagating such other programmes by display of posters, notices and banners, leprosy awareness programme etc.
- Providing training to the physically challenged persons under Apprenticeship Act.

EMPOWERMENT OF WOMEN:

MOIL employees 799 women employees which constitute 12.32% of its total workforce of 6485 as on 31.03.2013.

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



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

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

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

PERSONNEL

The manpower as on 31.03.2013 of our Company is given below:

Category	Executives	Non-Executives	P.R. Workers	Total
Male	329	2348	3009	5686
Female	15	114	670	799
Total	344	2462	3679	6485

The category-wise details of employees strength as on 31.03.2013 are as under:

Group	Sched-uled caste	Sched-uled tribe	O.B.C.	Others	Total
A	36	7	44	130	217
B	36	10	64	121	231
C	319	237	414	550	1520
D	819	1327	1440	872	4458
Sweeper	59	0	0	0	59
Total	1269	1581	1962	1673	6485
Total %	19.57%	24.38%	30.25%	25.80%	100.00%

CITIZEN'S CHARTER AND GRIEVANCE REDRESSAL MECHANISM :

- a) Employees grievances – MOIL has its own grievance redressal procedure for Executives as

well as non-executive employees. The grievances of employees are accordingly dealt with as per the rule.

- The redressal of grievance machinery in MOIL consists of one Grievance Officer nominated for the purpose at each unit. The Grievance Officer nominated at Head Office co-ordinates with the Grievance Officers at the units for their effective performance.
- Public Grievance – All Grievance officials have been apprised of the manner in which the Public Grievance received at this end are to be disposed. The system adopted for dealing the grievance of Public was constituted on the basis of instructions received from various authorities in the past.
- Periodicity monitoring of Grievances by Directors designated for PG and whether other divisions of Department also have PGRM independent of PGRM of Ministry/ Department.
- Monitored at Head Office on the basis of assessment of data received from unit, Grievance Officer through the monthly report as well as through inspection by Head Office authorities.

Status of Public Staff Grievances for the period 01.04.2012 to 31.03.2013.

Sr. No.	Type of Grievances	Grievances outstanding as on 01.04.2012	No. of grievances as received during the period	No. of cases disposed off	No. of cases pending on 31.03.2013
1]	Public Grievances	----	----	----	----
2]	Staff Grievances	Nil	1007	1007	Nil
	TOTAL	Nil	1007	1007	Nil

CORPORATE SOCIAL RESPONSIBILITY

- MOIL Limited has a legacy of not only meeting but excelling the commitments & expectations of its stake holders. All through its existence, your Company has endeavoured to positively uplift the lives of the communities around its areas of operations in almost every possible way, such as Village Adoption, Education, Community Development, Medical Aid, Environment Awareness, etc. The sentiment that Social Responsibility is an intrinsic part of the wealth creation process and when managed properly, can enhance the competitiveness of business, maximize the value of wealth creation



to society and thereby contribute to Nation building is deeply seated in the core philosophy of MOIL Limited. The Company has spent a sum of ₹1055.94 Lakhs in this FY 2012-13, as against MoU target of ₹715 Lakhs for EXCELLENT rating. Some of the major activities carried out under CSR during the year 2012-13 are:

- Construction of DAV School with a cost of ₹8 Crores
- Supply and Installation of India Mark II hand pumps and Borewells in remote villages
- Development of Literacy Park
- Increasing Female Literacy and Training for skill development for women development
- Sponsoring Free Cataract Surgeries under "Right to Sight" and "Light to Lives" scheme and more than 3000 free surgeries have been carried out for the rural poor people.
- Providing fully equipped medical van to rural areas for medical aid.
- Providing tri-cycles, hearing aids, crutches, calipers, etc., to the physically challenged persons on a regular basis.
- Providing Solar Lamps and installation of street lights in remote villages
- Construction of bus queue shelter, roads, community hall, construction of class rooms at different school, adoption of schools etc.
- Rejuvenation of old Lakes
- The Company has constructed new schools and renovated existing schools in remote villages around the mines for providing quality education. In this respect, the Company also provides uniforms, text books, stationery, etc., free of cost. Children's play grounds and gardens have also been developed in the schools for the benefit of students.

SUSTAINABLE DEVELOPMENT

The company has undertaken 04 sustainable development projects for the year 2012-13 and the status of these projects are illustrated as under:

- i) Afforestation through social forestry mode: a total of 55000 saplings have been planted so far including fencing of the Plantation area on different mines of MOIL situated in the state of Madhya Pradesh & Maharashtra. The project costs ₹70.00 lakhs.

- ii) Installation of Rain Water Harvesting Scheme at mine colony quarters. : Under this project, 200 nos. quarters have been covered and rain water harvesting system has been installed at all these covered quarter and the system is functioning properly. This projects costs ₹30.00 lakhs.
- iii) Biodiversity Park with fodder & fuel in Fetri village: a Biodiversity park has been earmarked in Fetri village on 0.95 Hct. And the action has been initiated. ₹3.00 lakh has been invested so far for this project.
- iv) Training/ workshop for executives on Sustainable Development: As per the MOU signed with Institute of Public Enterprises, Hyderabad, training programmes on sustainable development have been held for strength of 2% of total executives of the company. This project (MOU) costs ₹4.00 lakhs.

PROGRESSIVE USE OF HINDI:

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

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

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

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

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

AWARDS AND ACCOLADES:

MOIL is one of the public sector enterprises in the country known for its continuous excellent performance. The



Company has been getting national /regional recognition for its good work in almost all the fields of activities. The following are some of recognition the company has received at national level.

- MOIL has once again obtained EXCELLENT MoU Rating with a composite score of 1.37 for the year 2011-12.
- National Quality Circle Award for presentation and innovations in National Convention – NCQC-2012 was held in Kanpur.
- Corporate Governance CSR Award by Institute of Public Enterprises (IPE), Hyderabad.
- National Safety Award for the year 2008 and 2009 from President of India.
- District Highest Sales Tax Payer Award for Balaghat District of Madhya Pradesh for the year 2010-11
- OHSAS 18001:2007 Certification for Munsar and Gumgaon Mine valid till 24.10.2015.
- Performance Excellence Award for the year 2010-11 from Indian Institution of Industrial Engineering (IIIE).
- Rajbhasha Shield for the year 2010-11 by Rajbhasha Sansthan, New Delhi.

DIRECTORS

During the year under review, Shri K.J. Singh, Chairman-cum-Managing Director (CMD), Dr. Dalip Singh Nominee Director of Govt. of India, Shri K. Shivaji, Nominee Director of Maharashtra Govt., Shri S.K. Mishra, Nominee Director of Madhya Pradesh, Shri M.A.V. Goutham, Director (Finance) has been retired/ceased to be Director of the Company. The Board puts its sincere appreciation towards CMD and Directors who have retired/ceased from the Board during the year.

The Directors appointed during the year are Shri G.P. Kundargi, holding additional charge of Director (Production & Planning) of MOIL as Chairman-cum-Managing Director, Shri Lokesh Chandra, Joint Secretary, Ministry of Steel as Nominee Director- Government of India, Shri Apurva Chandra, Principal Secretary (Industries), Industries, Energy & Labour Department, Mantralaya, Mumbai as Nominee Director- Govt. of Maharashtra and Shri M.P. Chaudhari as Director (Finance).

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm that:

1. The applicable accounting standards have been followed along with proper explanations relating

to material departures, if any, for preparation of the annual accounts;

2. The accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended March 31, 2012 and of the profits of the Company for that year;
3. Proper and sufficient care has been taken to maintain adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud or other irregularities;
4. The annual accounts have been prepared on a going concern basis.

During the year, the company has detected embezzlement of funds committed by one of its employees. The amount of embezzlement detected till date is ₹31.03 lakh. The matter is being investigated by an independent expert and final report is awaited. Since the amount of terminal benefits due to the employee (which can be applied for recovery of embezzled amount) and amount already deposited are sufficient to recover the above, provision is not considered necessary.

DEPOSITS

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

AUDITORS

In terms of Section 619 (2) of the Companies Act, M/s V K Surana & Co., Chartered Accountants, Nagpur has been appointed by the Comptroller & Auditor General of India as auditors of your Company for the year 2012-13. The Statutory Auditors' Report is enclosed which is self explanatory.

COST AUDIT

The Central Government has approved the appointment of M/s Ujwal P. Loya & Co., as the Cost Auditor of the Company to conduct audit of cost accounting records maintained by the Company for the year ended 31.03.2013. The due date for filing the Cost Audit Reports for the financial year ended 31st March, 2013 is 30th September, 2013. The report will be submitted within prescribed time limit. The Cost Audit Report and Compliance Report for the year 2011-12 was filed within the time limit as prescribed by the Ministry of Corporate Affairs.



OTHER DISCLOSURES:

Particulars with respect to R&D and Technology Absorption etc.: The particulars with respect to R&D and technology absorption, as required under the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, forming part of this report, is enclosed as **Annexure – I** to this report.

Foreign Exchange earnings and Outgo: The Company has not made any export of manganese ore during the Financial Year 2012-13. During the year under review, the Company has incurred NIL expenditure in foreign currency as against ₹28.88 Lakhs in the previous year.

Particulars of Employees: The information in respect of employees covered within the purview of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975, as amended from time to time, is: **NIL**

Subsidiary Company: MOIL has no Subsidiary Company.

DETAILS OF SHARES IN SUSPENSE ACCOUNT:

The details of shares in suspense account are as follows:

Description	No. of Shareholders	No. of Shares
Opening Balance as on 01.04.2012	22	374
Shareholders approached for Transfer of Shares	1	17
Shares transferred	1	17
Pending as on 31.03.2013	21	357

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

MEMORANDUM OF UNDERSTANDING (MoU)

MOIL is one of few CPSEs which signs MoU with Department of Public Enterprises (DPE). MOIL is signing the MoU and getting excellent rating since several years. DPE has issued MoU Composite Score for the year 2011-12 based on audited data. As per the Memorandum, MOIL got composite Score of 1.37 which falls in EXCELLENT category. This is the consecutive 17th year in which the Company has got EXCELLENT MoU Rating.

Continuing the previous several years custom MOIL once again signed MoU with the Government of India for the year 2013-14 after observing all the formalities. The MoU envisages a production of 11.25 lakh tones, a sales turnover of ₹835.00 Crores and a net profit of ₹323.03 Crores.

CORPORATE GOVERNANCE

The Company strives to attain high standards of Corporate Governance. A separate section on Corporate Governance is annexed and forms part of the Director's Report, and enclosed as **Annexure - II**.

MANAGEMENT DISCUSSION AND ANALYSIS

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

INDUSTRIAL RELATIONS

Industrial relations in our Company continued to be cordial and peaceful during the year 2012-13. There has not been any stoppage of work or any such labour agitation in the Company. The tempo for better production and productivity was maintained. Various Committees are constituted at the Mine level and Corporate level for discussing various issues for smooth functioning of the Organisation and expeditious decisions for the settlement of grievances had been functioning satisfactorily.

ACKNOWLEDGEMENT

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

Your Directors acknowledge the support extended by the valued and esteemed customers, Shareholders stakeholders, and Departments of Central and State Government. We believe that our long term success is dependent on our customer relationship and responsiveness. We will do every possible thing to provide our customer better, timely and value added services.

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.

On behalf of the Board of Directors

G.P. Kundargi

(Chairman-cum. Managing Director)

Place: New Delhi
Date: 25th May, 2013



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 & DEVELOPMENT		
Sl. 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 in safety standards	Addition to the present pre-mining supports, additional mechanical props were used. It has improved the safety standard of the underground mines and saved the timber.
2	Control Blasting Techniques	CIMFR and VNIT has been engaged in for grounds vibration & fly rock problems in opencast mine. With these studies safety standard of opencast mines of the company has improved
3	Exploration of ore reserves	It is an on going process by which the ore body and surrounding areas in lease are being explored by drilling exploration core drilling hole by the company owns core drilling machines. Moreover, deeper exploration is done by outsourcing. For the year 2012-13, the company has been able to add 0.829 million tonnes of ore reserves/ resources.
4	Exploration by Geophysical gravity magnetic method	Geophysical exploration by gravity magnetic method has been used for fast exploration of the resources. Because of this study by MECL/GSI some locations at Tirodi/Sukli mine have been earmarked for exploration drilling.
5	Mineral Processing	For sintering of manganese fines, TEFR has been prepared by Development Consultant Private Limited, Kolkata. The Company is proposing to install sintering plant for manganese fines in near future. This will help to conserve the manganese ore. Electrolytic Manganese Metal (EMM), The Company has prepared process flow sheet for manufacturing EMM, it is having good market potential and the Company would like to enter in this segment in near future.
6	Collaborative Research for alternative fill material for sand	Collaborative research project is going on with VNIT, Nagpur. Pilot hydraulic stowing plant is commissioned at VNIT primes for further studies. This will give some alternative material instead of sand for stowing in mines.
7	Energy Saving	For saving of energy, PLC driven compressors has been installed at Kandri, Gumgaon, Ukwa & Balaghat. This has reduced the consumption of electrical energy at the time of installation.
8	Increased level interval	M/s CIMFR was appointed for advising for increase in level interval from 30 Meters to 45 Meters. Accordingly level interval from existing 30 meters to 45 meters has been designed below 12th level at Balaghat Mine.
9	XRF analyzer	The company has successfully introduced XRF analyzer at the mines & at corporate office at Nagpur. This has improved the customer's satisfaction.
10	Environmental Friendly Machine	Modern high tech hydrostatic environmental friendly drilling machine has been deployed in opencast mine for better health & safety of the employees.

