


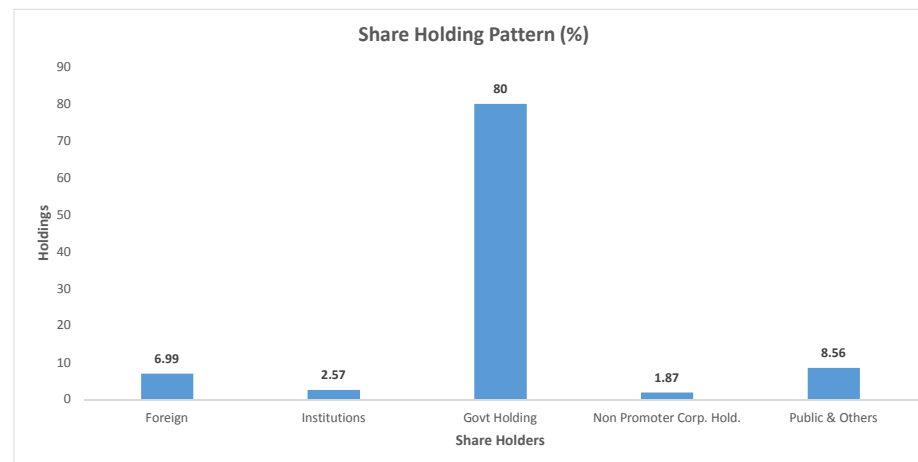
<h2 style="text-align: center;">Research Report</h2>	 <p>Spearhead FinServe PRIVATE LIMITED A subsidiary of Spearhead Services Pvt Ltd</p>																		
<h2 style="text-align: center;">MOIL</h2>	<table> <tr> <td>Recommendation</td><td>Accumulate</td></tr> <tr> <td>Current Market Price</td><td>287</td></tr> <tr> <td>Target</td><td>350</td></tr> <tr> <td>Accumulation Price Band</td><td>285 -295</td></tr> <tr> <td>Time Frame</td><td>6 Months</td></tr> <tr> <td>Derivative Segment</td><td>No</td></tr> </table>	Recommendation	Accumulate	Current Market Price	287	Target	350	Accumulation Price Band	285 -295	Time Frame	6 Months	Derivative Segment	No						
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<h3 style="text-align: center;">Company Overview</h3> <ul style="list-style-type: none"> ▪ Incorporated in the 1962 as a public limited company, MOIL Ltd is the largest producer of manganese ore, accounting to nearly 50% of the country's total output in India involved in the production of high, medium and low grade manganese ore. ▪ Currently operating through seven underground mines and three opencast mines, the company is also into the production of manganese dioxide and chemical grade manganese ore, owning two wind farms with a total aggregate capacity of 20.0 MW, having an annual production of around 1.1 million tonne 	<table> <tr> <td colspan="2">Financials</td></tr> <tr> <td>EPS (Rs)</td><td>29.98</td></tr> <tr> <td>Book Value (Rs)</td><td>186.15</td></tr> <tr> <td>P/E</td><td>9.55</td></tr> <tr> <td>P/BV</td><td>1.61</td></tr> <tr> <td>ROE</td><td>16.29</td></tr> <tr> <td>ROCE (%)</td><td>25.20</td></tr> <tr> <td>Dividend Yield (%)</td><td>2.62</td></tr> <tr> <td>Debt - Equity</td><td>-</td></tr> </table>	Financials		EPS (Rs)	29.98	Book Value (Rs)	186.15	P/E	9.55	P/BV	1.61	ROE	16.29	ROCE (%)	25.20	Dividend Yield (%)	2.62	Debt - Equity	-
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<h3 style="text-align: center;">Industry Overview</h3> <ul style="list-style-type: none"> ▪ Manganese ore is an important and indispensable input raw material for steel making and steel production and consumption are among the key indicators of industrial development in any country ▪ In the recent years, the manganese ore has gained tremendous momentum world over and in India. The rise in demand may be attributed to increase in steel production capacity in many developing countries. Presently, India is the second largest importer of manganese ore in the world after China ▪ The domestic demand and consumption of manganese ore has increased sharply because of increased production of manganese based alloys which are consumed indigenously as well as exported. ▪ However, suitable grade availability poses a challenge to the manganese based alloy industry. The average grade of the domestic production of manganese ore has fallen down to 33.43% Mn from 38.70% Mn leading to increased imports of high grade manganese ore ▪ Although, the production of manganese ore in the country is on decline, the production of value added products namely, ferromanganese and silicon manganese is increasing. The higher demand of manganese ore for this sector is met through imports. 	<table> <tr> <td colspan="2">Highlights</td></tr> <tr> <td>Debt (Rs Cr)</td><td>-</td></tr> <tr> <td>Reserves (Rs Crs)</td><td>2,959.33</td></tr> <tr> <td>FII Holdings (%)</td><td>6.82</td></tr> <tr> <td>MF Holdings (%)</td><td>0.56</td></tr> <tr> <td>Free Float Market Capitalization (Rs Cr)</td><td>966.67</td></tr> <tr> <td>Beta</td><td>0.73</td></tr> <tr> <td>Avg Volume Per day (no. of shares)</td><td>115,886</td></tr> <tr> <td>Avg Volume Per Month (no. of shares)</td><td>2,433,606</td></tr> </table>	Highlights		Debt (Rs Cr)	-	Reserves (Rs Crs)	2,959.33	FII Holdings (%)	6.82	MF Holdings (%)	0.56	Free Float Market Capitalization (Rs Cr)	966.67	Beta	0.73	Avg Volume Per day (no. of shares)	115,886	Avg Volume Per Month (no. of shares)	2,433,606
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<h3 style="text-align: center;">Key Highlights</h3> <ul style="list-style-type: none"> ▪ MOIL is one of the lowest cost producers of Manganese ore in then world, wherein the cost of production of underground mine is about Rs. 4500/tonne, while that of open cast mines is Rs. 3000/tonne ▪ MOIL has a strong balance of Rs 2793 cr of cash as on 31 Mar 2014, amounting to Rs. 166/share ▪ Has a healthy cash flow and pay out ratio of 25% dividend amounting to a dividend yield 2.62% 																			
<h3 style="text-align: center;">Key Risks</h3> <ul style="list-style-type: none"> ▪ Any steep price in Inventory levels in China would depress manganese ore prices, there by affecting realizations ▪ Any slow down in end user industries may result in week demand for manganese ore there by impacting profitability 																			

