

BASIS OF THE COMPANY:-

MOIL the largest producer of manganese ore by volume in India in Fiscal 2008 (Source: Indian Bureau of Mines, Indian Mineral Yearbook 2008). MOIL production of manganese ore increased from 864,890 tonnes in Fiscal 2006 to 1,093,363 tonnes in Fiscal 2010. As of July 1, 2010, the company have access to approximately 22.0 million tonnes of proved and probable reserves and 37.2 million tonnes of measured mineral resources of manganese ore. According to the JORC report prepared by IMC dated September 21, 2010, 54.8% of our proved and probable manganese ore reserves, as of July 1, 2010, have an average manganese content of over 40.0%. Further, 27.4% of the companies proved and probable manganese ore reserves as of July 1, 2010, have an average manganese content of 36.0% -40.0%. The company currently operate seven underground mines (Kandri, Munsar, Beldongri, Gumgaon, Chikla, Balaghat and Ukwa mines) and three opencast mines (Dongri Buzurg, Sitapatore, and Tirodi). The company produced 700, 776 tonnes of manganese ore from underground mines and 392,587 tonnes of manganese ore from opencast mines in Fiscal 2010. MOIL are actively involved in exploration and development activities with a view to increasing proved manganese ore reserves.

In addition, an area of approximately 814.71 hectares in the State of Maharashtra has been reserved for by a notification from the Ministry of Mines in October 2009. Moil are the largest producer of manganese ore by volume in India in Fiscal 2008 (Source: Indian Bureau of Mines, Indian Mineral Yearbook 2008). The company accounted for approximately 50.0% of India's total production of manganese ore in Fiscal 2008 (Source: Indian Bureau of Mines, Indian Mineral Yearbook 2008).

Issue Highlights:

Books Open : 26 Nov 2010
Books Close : 01 Dec 2010
Face Value : Rs. 10
Bid Lot Size : 17 Eq Shares
Price : Rs. 340 TO Rs. 375

Issue Details:

Issue Size : In equity shares
QIB Portion: 16464000
Retail Portion: 11524800
HNI Portion: 4939200
LeadManagers: EDELWEISS,
IDBI CAPITAL, JP MORGAN

KEY POINTS OF THE COMPANY:-

- Manganese ore is primarily used to make ferro-alloys for steel production. According to the Indian Ministry of Steel, We accounted for approximately 50.0% of India's total production of manganese ore in Fiscal 2008 (Source: Indian Bureau of Mines, Indian Mineral Yearbook 2008).
- In addition to high, medium and low grade manganese ore, the company products include manganese dioxide and chemical grade manganese ore. At the Balaghat and Dongri Buzurg mines, which are the companies largest mines, have beneficiation plants to upgrade the quality of the manganese ore produced, which the company sell commercially and also use in the manufacturing of value-added products such as high carbon ferro manganese (“HCFM”) and electrolytic manganese dioxide (“EMD”). As of August 31, 2010, processing capacity at the Balaghat and Dongri Buzurg mines was 500,000 tonnes and 400,000 tonnes per annum (“TPA”), respectively. The company intend to expand value-added production capacity and have entered into joint ventures with Steel Authority of India Limited (“SAIL”) and Rashtriya Ispat Nigam Limited (“RINL”) to set up ferro alloy plants in Chhattisgarh and Andhra Pradesh, respectively, which are collectively expected to produce ferro manganese (with a total installed capacity of 51,000 TPA) and silico manganese (with a total installed capacity of 112,500 TPA).
- MOIL also own two wind farms with a total aggregate capacity of 20.0 MW in Nagda Hills and Ratedi hills near Dewas in the state of Madhya Pradesh. The company aim to achieve higher forward-integration by expanding its midstream and downstream capability through its beneficiation and value-added production plants, while also benefiting from captive power generation from our wind power farms.
- MOIL key customers include Maharashtra Elektros melt Limited and Bhilai Steel Plant (“Bhilai”), which are both state entities that are a subsidiary and a division of SAIL, respectively and which together accounted for 22.1% of manganese ore sales revenue in Fiscal 2010. The companies top ten customers represented approximately 51.5% of our sales of manganese ore for Fiscal 2010.

- MOIL were conferred the *Mini Ratna* status in 2008, which provides them with certain operational and financial autonomy. In particular, the company is not required to obtain the concurrence of the government to incur capital expenditure for the implementation of certain mechanization programs and purchase of equipment. The company have established a dedicated environment management program and continue to focus on various environmental initiatives including land reclamation and restoration in opencast mines, water harvesting and afforestation at 5 mines and other environmental issues that may result from mining operations. The company have conducted a number of forestation programs and green belt development programs in and around our mining lease areas. MOIL was awarded the National Energy Conservation Award for Kandri mine for the year 2009
- MOIL total income was Rs. 10,154.5 million, Rs. 14,394.1 million, Rs. 10,878.5 million and Rs. 3,729.2 million in Fiscal 2008, 2009, 2010 and in the three months ended June 30, 2010, respectively. MOIL profit after tax, as restated, was Rs. 4,615.6 million, Rs. 6,902.9 million, Rs. 4,656.2 million and Rs. 1,832.5 million in Fiscal 2008, 2009, 2010 and in the three months ended June 30, 2010, respectively, or 45.5%, 48.0%, 42.8% and 49.1% of total income in such periods. As of June 30, 2010, cash and bank balances were Rs. 17,001.4 million and had no debt.

FINANCIALS:

(Rs. In Million)

PARTICULARS	30.06.2010	31.03 2010	31.03.2009
TOTAL INCOME	3,729.17	10,878.53	14,394.09
TOTAL EXPENDITURE	2,789.95	7,320.92	10,314.22
PAT	1,824.74	4,663.46	6,637.93
FIXED ASSETS	2,291.80	2,187.19	2,210.90
NET WORTH	18,599.63	16,767.16	13,209.43

PEERS GROUP COMPARISON:

PARTICULARS	EPS(Rs.)	FV(Rs. Per Shrs.)	ROWN(%)
MOIL	27.72	10	27.77
Sandur Manganese & Iron Ore Limited	33.3	10	----
NMDC	8.4	1	26.6

For the year ended March 31, 2010 – Based on Restated Financial Statements.

For Peer Group Companies; The EPS, RONW and NAV figures are based on the latest audited results for the year ended March 31, 2010 and P/E is based on trailing twelve months (TTM) and Market data.

Source: Capital Market Volume XXV/14, Sept 06 – Sept 19, 2010, Industry Classification: Mining/Minerals/Metals

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