**(ii) Technology absorption, adoption and innovation**

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

(iii)	Future Plan of action	Use of solar energy & single boomer - electro-hydrostatic drilling machines in underground are proposed for use in future			
(iv)	Expenditure on R & D (₹ in Lakhs)	Capital (A)	Recurring (B)	Total (C)	Total R & D expenditure as% of PAT
		25.39	829.13	854.52	1.98

Note: Amount to be taken from finance department.

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



CORPORATE GOVERNANCE REPORT

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

-: Organization for Economic Cooperation and Development

1. CORPORATE GOVERNANCE PHILOSOPHY

MOIL, a "Miniratna Category-I" Company is committed to doing business in an efficient, integrity, honest, accountability and ethical manner and believes Corporate governance is beyond the realm of law. It starts from the culture and mindset of management, and cannot be regulated by legislation alone. Good Corporate Governance goes beyond compliance of laws and involves a company wide commitment. This commitment starts with the Board of Directors, which executes its corporate governance responsibilities by focusing on the Company's strategic and operational excellence in the best interests of all stakeholders in a balanced fashion with long term benefits to all.

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

2. BOARD OF DIRECTORS

MOIL is a Government Company within the meaning of Section 617 of Companies Act, 1956. As per the Articles of Association of MOIL, the power to appoint the Directors vests in the President of India. Therefore all the Directors on the Board of MOIL have been appointed by President of India, through Ministry of Steel. As on 31st March 2013, the Board of Directors of MOIL comprised 12 Directors out of which 3 are Whole-time Directors including Chairman-cum-Managing Director, 2 Government Directors representative of Govt. of India and Govt. of Maharashtra and 7 Independent Directors. The composition of the Board of MOIL is in conformity with Clause 49 of the Listing Agreement and DPE guidelines on Corporate Governance.

2.1 Composition of Board of Director of MOIL

Category wise Composition of the Board of Directors as on 31st March, 2013 is as follows:

Whole-time Directors

1. Shri G.P. Kundargi, Chairman-cum-Managing Director
2. Shri M.P. Chaudhari, Director (Finance)
3. Shri A.K. Mehra, Director (Commercial)

Government of India nominee Directors

1. Shri Lokesh Chandra, Nominee of Govt. of India
2. Shri Apurva Chandra, Nominee of Govt. of Maharashtra

Independent Directors

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


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

Name of the Director	Meetings Held during Tenure	No. of Board Meetings Attended	Last AGM Attended	No. of Other Director Ship	No. of Committee Membership/Chairmanship*	
					Committee Chairmanship	Committee Membership
Whole-time Directors						
Shri G.P. Kundargi** Chairman-cum-Managing Director (w.e.f. 01.11.2012)	6	5	No	NIL	NIL	NIL
Shri A.K. Mehra Director (Commercial)	6	5	Yes	2	NIL	2
Shri M.P. Chaudhari Director (Finance) (w.e.f. 01.08.2012)	5	5	N.A.	2	NIL	1
Shri K. J. Singh Ex-Chairman-cum-Managing Director (up to 31.10.2012)	3	3	Yes	NIL	NIL	NIL
Shri M.A.V. Goutham Ex-Director (Finance) (up to 31.07.2012)	1	1	Yes	NIL	NIL	NIL
Government Nominee Directors						
Shri Lokesh Chandra Nominee of Govt. of India (w.e.f. 14.03.2013)	1	1	---	6	NIL	NIL
Shri Apurva Chandra*** Nominee of Govt. of Maharashtra (w.e.f. 19.03.2013)	NIL	N.A.	---	5	NIL	NIL
Dr. Dalip Singh Nominee of Govt. of India (up to 14.03.2013)	5	3	---	N.A.	N.A.	N.A.
Dr. Kshatrapati Shivaji Nominee of Govt. of Maharashtra (up to 19.03.2013)	6	NIL	---	N.A.	N.A.	N.A.
Shri S.K. Mishra Nominee of Govt. of Madhya Pradesh (up to 30.08.2012)	2	NIL	---	N.A.	N.A.	N.A.
Independent Directors						
Dr. S.K. Bhattacharyya Independent Director	6	4	---	1	1	1
Shri Vijay V. Kale Independent Director	6	4	---	NIL	1	1
Dr. Madhu Vij Independent Director	6	6	---	NIL	1	NIL
Shri Sanjeeva Narayan Independent Director	6	6	---	7	NIL	1
Shri H. C Disodia Independent Director	6	6	---	NIL	NIL	NIL
Shri B.K Gupta Independent Director	6	5	---	4	NIL	1
Shri D.D Kaushik Independent Director	6	3	---	NIL	NIL	1



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

****Shri G.P. Kundargi, Ex-Director (Production and Planning) was appointed as Chairman-cum-Managing Director by Govt. of India vide order no. 1(1)/2011-RM.II dated 21st August, 2012 who has taken charge w.e.f. 01.11.2012.**

***** There is no Board Meeting held after the appointment of Shri Apurva Chandra.**

2.3 Details of Board Meetings during the year 2012-13:

During the year 2012-13, Six (6) Board meetings were held on 25th May, 2012, 07th Aug., 2012, 30th Oct., 2012, 09th Nov., 2012, 6th Feb., 2012 and 18th March, 2013.

3. COMMITTEES

Constitution of Committees of Board of Directors:

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

1. Audit Committee
2. Shareholders' / Investors' Grievance Committee
3. Remuneration Committee
4. Project Review Committee (PRC)
5. Corporate Social Responsibility Committee
6. Sustainable Development Committee
7. Buy Back of shares and Investment in shares of CPSEs Committee

3.1 Audit Committee of Board

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

A. Composition, Name of Members and Chairman

The Audit Committee comprises of five members out of which four members are independent directors and one member is a functional Director. The Composition of the Audit Committee meets the requirements of Section 292A of Companies Act, 1956 and Clause 49 of Listing Agreement. Following are the members of the committee as on 31.03.2013:

1. Shri Vijay V. Kale, Chairman (Independent Director as Chairman)
2. Dr. S.K. Bhattacharyya, Member (Independent Director)
3. Shri Sanjeeva Narayan, Member (Independent Director)
4. Shri B.K. Gupta, Member (Independent Director)
5. Shri A.K. Mehra, Member (Director, Commercial)

The Company Secretary acts as the Secretary to the Committee.



B. Meetings and Attendance during the year

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

Sr. No.	Date	Strength of the committee at respective meeting	No. of Directors Present
1.	24.05.2012	5	4
2.	07.08.2012	5	5
3.	09.11.2013	5	5
4.	06.02.2013	5	4

C. Powers of Audit Committee

The Audit Committee have powers, which include the following:

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

D. Brief description of terms of reference

The role of Audit Committee includes:

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



- (h) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (i) Discussing with the internal auditors any significant findings and follow up there on;
- (j) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (k) Discussing with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (l) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors;
- (m) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- (n) Reviewing the functioning of the Whistle Blower mechanism, in case the same is existing; and
- (o) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee or contained in the Listing Agreement as and when amended from time to time.

3.2 Shareholders' / Investors' Grievance Committee

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

A. Brief description of terms of reference

The responsibilities of the committee are as follows:

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

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

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

C. Meeting and attendance :

During the year 2012-13, four meetings of the Shareholders' / Investors' Grievance Committee were held on 24th May, 07th August, 30th Oct., 2012 and 18th Jan., 2013. The details of meeting attended by the members are as follows:



Name of Member	Meetings Held during Tenure of the Member of Committee	Meetings Attended
Dr. Madhu Vij	4	4
Dr. D.D. Kaushik	4	1
Shri M.A.V. Goutham (up to 31.07.2012)	1	1
Shri A.K. Mehra	4	4
Shri M.P. Chaudhari (w.e.f. 01.08.2012)	3	3

D. Name and designation of Compliance Officer :

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

E. Investor Grievances

During the financial year ending 31st March, 2013, the Company and Registrars have attended investor grievances expeditiously except for the cases constrained by disputes or legal impediment. The details of complaints are as follows:

Sr. No	Particulars	No. of Complaints
1	Balance as on 1 st April, 2012	12
2	Received during the year	488
3	Attended/Resolved during the year	500
4	Pending as on 31 st March, 2013	0

3.3 Remuneration Committee

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

A. The Committee presently comprises following members namely:

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

The Company Secretary of the Company acts as the Secretary to the Committee.

During the period under report, one meeting of the committee was held on 18.01.2013. The details of meeting attended by the members are as follows:

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

B. Role of Remuneration Committee:

The Remuneration Committee is to

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

C. Remuneration received by existing Functional Directors

Details of remuneration of Functional Directors of the Company paid during the financial year 2012-13

Sr. No.	Name of the Directors	Salary	Benefits	PF	Bonus/ Commission	Performance Linked Incentives	Total
1	Shri G. P. Kundargi, Chairman-cum-Managing Director	2207020	114724	197775	NIL	773398	3292917
2	Shri A. K. Mehra, Director (Commercial)	2194496	182512	192964	NIL	798310	3368282
3	Shri M.P. Chaudhari, Director (Finance)	1313585	48007	123467	NIL	175740	1660799
4	Shri K.J. Singh, Ex-Chairman-cum-Managing Director	1175271	70749	110052	NIL	10000	1366072
5	Shri M.A.V. Goutham, Ex-Director (Finance)	790107	34136	71297	NIL	10000	905540

The sitting fee was paid to Independent Directors, ₹10,000 (₹Ten Thousand) for attending each meeting of the Board and ₹7,500 (Seven Thousand Five Hundred) for Committee thereof upto the meetings held on 25.05.2012. However in the 285th Board meeting held on 25th May, 2012, the sitting fee was fixed at ₹15,000 (₹ Fifteen Thousand) for attending each meeting of the Board and ₹10,000 (₹Ten Thousand) for Committee thereof and accordingly same has been paid to Independent Directors.

3.4 Project Review Committee (PRC)

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

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

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

Sr. No.	Date	Strength of the committee at respective meeting	No. of Directors Present
1.	24.05.2012	5	4
2.	28.08.2012	5	5
3.	09.11.2012	5	5
4.	18.01.2013	5	5

3.5 Corporate Social Responsibility Committee (CSR)

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

Eight meeting of CSR Committee were held during the financial year 2012-13 on 12th April, 14th and 24th May, 28th August, 30th Oct., 09th November, 2012, 18th January and 18th March, 2013. The details of members and meeting attended by members of the Committee are as under:



Sr. No.	Name of Member	Designation	Meetings Held during Tenure of the Member of Committee	Meeting Attended
1.	Shri H.C. Disodia	Chairman & Independent Director	8	8
2.	Shri Vijay V. Kale	Member & Independent Director	8	6
3.	Dr. D.D.Kaushik	Member & Independent Director	8	3
4.	Dr. Madhu Vij	Member & Independent Director	8	8
5.	Shri G.P. Kundargi (Up to 30.10.2012)	Member & Director (Prod. & Plan.)	5	4
6.	Shri M.P. Chaudhari (w.e.f. 30.10.2012)	Director (Finance)	3	3

3.6 Sustainable Development Committee:

As per the provisions of guidelines on Sustainable Development for CPSEs, as issued by DPE, the Board of Director in their 286th Meeting formed a Board-level Committee on constituted Sustainable Development. The main role of the committee is to approve SD plan and oversee the SD performance in line with Govt. guidelines.

The Committee comprises of the followings members:

Sr. No.	Name of Member	Designation
1.	Dr. S.K. Bhattacharyya,	Independent Director-Chairman
2.	Shri H.C. Disodia	Independent Director- Member
3.	Shri A.K. Mehra	Director (Commercial)- Member
4.	Shri M.P. Chaudhari	Director (Finance)- Member

The Company Secretary of the Company acts as the Secretary to the Committee.

Details of meetings and attendance thereof are as follows:

Sr. No.	Date of Meeting	Strength of the committee at respective meeting	No. of Directors Present
1.	28.08.2012	4	4
2.	09.11.2012	4	4
3.	18.01.2013	4	4
4.	18.03.2013	4	4

DPE has issued new guidelines on CSR and Sustainability activities which are effective from 01.04.2013. In the new guidelines CSR and Sustainability activities have been clubbed together. Accordingly, in line with the above new guidelines the Board of Directors in their 290th meeting, dissolved the existing CSR Committee and SD Committee and constitute a new Board level Committee naming "CSR and Sustainability Committee" w.e.f. 01.04.2013.

3.7 Buy Back of shares and Investment in shares of CPSEs Committee:

The committee was originally constituted as Buy Back of Shares Committee, which was re-constitute / restructure by changing its name as "Buy Back of shares and Investment in shares of CPSEs Committee" to study the DPE guidelines regarding Buyback of shares by CPSEs and purchase of equity by CPSEs in other CPSEs from the Government utilizing their surplus cash and assess the feasibility of buyback of share / investment of company's surplus fund in shares of CPSEs by MOIL, explore various aspects of buyback and submit their report to the Board. The Committee comprises of the following members:

1.	Chairman-cum-Managing Director, MOIL	Chairman
2.	Dr. Dalip Singh, Joint Secretary-MoS & Director MOIL	Member
3.	Director (Finance), MOIL	Member
4.	Smt. Madhu Vij, Independent Director, MOIL	Member
5.	Shri H.C. Disodia	Member

The Company Secretary of the Company acts as the Secretary to the Committee.



During the year in report one meeting was held on 30.07.2012 and all the members were present in the meeting.