Financial Highlights

Income Statement (Annual)					
Particulars (Rs Cr)	2014	2013	2012	2011	2010
Net Sales	1,021.28	967.12	899.58	1,139.97	969.40
EBITDA	804.50	669.81	636.55	912.67	733.54
EBITDA Margin	78.23	68.70	70.28	79.69	75.44
Depreciation	35.18	33.03	29.92	32.51	25.30
Interest	-	-	-	-	1.44
Other Income	303.32	235.27	203.32	145.49	129.98
PBT	769.32	636.78	606.63	880.16	706.80
APAT	509.56	431.72	410.77	588.06	466.35
PAT Margin (%)	49.55	44.28	45.35	51.35	47.96
Earnings Per Share	29.06	24.81	23.63	33.84	26.82

Balance Sheet					
Particulars (Rs Cr)	2014	2013	2012	2011	2010
Equity Share Capital	168.00	168.00	168.00	168.00	168.00
Reserves and Surplus	2,959.33	2,597.64	2,273.31	1,960.29	1,509.37
Tangible Net Worth	117.45	94.10	72.59	54.74	-
Deferred Tax Liability :	17.79	20.56	22.85	26.19	29.93
Long Term Debt	-	-	-	-	-
Short Term Debt	-	-	-	-	-
Total Debt	-	-	-	-	-
Current Liabilities	156.36	192.65	168.95	153.61	145.87
Total Provisions	70.72	82.55	60.41	103.04	125.65
Total Liabilities	3,244.78	2,859.74	2,513.90	2,183.03	1,677.37
Gross Block	510.07	479.91	422.58	396.46	357.02
Net Fixed Assets	232.33	233.52	207.05	205.98	196.54
Investments	4.21	4.21	4.21	2.21	0.21
Current Assets	3,086.72	2,741.10	2,479.46	2,198.82	1,742.79
Deferred Tax Asset :	34.34	35.99	29.50	24.69	17.10
Receivables	113.18	288.10	99.33	67.96	85.74
Inventories	49.14	51.53	81.29	97.43	47.54
Cash	2,792.83	2,276.78	2,088.42	1,879.65	1,487.10
Total Assets	3,244.78	2,859.73	2,513.90	2,183.03	1,677.37