4. GENERAL BODY MEETING

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

Year	Date	Time	Venue	No. of special resolution passed
2009-10	23 rd July, 2010	2.30 P.M.	Registered Office of the Company at 1A, Katol Road, MOIL Bhawan, Nagpur- 440 013.	2
2010-11	23 rd Sep., 2011	2.30 P.M.	Vasantrao Deshpande Hall, Near MLA Hostel, Civil Lines, Nagpur-440001	NIL
2011-12	27 th July, 2012	2.30 P.M.	MOIL Ltd., Golden Jubilee Hall, West Court Premises, In-front-of Z.P. (Ex-Govt.) High School, Katol Road, Nagpur - 440 013	NIL

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

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

5. Subsidiary Company Information:

There is no subsidiary company of MOIL.

6. DISCLOSURES

- The Company has not entered into any materially significant related party transactions that may have potential conflict with the interests of the company at large. Nonetheless, transactions with related parties have been disclosed in Note No. 1.2 of point 12 of notes to the accounts.
- There was no case of non-compliance of provisions of Companies Act 1956 or Rules and regulations of Stock Exchanges or SEBI or any statutory authority. These authorities have also not passed any strictures or imposed penalty on the company, on any matter related to capital markets, during the last three years
- Non-executive director are not holding any shares or convertible instruments in the Company.
- No personnel of the Company have been denied access to the audit committee.
- The Company has complied with the requirements of the Clause 49 and DPE Guidelines on Corporate Governance.

Adoption of Mandatory and Non-Mandatory Requirements of Clause 49

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

- Since the Chairman-Cum-Managing Director is in full time employment of the Company, therefore separate maintenance of Chairman's office is not necessary. Further the Independent Director are appointed by the Ministry of Steel, Government of India for the tenure of three year, hence no Independent Director has served in aggregate of more than nine years.
- The Company has constituted Remuneration Committee, as details are provided in serial no 3.3
- The Company publishes the quarterly unaudited /audited financial results in leading National English Newspaper as mentioned under heading "Means of Communication". These unaudited/audited financial results are also posted on Company's website www.moil.nic.in but are not circulated separately. The Company communicates major events, achievements etc. through electronic media, newspapers and also on its website.
- It is always Company's endeavour to present unqualified financial statements.
- The Directors of the Company have been given training from time to time.
- Being a government company, appointment / nomination of all the Directors are done by President of India, through Ministry of Steel, hence no peer group is constituted for the evaluation of the non-executive directors.



7. MEANS OF COMMUNICATION

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

8. GENERAL SHAREHOLDER INFORMATION

1.1 Annual General Meeting

Date	Day	Time	Venue
22-08-2013	Thursday	2.30 P.M.	MOIL Ltd., Golden Jubilee Hall, West Court Premises, In-front-of Z.P. (Ex-Govt.) High School, Katol Road, Nagpur - 440 013

1.2 Financial Year

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

1.3 Date of Book Closure

17th August, 2013 to 22nd August, 2013 (both days inclusive)

1.4 Dividend Payment Date

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

1.5 Listing on Stock Exchanges

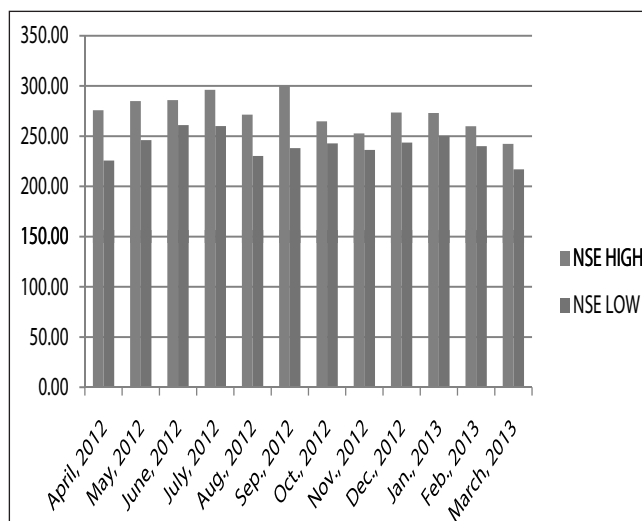
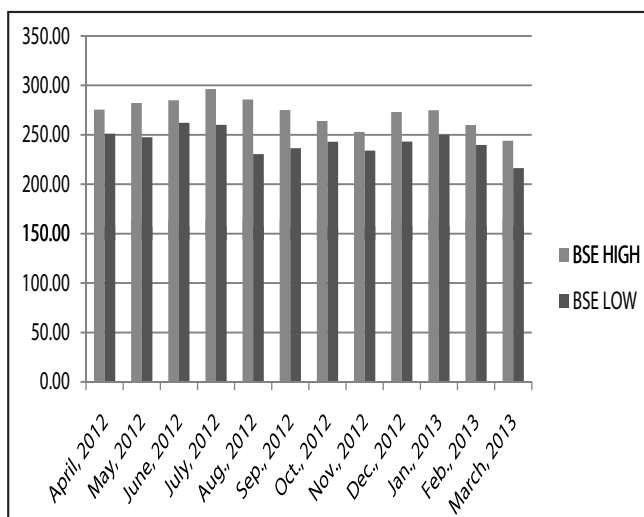
Your company's shares were listed on 15th December 2010. The details of Exchanges and stock code are as follows:

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

The Annual Listing Fee for the year 2013-14 has been paid to both the above Exchanges.

Market Price Data: High, Low during each month in last financial year 2012-13

Month	NSE		BSE	
	HIGH	LOW	HIGH	LOW
April, 2012	275.85	225.70	275.50	251.05
May, 2012	284.90	246.15	282.15	247.50
June, 2012	285.95	261.00	285.00	262.10
July, 2012	296.20	260.00	296.40	260.10
Aug., 2012	271.50	230.25	285.75	230.50
Sep., 2012	300.10	238.05	275.00	236.55
Oct., 2012	264.80	242.80	263.90	243.00
Nov., 2012	252.70	236.35	252.90	234.00
Dec., 2012	273.50	243.70	273.10	243.10
Jan., 2013	273.00	250.25	274.90	250.00
Feb., 2013	259.95	240.00	259.95	239.75
March, 2013	242.40	217.00	244.00	216.30



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

Month	NSE		BSE	
	S&P CNX NIFTY	MOIL	SENSEX	MOIL
April, 2012	5248.15	255.70	17318.81	255.20
May, 2012	4924.25	277.20	16218.53	277.70
June, 2012	5278.90	283.30	17429.98	282.55
July, 2012	5229.00	268.60	17236.18	268.10
Aug., 2012	5258.50	236.25	17429.56	236.30
Sep., 2012	5703.30	252.20	18762.74	252.40
Oct., 2012	5619.70	244.90	18505.38	244.80
Nov., 2012	5879.85	243.35	19,339.90	242.85
Dec., 2012	5905.10	264.95	19426.71	264.65
Jan., 2013	6034.75	252.4	19894.98	251.90
Feb., 2013	5693.05	242.95	18861.54	242.00
March, 2013	5682.55	222.95	18835.77	221.95

8.7 Name and address of Share and Transfer Agent

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

8.8 Share Transfer System

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



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

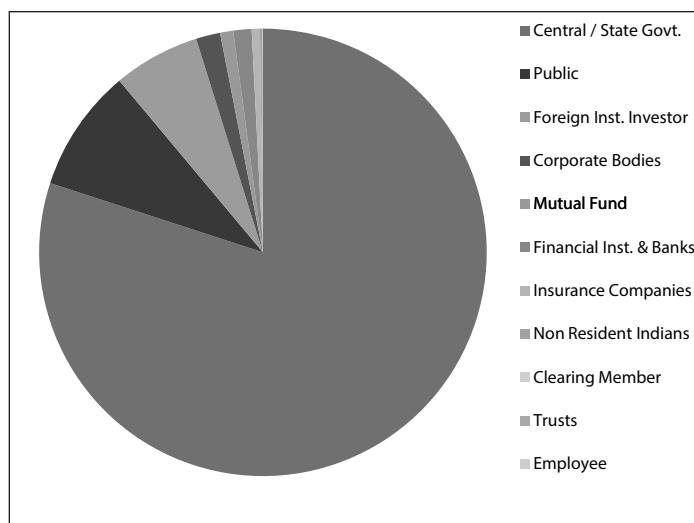
8.9 Distribution of Shareholding

a. According to size, Percentage of holding as on 31st March, 2013

Number of share	Number of shareholders	% of shareholders	Total no of shares	% of shares
1-5000	410615	99.30	12125169	7.22
5001- 10000	1714	0.41	1235595	0.74
10001-20000	581	0.14	827204	0.49
20001-30000	172	0.04	426799	0.25
30001-40000	83	0.02	297524	0.18
40001-50000	69	0.02	317027	0.19
50001-100000	104	0.03	756097	0.45
100001 & above	153	0.04	152014585	90.48
Total	413491	100.00	168000000	100.00

b. Category wise Summary of Shareholding as on 31st March, 2013

Category	No. of Shares Held	% of Total Shareholding
Central/State Govt. (Promoters/promoter group)	134400000	80.0000
PUBLIC	14959639	8.9045
FOREIGN INST. INVESTOR	10529734	6.2677
CORPORATE BODIES	2945005	1.7530
MUTUAL FUND	1589958	0.9464
FINANCIAL INSTITUTIONS & Banks	2211766	1.3165
INSURANCE COMPANIES	1011234	0.6019
NON RESIDENT INDIANS	270749	0.1612
CLEARING MEMBER	42772	0.0255
TRUSTS	19998	0.0119
EMPLOYEE	19145	0.0114



**8.10 Dematerialization of shares and liquidity**

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

No. of shares in dematerialised and physical mode are as on 31/03/2013:

Category	No. of Shares	% of total Capital Issued
Shares in Demat mode with CDSL	57,79,664	3.44
Shares in Demat mode with NSDL	16,22,20,191	96.56
Shares in Physical mode	145	0.00
Total	16,80,00,000	100.00

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

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

8.12 Location of Mines and Wind Farms**LIST OF MINES**

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

LIST OF WIND FARMS

MADHYA PRADESH	
1.	Nagda Hills, Dist. Dewas, M.P
2.	Ratedi Hills, Dist. Dewas, M.P

**8.13 Address for correspondence****Registered Office:**

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

9. CODE OF CONDUCT

As a part of MOIL's persisting endeavour to set a high standard of conduct for its employees a 'Code of Business Conduct and Ethics' has been laid down for all Board Members and Senior Management personnel. A copy of the said Code has been placed on the company's website www.moil.nic.in. All Board members and Senior Management personnel have affirmed compliance with MOIL's Code of Business Conduct and Ethics" for the financial year 2012-13

Declaration

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, all the Board Members and Senior Management of the Company have confirmed compliance with 'Code of Business Conduct and Ethics' for the year ended 31st March, 2013.

For MOIL Limited

G.P. Kundargi

Chairman-cum-Managing-Director

Place: New Delhi

Date: 25/05/2013

10. CEO/CFO CERTIFICATION

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

11. WHISTLE BLOWER POLICY

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

12. TRAINING OF BOARD MEMBERS

No specific training programmes were arranged for Board Members. However, at the Board/ Committee Meetings, detailed presentations are made by senior executives/ professionals/ consultants on business related issues, risk assessment etc. The Company also nominates its directors for various seminars and training programmes conducted by various outside institutions/agencies.

13. REVIEW OF COMPLIANCE OF APPLICABLE LAWS

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



CEO and CFO Certification

To,
The Board of Directors
MOIL Limited
Nagpur

- (a) We have reviewed financial statements and the cash flow statement of MOIL Limited for the year ended 31st March, 2013 and that to the best of our knowledge and belief:
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2012-13 which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee:
- (i) significant changes in internal control over financial reporting during the year 2012-13;
 - (ii) significant changes in accounting policies during the year 2012-13 and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

M.P. Chaudhari
Director (Finance)

G.P. Kundargi
Chairman-cum-Managing Director

Place: New Delhi
Date: 25/05/2013



MANAGEMENT DISCUSSION AND ANALYSIS REPORT FOR 2012-13

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 a company is linked with various factors including demand, supply, climatic conditions, economic conditions, political condition, Government regulations and policies, taxation and natural calamities, which are beyond the control of the company and could, make a significant difference to the Company's operations. Owing to this, certain statements made in this report pertaining to the projections, outlook, expectations, estimates etc., may differ from actual.

A. Industry Structure, Market Scenario, Opportunities & Threats, Outlook, Risks and Concerns

● Industry Structure and Market Scenario

The performance of manganese ore industry mainly depends on the performance of steel industry. As per World Steel Association (WSA), year 2012 was a challenging year for the steel industry with apparent steel use increasing at the slowest rate since 2009 when demand declined by about 6.5%. This was mainly due to the Eurozone crisis which persisted throughout 2012 and whose impact was felt further afield. On top of this, corrective macroeconomic measures in major emerging economies also contributed to a concerted slowdown globally. However, in the early part of 2013, the key risks to the global economy – the Eurozone crisis, a hard landing for the Chinese economy, and the US fiscal cliff issue seems to be getting stabilised. A recovery is expected in global steel demand to kick in by the second half, led by the emerging economies. Yet, the situation on the financial markets remains fragile and the Eurozone crisis is far from being solved as the recent events in Cyprus have again shown. In 2014, the domestic and international producers of Steel are expected to go ahead with their capacity expansion plans. This in turn will certainly result in increase in demand/production of Ferro Alloys and good demand of Manganese Ore, in coming times.