Income Statement (Quarterly)								
Particulars (Rs Cr)	2013				2012			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net Sales	292.01	263.62	226.78	238.87	266.81	228.27	229.46	242.57
EBITDA	233.38	250.27	142.93	177.93	169.53	178.86	166.91	154.52
EBITDA Margin	79.92	94.94	63.03	74.49	63.54	78.35	72.74	63.70
Depreciation	9.48	8.95	8.51	8.24	8.86	8.42	8.38	7.37
Interest	-	-	-	-	-	-	-	-
Other Income	69.96	113.46	58.54	61.36	60.17	64.04	58.80	52.27
PBT	223.90	241.32	134.42	169.70	160.66	170.44	158.53	147.15
APAT	149.36	157.62	90.57	112.02	110.08	113.58	108.65	99.41
PAT Margin (%)	51.15	59.79	39.94	46.90	41.26	49.76	47.35	40.98
Earnings Per Share	8.89	9.38	5.39	6.67	6.55	6.76	6.47	5.92

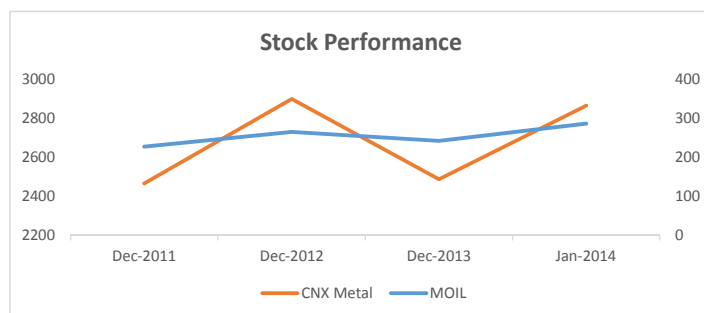


Key Financial Indicators						
Particulars	Units	2014	2013	2012	2011	2010
Revenue	Crs	1,021.28	967.12	899.58	1,139.97	969.40
EBITDA Margins	%	78.23	68.70	70.28	79.69	75.44
PAT	Crs	509.56	431.72	410.77	588.06	466.35
PAT Margins	%	49.55	44.28	45.35	51.35	47.96
Revenue Growth	%	5.60	7.51	(21.09)	17.60	(24.37)
EBITDA Growth	%	20.11	5.23	(30.25)	24.42	(28.88)
PAT Growth	%	18.03	5.10	(30.15)	26.10	(29.74)
Gearing	times	-	-	-	-	-
ROCE	%	25.20	23.70	25.83	45.60	47.24
ROE	%	16.29	15.61	16.83	27.63	27.97

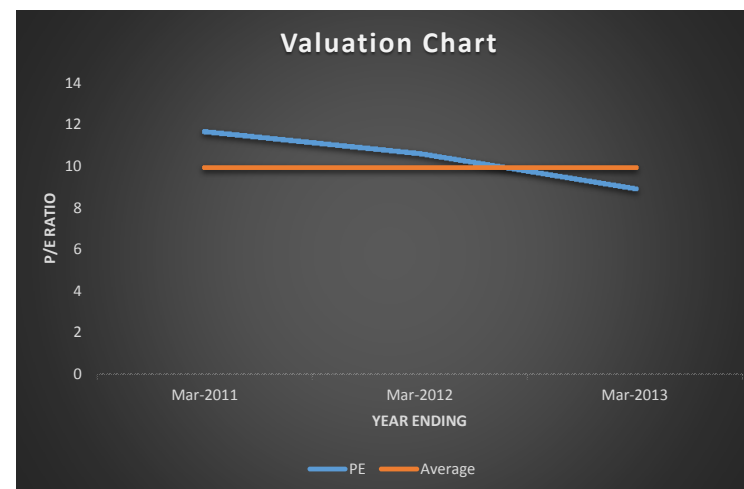
Peer Comparison				
Particulars	Units	MOIL	Coal India	NMDC
Revenue	Rs Cr	1,021.28	89,374.51	12,065.14
EBITDA Margins	%	78.23	3,965.69	82.15
PAT	Rs Cr	509.56	15,008.51	6,388.85
PAT Margins	%	49.55	3,794.54	53.21
Gearing	%	-	0.03	-
EPS	Rs / Share	29.98	24.38	14.55
PE	times	9.55	14.42	11.00
P/BV	times	1.61	4.33	2.19
ROCE	%	25.20	72.47	33.90
ROE	%	16.29	0.91	0.21
EV/EBITDA	times	1.77	10.97	3.70

Stock Performance vis-a-vis Index

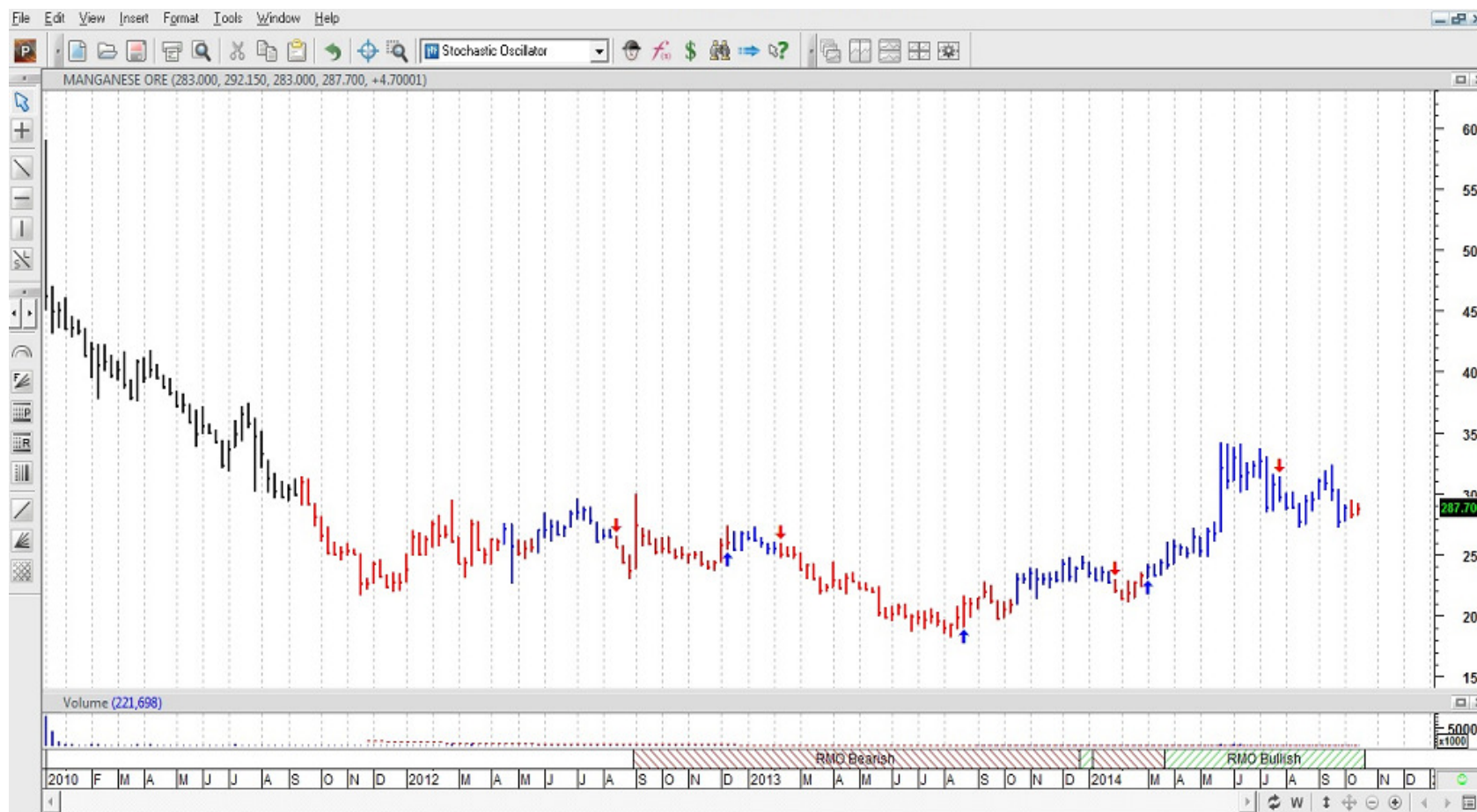
Particulars	Return (%)	
	YTD	QTD
MOIL	20.35	(0.75)
CNX Metal	8.76	(4.93)



Valuation Chart



Technical Outlook



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