India is a 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. In comparison to other countries, India is expected to show strong growth in steel use in the coming years due to its strong domestic economy, massive infrastructure needs, domestic consumption and expansion of industrial production.

As per forecast of World Steel Association (WSA), steel demand in India is expected to pick up and will grow by 5.9% to 75.8 Mt in 2013 following 2.5 % growth in 2012 as monetary easing is expected to support investment activities. In 2014, growth in steel demand is expected to further accelerate to 7.0% on accounts of various reform measures aimed at narrowing the fiscal deficit, coupled with measures to improve the foreign direct investment climate.

The global apparent steel use is expected to increase by 2.9% to 1,454 Mt in 2013, following growth of 4.2% in 2012. In 2014, world steel demand will grow further by 3.2% to around 1,500 Mt.

The world steel production grew at 1.36% from 1490 million tonnes in calendar year 2011 to 1510.22 million tonnes in calendar year 2012, while in India the production grew at 6.25% from 72.2 million tonnes in 2011 to 76.12 million tonnes in 2012. (Source: WSA)

The world manganese production fell by 3.57% from 55.43 million tonnes in calendar 2011 to 53.45 million tonnes in calendar 2012, while in India the production fell by 12.60% from 2.54 million tonnes in 2011 to 2.22 million tonnes in 2012. (Source: IMnI)

● Strength and Weakness

Strength

- Larger reserves of high grade of manganese ore
- Largest producer of manganese ore by volume in the country



- MOIL has the strength of holding more than 55% of total demonstrated reserves of Ferro Grade Manganese Ore in the country.
- A low cost manganese ore producer
- At present rate of production, the reserves expected to last for over 40 years
- Financial strength characterized by high net worth, zero debt,
- Availability of qualified technically skilled manpower with good work culture
- Company's reserves are in Central Indian Manganese belt, with deposits being in general, of regular shape
- Company has got logistic advantage, as all its mines are well connected with State / National Highways. Its mines are located in the railway network of South East Central Railway and are provided with railway sidings.
- Core competence in manganese ore mining.
- No industrial unrest or labour problem
- Good Brand image of MOIL's manganese ore
- In-house R&D capability-Research and Development Centre and an In-house exploration capability which is capable of taking up assignments in the field of ore beneficiation and mineral processing.

Weakness

- As a mining Company, MOIL is subject to extensive regulations surrounding health & safety of the people and environment. With constant evolving of regulatory standards and community expectations, the Company is exposed to increased compliance cost and unforeseen environmental remediation expenses.
- Delay in obtaining fresh mine leases in turn commissioning new mines, affecting company's investment plans.

- The Company has not significantly diversified into other sector. As such, any adverse impact on the manganese ore industry hits the profitability of the Company.
- MOIL's mines are very old and full mechanization is very difficult.
- The cost of production will also rise due to deposits reaching deeper horizons.

● Opportunities and Threats**Opportunities**

- National Steel Policy (NSP) 2005 was formulated at a time when the Indian steel industry had just moved into a higher growth path. Since then the Indian economy experienced a paradigm shift with the actual performance of the economy as well as that of Indian steel industry surpassing the projected levels of performance. Steel consumption grew by about 10% per annum from 2005-06 to 2011-12 and production at an annual rate of 7.8% during the same period. India became a net importer of steel from 2007-08 onwards. The Government is committed to attract investments in Indian steel sector from both domestic and foreign sources and facilitate speedy implementation of investment intentions on board, so as to reach crude steel capacity level of 300 million tonnes by 2025-26 to meet the domestic demand fully and also to ensure easy availability of vital inputs and necessary infrastructure to achieve a projected production level of 275 million tonnes by 2025-26. (Source: Draft National Steel Policy (NSP) 2012). As per 12th plan period (2012-16) the production demand of steel is about 120 million tones by 2016-17. In view of this, there is likely to be a huge demand gap between the availability and requirement of ferro alloys.
- MOIL being India's largest manganese ore producer, accounting for about 51% of the country's production and with about 44% of proven reserves with about 73.5 mt of reserves and resources of manganese ore, is well positioned to capitalize on India's steel demand growth, given its dominant position, medium- to high-grade ore, centrally located mines, and strong customer ties.
- There is a good market potential for low / medium grade ores due to gradual switch over to use of Silico Manganese in steel production.



- Continue to be a low cost, efficient and environmentally friendly mining Company.
- Strong financials i.e. huge cash reserves provides opportunity to go for major investment plans
- JVs with SAIL and RINL to produce Ferro Alloys provide a ready market for its good share of Manganese Ore production.
- The company has also planned huge investments for developments of its existing mines which will increase the production and productivity to meet the future requirement of manganese ore.
- The Government has also reserved an area of 814.71 Hectar land in Nagpur & Bhandara district of Maharashtra. The reserved area is near to existing mines of the company and about 45% of its existing lease areas. After getting other clearance and completing formalities, it may provide a very good opportunity to cater the demand of manganese ore and to capitalize on India's steel demand growth.
- With vast experience in manganese ore mining, company may also plan for expansion into other minerals.

Threats

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

- Decline in international price of the manganese ore may result in fall in its domestic price

● Outlook

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

World Steel Association (WSA) has projected that India's steel use is to grow by 5.9% to reach 75.8 Mt in 2013. Further, in 2014, the growth rate is forecast to accelerate to 7.0% on accounts of various reform measures aimed at narrowing the fiscal deficit, coupled with measures to improve the foreign direct investment climate. The global apparent steel use is expected to increase by 2.9% to 1,454 Mt in 2013, following growth of 4.2% in 2012. In 2014, world steel demand will grow further by 3.2% to around 1,500 Mt. The year 2012 was a challenging year for the steel industry with apparent steel use increasing at the slowest rate since 2009 mainly due to the Eurozone crisis and corrective macroeconomic measures in major emerging economies. However, in the early part of 2013, the key risks to the global economy seem to be stabilized considerably and recovery in global steel demand is expected to kick in by the second half, led by the emerging economies. In 2014, a further pickup in global steel demand is expected with the developed economies increasingly contributing to growth.

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

The apparent steel use per capita in the country of about 60 kg is much lesser than the average per capita steel use of the world of about 219.6 kg. Infact, in most of the developed countries, it is more than 250 kg. This provides good opportunity for growth of steel industry in the country, in turn increase the demand of manganese ore.



India is still a net importer of manganese ore. The production of manganese ore in the country is about 2.22 mtpa, and import of manganese ore is about 2.327 mtpa.

The domestic ferro alloys manufactures' requirement of manganese ore has substantially increased. Due to less availability of high grade manganese ore in India, there has been increase of import of manganese ore. The import grew at about 18.66% from 1.961 mtpa in 2011 to 2.327 mtpa in 2012. (Source: DGFT)

● Risks and Concerns

Manganese Ore industry is directly linked with Steel Industry which is cyclical in nature and has impact on demand of manganese ore. MOIL is a labour intensive organization. Though, the industrial relation has been excellent in the Company, the risk factor associated with labour may always play significant role on its production performance.

During previous year, the growth of the steel industry has not been upto the mark and as against expectation of about 8% growth in consumption only 3.3% growth has been registered since economic growth had been sufferer like 2011 and 2012 recession. Indian economy had reeled under the impact of plummeting export and constricted inflow of FDI. Ensuing hike in current account deficit and fiscal deficit culminating in inflationary flare kept the lending rate out of bounds for infrastructure, construction and auto sector severely crippling steel consumption. The consumption growth is the lowest in the last three years. It grew by 5.5 per cent in 2011-12 and 9.9 per cent in 2010-11, Crude steel production expanded by mere 2.5% during 2012-13 to 75.5 million tonnes. This gives set back to vision of 200 mtpa production by 2020 making India the second largest steel manufacturing nation seems unlikely given the impediments.

Apart from regulatory clearances for land and mine acquisition, the demand scenario looks appalling for next couple of years with global economy still under incubation. Political uncertainty and general election due within a year, any path breaking approach is unlikely.

The high oil prices are still a risk to the global economic recovery. In India, inflation remains a concern and downside to growth. There is a need to improve supply-side measures and look at productivity improvement.

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

Oversupply of manganese ore in international market will still remain another area of concern and may weaken the domestic manganese prices in the long run.

B. Segment-wise or Product-wise Performance

Sales Performance

Quantity

During the year 2012-13, a quantity of 11.93 lakh tonnes of manganese ore has been sold surpassing 10.78 lakh tonnes in previous year. The sale of Electrolytic Manganese Dioxide (EMD) was 1014 tonnes surpassing 1005 tonnes of last year, whereas 10080 tonnes of Ferro Manganese was sold as against 13239 tonnes in the previous year. The company has registered sale of 9397 tonnes of Ferro Manganese Slag as against 8716 tonnes in the previous year. It has sold 274.24 lakh (KWh) units of power to MPEDCL in the current year as against last year's 239.54 Lakh (KWh) units.

Value

The sales turnover during the year 2012-13 was ₹967.12 Crore (Including sale of manufactured products of 75.04 Crore and sale of power of ₹9.26 Crore as against ₹899.58 Crore (Including sale of manufactured products of ₹86.83 Crore and sale of power of ₹8.46 Crore) during the same period in previous year.

E-Sales

The CVC has desired for giving thrust on e-commerce to bring in transparency in the transactions. With this view and to elicit better price of manganese ore and participation of maximum customers, the company has continuously been giving due thrust on e-sale during the year also. During the year under report, a quantity of 123971 tonnes of various grades of Mn Ore, Ferro Mn, slag & Dioxide ore at a value of ₹154.33 Crore, was successfully auctioned through 28 events of e-auctions.

Production

The Company has registered production of 11.39 lakh tonnes of various grades of manganese ore in current year as against production of 10.71 lakh tonnes during the last year. The production of Electrolytic



Manganese Dioxide (EMD) was 786 tonnes (previous year 714 tonnes) whereas it has registered production of 9210 tonnes of Ferro Manganese in comparison to 8694 tonnes of previous year. It has recorded generation of 11510 tonnes of Ferro Mn Slag during the year as against 14204 tonnes in the previous year. The WTG has generated 375.61 lakh (KwH) units during the year as compared to last year's 330.23 lakh (KwH) units

C. Internal Control Systems and Their Adequacy

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

These controls have been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls, monitoring of operations, protecting assets from unauthorized use or losses, compliances with regulations and for ensuring reliability with financial reporting. It also brings out a systematic and disciplined approach for implementing the risk management initiative aimed at Good Corporate Governance.

The Internal Audit is subject to overall control under the supervision of the Audit Committee constituted by the Board to focus on transparency in the systems and internal control mechanisms. The Audit Committee of the Board actively reviews the adequacy and effectiveness of internal control systems and suggests improvements to strengthen the same. Annual Audit Programmes are drawn up covering critical areas of various departments in order to bring overall improvements in the Company.

The Internal control systems are generally commensurate with the size of the Company. However, the company in process of further strengthening its internal control systems and internal audit. The reports containing significant Audit findings are submitted to the Audit Committee of the Company and to the Board through the Audit Committee.

D. Discussion on Financial Performance with respect to Operational Performance

The Manganese Ore market has performed better than previous year which helped the company in

increasing its top line and bottom line performance of F.Y. 2012-13.

Financial Performance

₹ In Crore

Particulars	2012-13	2011-12
Net Sales	967.12	899.58
Other Income	235.27	203.32
Total Income	1202.39	1102.90
Total Expenditure	532.57	466.35
Gross Margin	669.82	636.54
Depreciation	33.03	29.92
Profit before tax for the year	636.78	606.63
Income Tax provision	205.06	195.86
Profit after tax for the year	431.72	410.77
Opening Profit in P & L Account	14.52	1.51
Dividend and Dividend Tax	107.39	97.76
Transfer to General Reserve and CSR Reserve	326.63	300.00
Profit Carried Over	12.22	14.52

The total revenue of the company has increased by 9.02% during the year from ₹1102.90 Crore in previous year to ₹1202.35 Crore. The Company has recorded 7.51% higher turnover at ₹967.12 Crore during the financial year 2012-13 in comparison to ₹899.58 Crore of previous year. PBT for the year is ₹636.78 Crore, has increased by 4.97% as compared to previous year, whereas Profit after Tax (PAT) has increased by 5.10 % at ₹431.72 Crore, as against last year's PAT of ₹410.77 Crore. The EBIDTA margin of the company has also slightly reduced from 70.76% to 69.26% during the year. However, with its continued prudent cash planning, the interest income of the Company grew at 18.22 % to ₹229.17 Crore in 2012-13 from previous year of ₹193.84 Crore.

Operational Performance

The year 2012-12 was a challenging year for the steel industry with apparent steel use increasing at the slowest rate since 2009 when demand declined by about 6.5%. Considering the overall market condition, demand, and supply, the performance of the Company during the year has been quite satisfactory.

Production Review

Due to better planning productivity and effective use of resources, the Company has successfully crossed previous year production of 839073 tonnes of various grades of manganese ore lumps & chips in current year and has registered the production of 882661 tones registering 5.19 % growth over the last year.

In case of Electrolytic Manganese Dioxide (EMD) and Ferro Manganese, it has increased production to 10% (786 tonnes) and 5.94% (9210 tonnes) respectively as compared to previous year's performance. The production of Ferro Manganese has come up to 9210 tonnes from 8694 tonnes.

The productivity of the Company's has been excellent as Output per Manshift is 0.798 tonnes (previous year 0.728 tonnes).

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

- Modern environmental friendly hydro-static drill machines have been deployed in opencast mine of Dongri Buzurg.
- Hydro-geological studies for stope design in underground mining operations at Kandri Mine is being carried out by Central Institute of Mining & Fuel Research, Dhanbad for better safety & productivity.
- Inception of Load Haul & Dump (LHD) machine, tyre mounted in underground mines for development & stopping operations.
- GPS has been provided at the mines for accurate location & identifications of the lease hold area.
- For proposed Independent high speed shaft sinking operation for underground mining for 650 mtr at Balaghat Mine, hydrological studies & stress monitoring has been done by CIMFR, Dhanbad at site for safety of the project.

- PLC driven compressors has been commissioned at Kandri, Ukwa, Gumgaon & Balaghat Mine for energy saving.
- Various Studies are going on for/on the development of alternative mining methods and support systems for underground mines and controlled blasting techniques for fly rock & ground vibration at opencast mines, ventilation networking studies for deeper levels at Balaghat Mine is going on by Indian School of Mines, reclamation of waste dumps and investigations for other environmental protection measures, stope design in underground mining operations at Kandri Mine is being carried out by CIMFR for better safety & productivity, use of overburden material for consolidated hydraulic stowing operation for the underground mining operation, sintering of manganese fines to help conserving the manganese ore.
- Installation additional indigenously developed IMB plant of 100000 TPA capacity for secondary recovery of manganese ore from the rejects of integrated manganese beneficiation plant and dumps at Balaghat Mine and a study for beneficiation of low grade ore/ fines is in progress there.
- Introduction of Total Stations - High speed survey instrument with high accuracy level for maintaining accurate survey of mines.

E. Material developments in Human Resources, Industrial Relations front, including number of people employed;

F. Environmental protection and conservation, technological conservation, renewable energy developments, foreign exchange conservation;

G. Corporate Social Responsibility

The Directors' Report 2012-13 may kindly be referred as it contains the details in respect of items i.e. E, F and G.

**Amit K. Rajkotiya**M. Com., L.L.B., DFM, FCS
Practising Company Secretary102, Shree Laxmi Appartment, Above Shridhar Arts, Zenda Square,
Dharampeth, NAGPUR - 440 010 E-mail : amitraj123@rediffmail.com
Cell : 98231 22521 (O) 2545670 (R) 2731292**CORPORATE GOVERNANCE CERTIFICATE**To the Members,
MOIL Limited

We have examined the compliance of conditions of Corporate Governance by MOIL Limited, for the year ended on 31st March 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India and the Guidelines on Corporate Governance for Central Public Sector Enterprises, issued by the Government of India, Department of Public Enterprises (DPE), New Delhi.

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

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreements and DPE's Guidelines.

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

Nagpur

May 15, 2013



Signature

CS Amit K. Rajkotiya
Practising Company Secretary
FCS – 5561 CP No. 5162

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF MOIL LIMITED, NAGPUR FOR THE YEAR ENDED 31 MARCH 2013**

The preparation of financial statements of MOIL Limited, Nagpur for the year ended 31 March 2013 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 25 May 2013.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3) (b) of the Companies Act, 1956 of the financial statements of MOIL Limited, Nagpur for the year ended 31 March 2013. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under Section 619(4) of the Companies Act, 1956.

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

(Brij Mohan)

**Principal Director of Commercial Audit &
Ex-officio Member Audit Board – III,
New Delhi**

Place: New Delhi
Dated: **28** June 2013



INDEPENDENT AUDITOR'S REPORT

To the Members of MOIL LIMITED, Report on the Financial Statements

We have audited the accompanying financial statements of MOIL Limited ("the company") which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit & Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013; and

- (b) in the case of the Statement of Profit & Loss, of the profit for the year ended on that date.
(c) In the case of Cash flow statement, of the cash flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss and the Cash flow statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash flow statement comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956;
 - e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company

For V. K. Surana & Co.
Chartered Accountants
Firm Reg. No.: 110634W

CA. Sudhir Surana
Partner
Membership No. 43414

Date : May 25, 2013
Place : Nagpur,

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Annexure referred to in Paragraph 1 of our report of even date to the members of MOIL Limited on the Accounts for the year ended 31st March 2013.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- | | |
|---|--|
| <p>i) a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.</p> <p>b) As explained to us, the Management has physically verified fixed assets at the year end and no material discrepancies were noticed on such verification. In our opinion, verification of fixed assets at the year end is reasonable having regard to the size of the Company and the nature of Assets.</p> <p>c) In our opinion, the disposal of fixed assets made during the year does not affect going concern status of the Company.</p> | <p>v) Based on the audit procedures applied by us and according to the information and explanations given by the management, we are of the opinion that no transactions have been entered that needs to be entered into the register maintained under section 301 of the Companies Act, 1956.</p> |
| <p>ii) a) The inventory of the Company has been physically verified by the management during the year at reasonable intervals.</p> <p>b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.</p> <p>c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and the discrepancies noticed on such physical verification between physical stock and book records were not material and have been adequately dealt with in the books of account.</p> | <p>vi) According to the information and explanation given to us, the Company has not accepted any deposit from public and hence, the provisions of Sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public are not applicable to the Company.</p> <p>vii) The Company is having Internal Audit system. However, in our opinion, Company's Internal Audit system needs to be strengthened to make it commensurate with its size and nature of its business.</p> <p>viii) The Central Government has prescribed maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956 and prima facie the prescribed cost records have been maintained. We have however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.</p> |
| <p>iii) According to the information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured to or from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.</p> | <p>ix) According to the information and explanations given to us, and on the basis of our examination of the books of account, the company has generally been regular in depositing with appropriate authorities the undisputed statutory dues including Provident Fund, Income-tax, Sales-Tax, Excise Duty, Cess and other statutory dues applicable to it during the year.</p> |
| <p>iv) In our opinion and according to the information and explanation given to us, there are adequate</p> | <p>internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.</p> <p>The dues of Professional Tax and Sales Tax which have not been deposited by the Company on account of various disputes are as follows:</p> |



Name of Statute	Nature of Dues	Amount Demanded (Rs. Lacs)	Amount Paid Under Protest (Rs. Lacs)	Period to Which Amount Relates	Forum where the dispute is pending
Profession Tax, 1975	Assessment Dues	2.27	1.13	06-07	Sales tax Appeals(MS)
Profession Tax, 1975	Assessment Dues	7.70	1.93	07-08	Sales tax Appeals(MS)
M P Entry Tax Act, 1975	Assessment Dues	13.68	6.70	08-09	MP Commercial Tax Appellate Board
M P VAT Act, 2002	Assessment Dues	2.28	0.23	10-11	Appellate Authority
CST Act, 1956	Assessment Dues	0.91	0.09	10-11	Appellate Authority

x) The Company does not have accumulated losses at the year end and has not incurred cash losses during the financial year ended on that date or in the immediately preceding financial year.

xi) The Company has neither taken any loans from a financial institution and a bank nor issued any debentures.

xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii) The Company is not a chit fund, nidhi, mutual benefit fund or a society. Accordingly, clause 4(xiii) of the order is not applicable.

xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, clause 4(xiv) of the order is not applicable.

xv) According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

xvi) According to the information and explanation given to us, the Company has not taken any term loans during the year.

xvii) According to the information and explanations given to us, the Company has not raised any funds on short-terms basis.

xviii) The Company has not made any preferential allotment of shares during the year to parties and Companies covered in the register maintained under section 301 of the Companies Act, 1956.

xix) The Company has not issued any debentures during the financial year.

xx) The Company has not raised any money by public issues during the financial year.

xxi) According to the information and explanations given to us, there was a fraud on the Company by way of embezzlement of fund reported during the year. The same is under investigation and the amount involved on account of same has been ascertained by the Company at Rs.31.03 Lacs. Other than this, there was no fraud on or by the Company has been noticed or reported during the year.

For V. K. Surana & Co.
Chartered Accountants
Firm Reg. No.: 110634W

CA. Sudhir Surana
Partner
Membership No. 43414

Date : May 25, 2013
Place : Nagpur,

BALANCE SHEET AS AT 31ST MARCH, 2013

₹ in Lakhs

Particulars	Note No.	As at March 31, 2013	As at March 31, 2012
I EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	2.1	16800.00	16800.00
(b) Reserves and surplus	2.2	259763.82	227330.53
		276563.82	244130.53
(2) Non-current liabilities			
(a) Long-term borrowings		0.00	0.00
(b) Deferred tax liabilities (Net)	1.2 (12)	0.00	0.00
(c) Long-term provisions	3.1	9125.21	7173.42
(d) Long-term liabilities	3.2	285.05	85.52
		9410.26	7258.94
(3) Current liabilities			
(a) Short-term borrowings		0.00	0.00
(b) Trade payables	4.1	2651.45	2443.47
(c) Other current liabilities	5.1	16614.04	14451.10
(d) Short-term provisions	5.2	8251.16	6041.34
		27516.65	22935.91
TOTAL		313490.73	274325.38
II ASSETS			
Non-current assets			
(1) (a) Fixed assets			
(i) Tangible assets	6.1	22266.47	19506.82
(ii) Intangible assets	6.1	1085.66	1197.97
(iii) Capital work-in-progress	6.1	2697.17	3903.55
(iv) Intangible assets under development		0.00	0.00
(b) Non-current investments	7.1	421.29	421.29
(c) Deferred tax assets (Net)	1.2 (12)	1543.27	665.14
(d) Long-term loans and advances	8.1	77.09	84.91
(e) Other non-current assets	8.2	700.72	599.89
		28791.67	26379.57
(2) Current assets			
(a) Current investments		0.00	0.00
(b) Inventories	9.1	5148.75	8128.90
(c) Trade receivables	9.2	28809.85	9933.15
(d) Cash and cash equivalents	9.3	227678.42	208842.11
(e) Short-term loans and advances	10.1	11315.19	9637.60
(f) Other Current assets	10.2	11746.85	11404.05
		284699.06	247945.81
TOTAL		313490.73	274325.38

Significant accounting policies and notes to accounts 1.1 & 1.2

As per our report of even date

For V.K.Surana & Co.

Chartered Accountants,

F.R.No. 110634 W

CA. Sudhir Surana

Membership Number : 043414

Place : New Delhi

Date : 25th May, 2013**Neeraj Pandey**

Company Secretary

Mukund P. Chaudhari

Director (Finance)

Nitin P. Kajarekar

Chief (Finance)

G.P. Kundargi

Chairman-cum-Managing Director



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2013

₹ in Lakhs

Particulars	Note No.	For the year 2012-13	For the year 2011-12
1 Revenue from operations (Net of excise duty)	11.1	96712.00	89958.25
2 Other Income	11.2	23527.05	20331.70
Total Revenue		120239.05	110289.95
3 Expenses :			
Cost of material consumed	12.1	2432.61	1833.17
Changes in inventories of finished goods, work-in-process and stock-in-trade	13.1	2802.63	1923.98
Employee benefits expenses	14.1	26203.16	23608.50
Depreciation and amortisation	6.1	3303.33	2991.56
Other expenses	14.2	22803.96	20174.61
Sub total		57545.69	50531.82
Less: - Inter unit transfer	13.2	984.92	904.67
Total expenses		56560.77	49627.15
4 Profit before exceptional and extraordinary items and tax		63678.28	60662.80
5 Exceptional items		0.00	0.00
6 Profit before extraordinary items and tax		63678.28	60662.80
7 Extraordinary items		0.00	0.00
8 Profit before tax		63678.28	60662.80
9 Tax expense			
(a) Current tax		21384.15	20401.07
(b) Deferred tax		-878.13	-814.96
		20506.02	19586.11
10 Profit after tax for the period		43172.26	41076.69
11 Earnings per equity share : Basic and diluted		25.70	24.45

Significant accounting policies and notes to accounts 1.1 & 1.2

As per our report of even date

For V.K.Surana & Co.

Chartered Accountants,

F.R.No. 110634 W

CA. Sudhir Surana

Membership Number : 043414

Place : New Delhi

Date : 25th May, 2013

Neeraj Pandey
Company Secretary

Mukund P. Chaudhari
Director (Finance)

Nitin P. Kajarekar
Chief (Finance)

G.P. Kundargi
Chairman-cum-Managing Director



NOTE NO. 1.1

SIGNIFICANT ACCOUNTING POLICIES

1 Accounting for fixed assets**(a) Valuation of fixed assets**

Fixed assets are maintained at cost less accumulated depreciation.

(b) Depreciation

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

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

Cost of leasehold land, including net present value of diverted forest land, is amortised over the period of lease.

(c) Write-off losses on assets

All assets dismantled/discarded are written off assuming that scrap value for the same is Nil. If and when such discarded assets are disposed off partially or fully, the amounts realized during the year on account of sale are credited to profit and loss account of that year.

(d) Expenditure during construction period

All expenditure during construction period on specific projects, identifiable as relating to such projects, is debited to the said projects up to the date of completion and commissioning thereof.

(e) Interest during construction period

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

(f) Impairment of assets

Company assesses, at each balance sheet date, whether there is any indication that asset may be impaired. If any such indication exists, Company

estimates the recoverable amount of assets. If such recoverable amount is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If there is any indication that previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

2 Investments

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

3 Valuation of closing stock

Inventories are valued on following basis.

(a) Finished goods

- (i) Manganese ore of all grades (except fines, hutch dust and HIMS rejects) :- At cost at mines including depreciation on mine assets or net realizable value, whichever is less.
- (ii) Manganese ore fines, hutch dust and HIMS rejects :- At cost per tonne on jigging/processing, transportation, etc., allocated on technical estimates or net realizable value, whichever is less.
- (iii) Manganese ore at port :- At landed cost at the port or net realizable value, whichever is less. Landed cost includes freight, unloading charges, sampling charges, etc.

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



- (iv) Electrolytic manganese di-oxide [EMD] (including stock in process as on 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 plant's depreciation or net realizable value, whichever is less.
- (v) (a) Ferro manganese/silico manganese including stock in cake form as on 31st March, determined by technical assessment :- At current year's cost of production including plant's depreciation (less realizable value of slag) or net realizable price, whichever is less.
- (b) Stock in process :- The quantity of ferro manganese/silico manganese in process cannot be weighed, seen or assessed and hence, no value is assigned.
- (c) Stock of slag :- Slag is a molten mass of impurities generated during manufacture of ferro manganese, which is treated as scrap and, accordingly, valued at net realizable price.
- (b) **Stores inventory** (Stores, spares, timber, explosives, fuel and lubricants and raw materials) :- At cost on weighted average method.
 - (i) Physical verification of all stores, spares, etc., is conducted at the end of each year. Difference between physical stock and book stock is investigated and necessary adjustments are carried out in the books of accounts.
 - (ii) In case of ferro manganese plant, stock of raw materials, except manganese ore at plant, is valued at cost on weighted average method. The stock of manganese ore at plant is valued at current year's cost of production or net realizable value, whichever is less, *plus* cost of transport and other charges, if any. Opening and closing stock of ore at the plant is grouped under the head "Stock of raw materials".

4 Sales

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

(a) Manganese ore sales

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

(b) EMD/ferro manganese/silico manganese/slag sales

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

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

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

5 Other income

- (a) Interest income from sundry debtors is recognized in line with AS-9 of the Institute of Chartered Accountants of India as under –
 - (i) In as far as the realization is supported by letter of credit through bank from the debtors, where there is certainty of its realization, the recognition is made on accrual basis.

Interest billed to customers for credit terms beyond current financial year is recognized in the year to which it pertains.
 - (ii) In as far as the realization is not supported by letter of credit through bank and directly billed by the company where its realization is uncertain, based on management's experience, as and when actual realization made is recognized as income.



- (b) Interest income on deposits and advances is recognized on accrual basis.
- (c) Memorandum records have been kept in respect of replaced/worn-out parts/scrap capital items. When they are disposed off, proceeds are taken as miscellaneous receipt of that year.

6 Captive consumption

Manganese ore

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

Electricity

Power generated at wind turbine generator units and consumed at mine/plant, are charged to respective units at the cost of generation.

7 Sales tax, income tax, etc.

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

8 Employee benefits:

(a) Short term employee benefits

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

(b) Post-employment benefits

(i) Defined benefit plans

Post-employment and other long term employee benefits are recognized as an expense in the profit and loss account

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

(ii) Defined contribution plans

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

9 V.R.S. expenditure

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

10 Accounting for subsidies from Welfare Commissioner

(a) Labour quarters

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

(b) Welfare assets

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

**11 Claims by the company**

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

12 Prepaid expenses

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

13 Provision for doubtful debts

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

14 Research and development expenditure

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

15 Mine closure expenditure

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

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

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

17 Prior period expenses

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

18 Significant events occurring after balance sheet date

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



NOTE NO. 1.2

NOTES ON ACCOUNTS FOR YEAR ENDED 31ST MARCH, 2013

1 Contingent liabilities

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

₹ in lakhs

Particulars of claims		31-03-2013	31-03-2012
(i)	By employees for wages and other benefits	141.00	143.00
(ii)	By South East Central Railway for payment of arrears of rent of railway sidings	109.68	109.68
(iii)	By contractors for non-fulfilment of contractual obligations	Nil	26.42
(iv)	By Forest Department for payment of transit fee on railing of ore from Tirodi mine	86.08	86.08
(v)	Interest on arbitration award	447.21	332.00
(vi)	Employees' professional tax	6.91	6.91
(vii)	Entry tax, central sales tax and value added tax	12.89	9.05
(viii)	Disputed income tax under appeal [Tax already paid ₹ 1267.35 (₹ 4021.97)]	1267.35	4021.97
(ix)	Contingent liability on financial assurance under bank guarantees /letter of credits (Represented by fixed deposits of equivalent amount)	225.37	172.30

(b) Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 8509.09 (₹ 5832.64) lakhs. Advance paid for such contracts is ₹ 30.27 (Nil) lakhs.

2 Land measuring 761.60 Sq. Mtrs. belonging to the company is acquired by Nagpur Improvement Trust for its Integrated Road Development Plan. Writ petition filed by the company seeking compensation is admitted by the High Court, Nagpur. Pending outcome of writ petition, no adjustment is done in books.

- 3 (a) Physical verification of inventories is carried out at the end of the year.
- (b) Production and inventory of manganese ore as well as bulk raw materials and ferro manganese 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 164 (370) MT valuing ₹ 8.08 (₹ 17.18) lakhs lying in ferro manganese plant site on 31.03.2013.



- 4 Letters for year-end balance confirmation of sundry debtors and sundry creditors have been sent to the parties. In respect of confirmations received, the company is under process of scrutinizing and reconciling the balances.
- 5 Documentation in respect of secured loans to employees is pending in some cases.
- 6 For anticipated loss on disposal of obsolete stores/spares, provision of ₹ 3.93 (₹ 4.22) lakhs made in accounts is considered adequate.
- 7 During the year, the company has detected embezzlement of funds committed by one of its employees. The amount of embezzlement detected till date is ₹ 31.03 lakh. The matter is being investigated by an independent expert and final report is awaited. Since the amount of terminal benefits due to the employee (which can be applied for recovery of embezzled amount) and amount already deposited are sufficient to recover the above, provision is not considered necessary.
- 8 Income tax deducted at source from interest and rent received by the company amounts to ₹ 2487.18 (₹ 2192.54) lakhs. Tax deduction certificates are awaited in some cases.
- 9 Sundry creditors include a sum of ₹ Nil (₹ Nil) lakhs payable to micro, small and medium enterprises units, in excess of ₹ 1.00 lakh outstanding for more than thirty days.
- 10 Other expenses (Note No. 14.2) include -

₹ in lakhs

Particulars		31-03-2013	31-03-2012
1	Travelling expenses of		
	(a) Chairman-cum-Managing Director	18.29	12.68
	(b) Directors	68.90	54.90
2	Auditor's remuneration		
	(a) Audit fee		
	For statutory audit	3.93	2.81
	For limited review of quarterly accounts	2.11	2.64
	Out of pocket expenses	Nil	0.08
	(b) Other services	1.11	0.94
		7.15	6.47
3	Advertisements include expenditure on public relations and publicity	63.43	128.52

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

₹ in lakhs

Particulars	Gratuity		Leave encashment	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Reconciliation of opening and closing balance of funded obligation, as assessed by an independent actuary				
At the beginning of the year	10556.56	9902.89	4225.74	3899.15
Current service cost	599.07	542.68	310.46	289.47
Interest cost	844.52	792.23	338.06	311.93
Actuarial (gain)/loss	505.90	156.53	157.01	-98.98
Benefits paid	-821.45	-837.77	-304.67	-175.83
At the close of the year	11684.60	10556.56	4726.60	4225.74
Reconciliation of opening/closing balance of fair value of plan assets				
At the beginning of the year	10560.44	9460.55	4042.02	2852.95
Expected return on plan assets	1003.24	898.75	383.99	271.03
Actuarial (gain)/loss	-47.96	-3.43	-5.58	47.67
Employer contribution	0.00	1042.34	183.90	1046.20
Benefits paid	-821.45	-837.77	-304.67	-175.83
At the close of the year	10694.27	10560.44	4299.66	4042.02
Reconciliation of fair value of assets and funded obligations				
Present value of plan assets at the end of the year	10694.27	10560.44	4299.66	4042.02
Present value of obligation at the end of the year	11684.60	10556.56	4726.60	4225.74
Liability/(-) prepaid expenses recognized in balance sheet	990.33	-3.88	426.94	183.72
Expenses recognised in profit and loss account				
Current service cost	599.07	542.68	310.47	289.47
Interest cost	844.53	792.23	338.06	311.93
Expected return on plan assets	-1003.24	-898.75	-383.99	-271.03
Actuarial (gain)/loss	553.86	159.96	162.58	-146.65
Total expenses recognized in the profit & loss account	994.22	596.12	427.12	183.72
Actuarial assumptions	(1994-96)	(1994-96)	(1994-96)	(1994-96)
Mortality Table (LIC)	Ultimate	Ultimate	Ultimate	Ultimate
Discount rate (per annum)	8.00%	8.00%	8.00%	8.00%
Expected return on Plan assets (per annum)	9.50%	9.50%	9.50%	9.50%
Rate of escalation in salary (Per annum)	5.00%	5.00%	5.00%	5.00%



12 Transactions with related parties – Disclosures of transactions with related parties as per Accounting Standard 18 are as under.

(i) List of related parties and relationship

1	Shri K.J.Singh	Key management personnel
2	Shri G.P.Kundargi	Key management personnel
3	Shri A. K. Mehra	Key management personnel
4	Shri M.A.V. Goutham	Key management personnel
5	Shri M.P. Chaudhari	Key management personnel
6	SAIL & MOIL Ferro Alloys Pvt. Ltd.	Joint venture company
7	RINMOIL Ferro Alloys Pvt. Ltd.	Joint venture company

(ii) Transactions during the year with related parties

₹ in lakhs

Particulars		2012-13	2011-12
1	Managerial remuneration		
	(a) Salaries and allowances	94.47	168.51
	(b) Contribution to provident fund	6.96	6.90
	(c) Actual/estimated value of perquisites	4.50	4.90
	(d) Total	105.94	180.31
2	Reimbursement of traveling expenses	87.19	67.58
3	Advance towards share capital to joint venture company	0.00	200.00

13 Deferred tax assets/liability – Disclosures as per Accounting Standard 22 are as under.

₹ in lakhs

Sr No	Particulars	2012-13/31 st March, 2013	2011-12/31 st March, 2012
1	Deferred tax liability Related to depreciation	2055.87	2284.57
2	Deferred tax assets Disallowances under the Income Tax Act	3599.14	2949.71
3	Net deferred tax liability/(-)asset	-1543.27	-665.14
4	Deferred tax for profit and loss account : Increase/(-)decrease in liability	-878.13	-814.96

14 Joint ventures - Disclosures as per Accounting Standard 27 are as follows.

(a) Particulars about joint venture companies

Name of joint venture company	Incorporation details		Proportion of owner-ship	Subscript-ion for capital ₹ - Lakhs
	Country	Date		
SAIL & MOIL Ferro Alloys Pvt Ltd	India	31.07.2008	50%	410.00
RINMOIL Ferro Alloys Pvt Ltd.	India	29.07.2009	50%	10.00



(b) Financial particulars

₹ in lakhs

Particulars	Position as at	
	31.03.2013 (Unaudited)	31.03.2012 (Audited)
Aggregate amount of company's interest as per accounts of joint venture companies –		
(i) SAIL & MOIL Ferro Alloys Pvt. Ltd.		
Share capital	10.00	10.00
Share application money pending allotment	400.00	400.00
Reserves and surplus	-0.46	-0.46
Current liabilities	1.35	1.96
Fixed assets (net) and capital work in progress	301.95	301.28
Long term loans and advances	0.01	0.01
Current assets	108.93	110.21
Income	Nil	Nil
Expenditure	Nil	Nil
Contingent liabilities and capital commitments	9.00	Nil
(ii) RINMOIL Ferro Alloys Pvt. Ltd.		
Share capital	10.00	10.00
Reserves and surplus	-0.31	-0.31
Current liabilities	0.47	2.97
Non-current liabilities	89.70	81.18
Fixed assets (net) and capital work in progress	76.68	65.71
Long term loans and advances	1.09	1.09
Current assets	22.09	27.04
Income	Nil	Nil
Expenditure	Nil	Nil
Contingent liabilities and capital commitments	411.95	412.71

15 **Provisions** – Disclosure of particulars as per Accounting Standard 29 are as under. ₹ in lakhs

Particulars of provisions	Opening balance 01.04.2012	Provision	Provision written back/used	Closing balance 31.03.2013
Final mine closure expenses	548.98 (477.24)	77.44 (71.74)	-- --	626.42 (548.98)
Bad and doubtful debts and advances	33.14 (33.14)	-- --	-- --	33.14 (33.14)

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

16 Imports of capital goods during the year ₹ 298.56 (515.34) lakh.

17 Expenditure in foreign currency for travelling ₹ 12.53 (₹ 26.78) lakh and miscellaneous expenses ₹ 16.33 (15.00) lakh



18 Additional information to profit and loss account

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

Particulars	Year ended 31-03-2013		Year ended 31-03-2012	
	Qty (MT)	₹ in lakhs	Qty (MT)	₹ in lakhs
a) Production/generation -				
Manganese ore	1138895	--	1070717	--
E.M.D.	786	--	714	--
Ferro manganese	9210	--	8694	--
Ferro manganese slag	11510	--	14204	--
Wind power (KwH)	37545155	--	33022835	--
b) Sales -				
Manganese ore	1192857	89073.02	1078263	81039.40
E.M.D.	1014	779.09	1005	686.00
Ferro manganese	10080	5967.11	13239	7310.45
Ferro manganese slag	9397	757.56	8716	686.19
Power to MPEDCL (KwH)	27423836	925.89	23954400	846.09
c) Opening stock -				
Manganese ore	157614	5708.16	191160	6681.65
E.M.D.	299	208.38	590	404.52
Ferro manganese	2078	815.10	6622	1952.89
Ferro manganese slag	6265	388.50	776	77.08
d) Closing stock -				
Manganese ore	76815	3072.26	157614	5708.16
E.M.D.	71	58.22	299	208.38
Ferro manganese	1208	549.77	2078	815.10
Ferro manganese slag	8378	616.66	6265	388.50
Note :				
Closing stock of manganese ore is arrived at after adjustment of issue of ore for production of -				
EMD	3043		2984	
Ferro manganese	23794		23016	
Generation of power from wind mills includes utilization for captive consumption (KwH)	10121319		9068435	

(b) Licensed and installed capacity and capacity utilization -

Particulars	Year ended 31-03-2013		Year ended 31-03-2012	
	Qty (MT)	Capacity utilization	Qty (MT)	Capacity utilization
e) Licnsed and installed capacity				
E.M.D.	1000	--	1000	--
Ferro manganese	10000	--	10000	--
Wind power (KwH)	40000000	--	40000000	--
f) Production and capacity utilisation				
E.M.D.	786	79%	714	71%
Ferro manganese	9210	92%	8694	87%
Wind power (KwH)	37545155	94%	33022835	83%

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



NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2013

₹ in Lakhs

Particulars		As at March 31, 2013		As at March 31, 2012	
Note 2.1 - Share capital					
Authorised					
Equity shares :	Number	250000000		250000000	
	Face value		10.00		10.00
	Amount		25000.00		25000.00
Issued, subscribed and fully paid-up					
Equity shares :	Number	168000000		168000000	
	Face value		10.00		10.00
	Amount		16800.00		16800.00
TOTAL					
The company has only one class of shares as equity shares of ₹ 10 each par value with one voting right for one equity share and right to equal dividend proportionate to the shareholding.					
Particulars of bonus shares issued by capitalisation of reserves :					
Financial year	No. of shares	Reserves capitalised			
		General reserve		Capital reserve	
2006-07 #	1267486	1267.49		0.00	
2009-10 #	140000000	13993.39		6.61	
Shares of face value of ₹ 100 each are split into shares of face value of ₹ 10 each in financial year 2009-10					
Reconciliation Statement					
Number of shares at the beginning		168000000		168000000	
Add : Shares issued during the year		0		0	
Number of shares at the end		168000000		168000000	
Details of shareholding of each shareholder holding more than 5 % of shares :					
Name of the shareholder		No. of shares held	% of shareholding	No. of shares held	% of shareholding
Government of India		120235680	71.57	120235680	71.57
₹ in Lakhs					
Particulars		As at March 31, 2013		As at March 31, 2012	
Note 2.2 - Reserves and surplus					
General reserve					
As per last balance sheet		225878.79		195878.79	
(+) Transfer from profit and loss account		32500.00		30000.00	
			258378.79		225878.79
CSR (corporate social responsibility) reserve					
Transfer from profit and loss account			163.41		0.00
Surplus in profit and loss account					
As per last balance sheet		1451.73		150.70	
Add : Balance of profit from Profit & Loss account		43172.26		41076.70	
Amount available for appropriation		44623.99		41227.40	
Less : Appropriations -					
CSR (corporate social responsibility) reserve		163.41		0.00	
Interim Dividend @ 20% (20%)		3360.00		3360.00	
Proposed final dividend @ 35% (30%)		5880.00		5040.00	
Tax on interim dividend including surcharge and cess		545.08		558.05	
Tax on final dividend including surcharge and cess		953.88		817.61	
Transfer to general reserve		32500.00		30000.00	
		43402.37		39775.66	
Balance carried forward			1221.62		1451.74
TOTAL			259763.82		227330.53



NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2013

₹ in Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
Note 3.1 - Long-term provisions		
(a) Provision for pension fund	8498.78	6624.44
(b) Provision for final mine closure expenses	626.43	548.98
Total	9125.21	7173.42
Note 3.2 - Long-term liabilities		
(a) Security deposits from suppliers, contractors and others	285.05	85.52
Total		
Note 4.1 - Trade payables	2651.45	2443.47
Note 5.1 - Other current liabilities		
(a) Advances from customers	1592.64	1241.13
(b) Security deposits from suppliers, contractors and others	2296.82	2033.51
(c) Liabilities for expenses	11073.11	9848.00
(d) Unclaimed dividend pending encashment of warrants	59.70	36.31
(e) Liabilities for capital expenditure	1019.20	867.68
(f) Other liabilities	572.57	424.47
Total	16614.04	14451.10
Note 5.2 - Short-term provisions		
(a) Proposed dividend on equity shares	5880.00	5040.00
(b) Provision for tax on dividend	953.88	817.61
(c) Provision for unavailed leave - Liability on balance sheet date	4726.60	4225.74
(-) Fund with Life Insurance Corporation of India	4299.66	4042.01
(d) Provision for gratuity	426.94	183.73
	990.34	0.00
Total	8251.16	6041.34
Total	27516.65	22935.91

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2013

Note 6.1 - Fixed assets

₹ in Lakhs

Sr No	Description of assets	Gross block		As at 31.03.2013	Depreciation		Net block	
		As at 31.03.2012	Additions		As at 31.03.2012	For the year	As at 31.03.2013	As at 31.03.2012
A	Tangible assets							
1	Land	1016.24	15.69	1031.93	0.00	0.00	1031.93	1016.24
2	Buildings	7509.75	2823.36	10332.37	0.74	309.96	7896.78	5383.68
3	Plant and machinery	29958.99	2928.45	32710.05	177.39	2751.73	12769.04	12611.14
4	Furniture and fixtures	277.66	21.00	296.94	1.72	20.25	88.51	88.03
5	Office equipments	395.72	63.74	452.78	6.68	26.45	198.24	162.31
6	Vehicles	732.79	115.57	819.73	28.63	77.60	281.97	245.43
		39891.15	5967.81	45643.80	215.16	3185.99	22266.47	19506.83
B	Intangible assets							
1	Leasehold land	2366.71	5.02	2347.51	24.22	117.34	1085.66	1197.97
		42257.86	5972.83	47991.31	239.38	3303.33	23352.13	20704.80
C	Capital work in progress- Total						2697.17	3903.55
							26049.30	24608.35
D	Previous year ended 31st March, 2012	39646.14	3155.95	42257.86	544.23	2991.56	20704.79	20598.01

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

2 Depreciation for the period includes depreciation on -

(a) Assets of manufacturing units

(b) Assets of power generating units

(c) Depreciation pertaining to earlier year

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

For 2012-13	For 2011-12
65.21	71.02
1006.71	1006.71
0.00	2.15



NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2013

₹ in Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
Note 7.1 - Non-current Investments (Unquoted) - At cost		
Fully paid-up shares of Co-operative Stores/Societies at mines :		
(a) 500 (500) Shares of ₹ 5 each of Co-operative Stores (unregistered)	0.03	0.03
(b) 1612 (1612) Shares of ₹ 25 each of Co-operative Societies	0.40	0.40
(c) 8556 (8556) Shares of ₹ 10 each of Co-operative Societies	0.86	0.86
	1.29	1.29
Investment in joint ventures (Initial subscription) :		
(a) 100000 (100000) Equity shares of ₹ 10 each fully paid-up in SAIL & MOIL FERRO ALLOYS PVT. LTD.	10.00	10.00
(b) 100000 (100000) Equity shares of ₹ 10 each fully paid-up in RINMOIL Ferro Alloys Pvt. Ltd.	10.00	10.00
	20.00	20.00
Advance for share allotment		
Advance to SAIL & MOIL Ferro Alloys Pvt. Ltd. against allotment of shares (pending increase in authorised share capital)	400.00	400.00
Total	421.29	421.29
Note 8.1 - Long-term loans and advances		
(a) Secured		
Loans and advances to employees	72.49	75.91
(b) Unsecured		
Loans and advances to employees	4.60	9.00
Total	77.09	84.91
Note 8.2 - Other non-current assets		
(a) Interest accrued but not due on fixed and other deposits	12.44	0.31
(b) Interest accrued but not due on loans to employees	48.21	30.08
(c) Deposit with railway, electricity boards and others (Unsecured)	609.80	559.80
(d) Advance for purchase of capital items	30.27	9.70
Total	700.72	599.89
Note 9.1 - Inventories [As certified by the management]		
(i) Stock of raw materials valued at cost	69.60	69.18
(ii) Work-in-process at cost	1.59	1.06
(iii) Stock of finished goods at cost or net realisable value, whichever is less	4295.32	7119.08
(iv) Stores in transit at cost	5.59	36.76
(v) Capital goods in transit	0.00	239.74
(vi) Stock of stores and spares valued at cost	780.58	667.30
(-) Provision for obsolete stores and spares	3.93	4.22
Total	776.65	663.08
	5148.75	8128.90



NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2013

₹ in Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
Note 9.2 - Trade receivables (Unsecured)		
(i) Considered good		
Debts overdue for a period exceeding six months	2884.04	41.81
Other debts	25925.81	9891.34
	28809.85	9933.15
(ii) Considered doubtful		
Debts overdue for a period exceeding six months	20.87	20.87
	28830.72	9954.02
(-) Provision for doubtful debts	20.87	20.87
Total	28809.85	9933.15
Note 9.3 - Cash and cash equivalents		
(i) Cash in hand	6.45	7.04
(ii) Balance with banks		
In fixed deposits	223870.00	207606.00
In fixed deposits (as margin money against bank guarantees/LCs)	495.37	395.73
In special dividend account pending encashment of warrants	59.70	36.31
In current accounts	3246.90	797.03
Total	227678.42	208842.11
Balances in fixed deposits include deposits maturing after 12 months	326.29	7.00
Note 10.1 - Short term loans and advances		
(a) Secured		
(i) Loans and advances to employees	60.71	62.84
(b) Unsecured		
(i) Advances to employees	159.68	138.68
(ii) Advances for purchase of stores, spares etc	284.31	191.23
(-) Provision for doubtful advances	11.75	11.75
	272.56	179.48
(iii) Advances to contractors and others	24.17	38.03
(iv) Loans and advances to related parties		
(a) Advances to officers	0.00	0.00
Advances to Chairman-cum-Managing Director	0.00	0.00
(b) RINMOIL Ferro Alloys Private Limited, a joint venture company	33.21	33.31
(v) Claims receivable	1.50	1.50
(-) Provision for doubtful claims	0.53	0.53
	0.97	0.97
(vi) Pre-paid expenses	170.41	146.61
(vii) Advance payment of income tax (Net)	10593.48	9037.68
Total	11315.19	9637.60
Note 10.2 - Other current assets		
(i) Interest accrued on fixed and other deposits	11474.05	11120.64
(ii) Sundry receivable	272.80	283.41
Total	11746.85	11404.05



NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2013

₹ in Lakhs

Particulars	For financial year 2012-13	For financial year 2011-12
Note 11.1 - Revenue from operations		
(a) Sale of mining products	89073.03	81039.40
(b) Sale of manufactured products	7503.75	8682.64
(c) Sale of power	925.89	846.09
	97502.67	90568.13
(-) Excise duty on manufactured products	790.67	609.88
Revenue from operations	96712.00	89958.25
Note 11.2 - Other income		
1 Other income		
(a) Interest received	22917.04	19383.52
(b) Recoveries from employees	9.92	11.44
(c) Sale of scrap	0.33	0.39
(d) Rent on buildings	3.55	14.02
(e) Sales tax set-off/refund	191.60	156.01
(f) Miscellaneous income	404.33	766.32
2 Provisions written back		
Provision for anticipated loss on sale of obsolete stores	0.28	0.00
Total	23527.05	20331.70



NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2013

₹ in Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
Note 12.1 - Cost of raw material consumed		
<u>Electrolytic manganese di-oxide plant</u>		
(a) Manganese ore	11.93	7.33
(b) Sulphuric acid	23.01	20.99
(c) Sodium carbonate	2.66	2.41
(d) Others	3.47	10.05
	41.07	40.78
<u>Ferro manganese plant</u>		
(A) Manganese ore	1169.03	1062.76
(b) Coke	882.88	533.37
(c) Carbon paste	39.46	34.77
(d) Others	300.17	161.49
	2391.54	1792.39
Total	2432.61	1833.17
Note 13.1 - Changes in inventories of finished goods, work-in-process and stock-in-trade		
(a) Mining products		
Closing stock	3072.26	5708.16
(-) Opening stock	5708.16	6681.65
	-2635.90	-973.49
(b) Manufactured products		
Closing stock	1224.65	1411.98
(-) Opening stock	1411.98	2434.49
	-187.33	-1022.51
A	-2823.23	-1996.00
Less :		
Excise duty on stock of manufactured products		
On closing stock	134.72	155.32
(-) Opening stock	155.32	227.34
	-20.60	-72.02
B	-2802.63	-1923.98
Net accretion/-decretion [A - B]		
Note 14.1 - Employee benefit expenses		
Salaries, wages and bonus	19883.92	18454.54
Contribution to provident fund and other funds	5179.37	4241.07
Welfare expenses	1139.87	912.89
Total	26203.16	23608.50



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2013

₹ in Lakhs

Particulars	For financial year 2012-13	For financial year 2011-12
Note 14.2 - Other expenses		
Other manufacturing and administrative expenses, selling expenses and write offs		
1 Transport, railing and other works through contractors	5448.61	5446.35
2 Consumption of stores and spares	4330.74	3683.73
3 Power and fuel	3973.11	3292.89
4 Repairs and maintenance to buildings	331.50	242.58
5 Repairs and maintenance to plant & machinery	783.64	645.56
6 Repairs and maintenance to others	115.72	89.40
	1230.86	977.54
7 Rent	3.35	11.97
8 Rates and taxes	267.91	231.68
9 Insurance	195.90	150.82
10 Auditor's remuneration	7.15	6.47
11 Directors' sitting fees	13.58	6.63
12 Advertisements	191.30	221.68
13 Expenditure on corporate social responsibility	1055.94	655.91
14 Miscellaneous expenses	1329.30	1082.70
15 Royalty and cess	3637.99	3309.59
16 Cash discount on sales	75.79	76.01
17 Service charges on e-auctions	99.55	65.31
18 Sampling expenses	12.03	14.51
	3825.36	3465.42
19 Exploratory drilling at mines	638.82	513.24
20 Expenditure on blasting/rock mechanics/stop design studies, etc.	190.31	284.78
	829.13	798.02
21 Write off of discarded assets	22.18	57.60
22 Write off of stores and spares shortage	2.10	1.55
23 Provision for anticipated loss on obsolete stores / spares	0.00	0.73
24 Provision for doubtful advances	0.00	11.18
25 Provision for final mine closure expenses	77.44	71.74
	101.72	142.80
Total	22803.96	20174.61

Significant accounting policies and notes to accounts 1.1 & 1.2

As per our report of even date

For V.K.Surana & Co.

Chartered Accountants,

F.R.No. 110634 W

CA. Sudhir Surana

Membership Number : 043414

Place : New Delhi

Date : 25th May, 2013

Neeraj Pandey

Company Secretary

Mukund P. Chaudhari

Director (Finance)

Nitin P. Kajarekar

Chief (Finance)

G.P. Kundargi

Chairman-cum-Managing Director

**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2013**

₹ in Lakhs

Particulars	For financial year 2012-13	For financial year 2011-12
A Cash flow from operating activities		
Net profit before tax and dividend	63678.28	60662.81
Adjustment for -		
(a) Depreciation	3303.33	2991.57
(b) Discarded assets written off	22.18	57.60
	3325.51	3049.17
Operating profit before working capital changes	67003.79	63711.98
Adjustments for -		
(a) Inventories	2980.15	1614.08
(b) Sundry debtors	-18876.71	-3137.26
(c) Interest accrued/receivable	-335.46	-3592.79
Other current assets	-233.45	-14.17
(d) Loans and advances	-1544.51	-2203.45
(e) Current liabilities and provisions	6732.06	-943.99
	-11277.92	-8277.58
Cash generated from operations	55725.87	55434.40
Provision for taxation during the year	-21384.15	-20401.07
Net cash from operating activities	34341.72	35033.33
B Cash flow from investing activities		
(a) Purchase of fixed assets	-4766.45	-4180.71
(b) Purchase/sale of investments	0.00	-200.00
Net cash used in investing activities	-4766.45	-4380.71
C Cash flow from financing activities		
(a) Dividend (including dividend distribution tax)	-10738.96	-9775.67
D Net increase/(-) decrease in cash and cash equivalents	18836.31	20876.95
E Opening cash and cash equivalents	208842.11	187965.16
Closing cash and cash equivalents	227678.42	208842.11
Net increase/(-) decrease in cash and cash equivalents	18836.31	20876.95
Note : Cash and cash equivalents include balances in special dividend accounts pending encashment of warrants, which are not available to the company for its use	59.70	36.31

As per our report of even date

For V.K.Surana & Co.

Chartered Accountants,

F.R.No. 110634 W

CA. Sudhir Surana

Membership Number : 043414

Place : New Delhi

Date : 25th May, 2013**Neeraj Pandey**

Company Secretary

Mukund P. Chaudhari

Director (Finance)

Nitin P. Kajarekar

Chief (Finance)

G.P. Kundargi

Chairman-cum-Managing Director



INFORMATION ABOUT BUSINESS SEGMENTS

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

₹ in Lakhs

Sr No	Particulars	Mining		Manufacturing		Power generation		Eliminations		Consolidated	
		2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
1	Revenue										
	(a) External sales (Gross)	89073.03	81039.40	7503.75	8682.64	925.89	846.09	0.00	0.00	97502.67	90568.13
	(b) Inter-segment sales	984.92	904.67	0.00	0.00	639.62	570.08	-1624.54	-1474.75	0.00	0.00
	(c) Total revenue	90057.95	81944.07	7503.75	8682.64	1565.51	1416.17	-1624.54	-1474.75	97502.67	90568.13
2	Results										
	(a) Segment result	38796.24	37549.70	939.48	2479.26	415.51	302.15	0.00	0.00	40151.23	40331.11
	(b) Other income (incl write back)	23527.05	20331.70	0.00	0.00	0.00	0.00	0.00	0.00	23527.05	20331.70
	(c) Total segment result	62323.29	57881.40	939.48	2479.26	415.51	302.15	0.00	0.00	63678.28	60662.81
	(d) Profit before tax									63678.28	60662.81
	(e) Provision for income tax									21384.15	20401.07
	(f) Deferred tax liability									-878.13	-814.96
	(g) Profit after tax									43172.26	41076.70
Sr No	Particulars	Mining		Manufacturing		Power generation		Unallocated #		Consolidated	
		31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012
3	Other information										
	(a) Segment assets	50908.29	31597.18	2320.01	2539.43	4402.92	5410.10	254316.24	234113.53	311947.46	273660.24
	(b) Segment liabilities	8110.99	7058.42	277.30	284.76	370.99	370.99	26624.37	21815.54	35383.65	29529.72
	(c) Capital expenditure	4645.04	4058.85	90.22	47.89	0.00	0.00	31.19	73.97	4766.45	4180.71
	(d) Depreciation for the period ended..	2231.40	1913.84	65.21	71.01	1006.71	1006.71	0.00	0.00	3303.32	2991.56

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

Includes unallocated capital expenditure, corporate assets and corporate liabilities



STATEMENT OF SOCIAL AMENITIES - EXPENSES AND INCOME FOR YEAR 2012-13

₹ in Lakhs

Sr.	Particulars	Current year				Total	
No.		Township	Education	Medical #	Welfare \$	For 2012-13	For 2011-12
1	Salaries and wages	66.36	69.08	84.53	469.22	689.20	651.89
2	Contribution to provident fund	5.41	1.10	3.62	46.29	56.43	53.91
3	Consumption of stores	12.70	8.32	7.40	63.43	91.85	82.83
4	Power	107.79	0.00	6.91	58.79	173.49	184.84
5	Drugs and injections	0.00	0.00	99.17	0.00	99.18	77.07
6	Miscellaneous expenses	1.03	50.82	123.63	509.16	684.63	692.35
7	Contractors - Repairs to buildings/others	269.14	1.63	2.25	117.19	390.22	240.85
	Sub total A	462.43	130.95	327.51	1264.08	2185.00	1983.74
8	Depreciation	184.59	17.78	12.59	1.48	216.44	205.55
9	Interest	0.00	0.00	0.00	0.00	0.00	0.00
	Sub total B	184.59	17.78	12.59	1.48	216.44	205.55
10	Total expenses [A + B] Sub total C	647.02	148.73	340.10	1265.56	2401.44	2189.29
	Less :						
	Income from electricity	4.64	0.00	0.00	0.00	4.64	5.64
	Receipts from school bus	0.00	0.00	0.00	2.23	2.23	2.61
	Reimbursement from Welfare Commissioner	0.73	0.00	0.00	0.00	0.73	1.26
	for sports/medical/others						
	Sub total D	5.37	0.00	0.00	2.23	7.60	9.51
11	Net expenses [C - D]	641.65	148.73	340.10	1263.33	2393.84	2179.78
	* Over and above statutory requirements	# Including social and cultural activities					

MOIL LIMITED

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

FORM OF PROXY

I/We _____ being a Member/Members of MOIL Limited hereby appoint Mr. / Mrs. / Miss _____ of _____ in the district of _____ and failing him / her Mr./Mrs./Miss _____ of _____ in the district of _____ as my/our proxy to vote for me/us on my/our behalf at the 51st Annual General Meeting of the Company to be held on Thursday, 22nd August, 2013 at 2.30 p.m. at MOIL Ltd., Golden Jubilee Hall, West Court Premises, In-front-of Z.P. (Ex. Govt.) High School, Katol Road, Nagpur - 440013, and at any adjournment thereof.

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

Please Affix
Re 1
Revenue
Stamp

Signed this _____ day of _____ 2013

Signature _____

Note :

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

MOIL LIMITED

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

ATTENDANCE SLIP

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

Member/Proxy _____
(First) (Middle) (Surname)

I hereby record my presence at the 51st Annual General Meeting of the Company to be held on Thursday, 22nd August, 2013 at 2.30 p.m. at MOIL Ltd., Golden Jubilee Hall, West Court Premises, In-front-of Z.P. (Ex. Govt.) High School, Katol Road, Nagpur - 440013

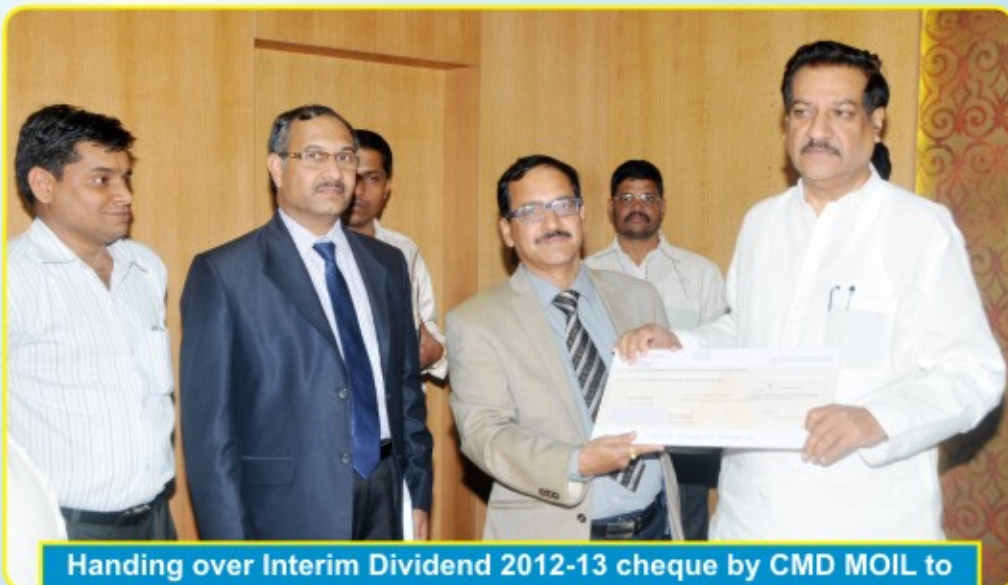
Folio / Client ID	
DP ID Nos.	
No. of Shares held	

(Signature of Member/Proxy)

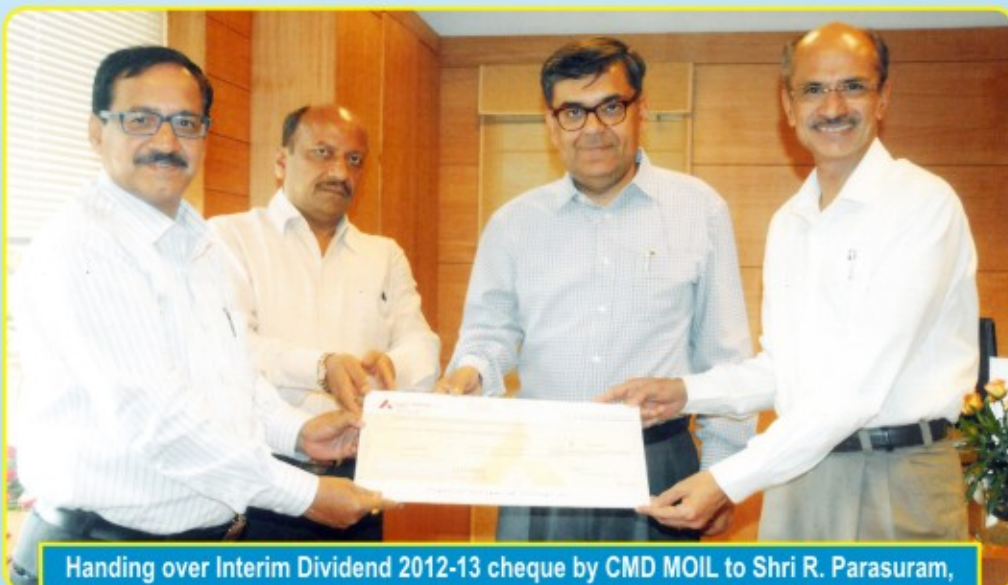
Note: This attendance slip is valid only in case shares are held on the date of meeting



Handing over Interim Dividend 2012-13 cheque by CMD MOIL to Shri Beni Prasad Verma, Hon'ble Minister of Steel



Handing over Interim Dividend 2012-13 cheque by CMD MOIL to Shri Prithviraj Chavan, Hon'ble Chief Minister of Maharashtra



Handing over Interim Dividend 2012-13 cheque by CMD MOIL to Shri R. Parasuram, Chief Secretary. Govt. of M.P. in presence of Shri D.R.S. Chaudhary, Secretary, MoS



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