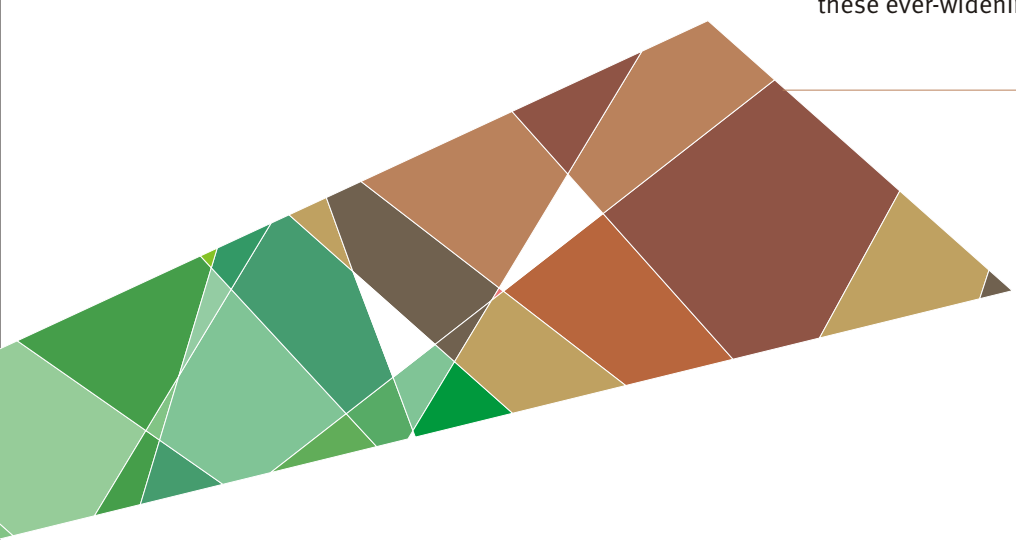


BRIDGING THE  
**GAP**

## BRIDGING THE GAP

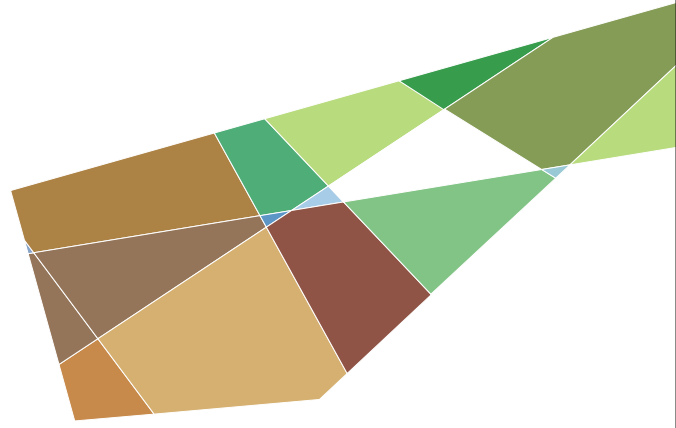
Challenges faced by society today are a result of gaps that exist. Economic issues are the manifestation of the gap between aspiration and opportunity. Social issues stem from the widening gap between the haves and the have-nots. The environmental issues find their root in the gap between resource availability and resource consumption.

Our third sustainability report details our efforts to bridge these ever-widening gaps.



**The report has received the highest possible A+ rating from the GRI and has been independently assured by Ernst & Young.**

*This is a preview of our third Sustainability Report. For the full version please go through the CD attached on the inside of the rear cover.*



## MIND THE GAP

Our sustainability outlook has evolved over the last two reports and is reflected in the current report on two fronts.

Firstly, it builds on our commitment to greater transparency by initiating discussion on additional performance parameters and by addressing material issues in greater detail.

Secondly it articulates our endeavour to align social and environmental initiatives with national and international sustainable development efforts.

We continued our on commitment as a responsible corporate citizen with focus initiatives undertaken in the areas of Education, Culture, Health and Sanitation. We have also been active on the environment front and have carried out various activities with and through NGOs.

**We constantly reassess the key sustainability challenges we face, identify opportunities for intervention and devise strategies accordingly.**

***Shri Narendrakumar A. Baldota***

*Chairman and Managing Director, Baldota Group of Companies*



## ABOUT MSPL

### *Adding Value to Nature's Resources*

MSPL, a closely held, flagship company of the Baldota Group, has been mining, processing and exporting iron ore for the past four decades. Today we are among India's largest exporters of iron ore.

We are in the process of setting up a 1.2 MTPA pellet manufacturing plant and a 2.5 MTPA capacity integrated steel plant as forward integration of our Iron Ore Business.



We have strategically diversified into renewable energy generation through wind power and have wind farms across three states viz, Gujarat, Karnataka and Maharashtra. A steadfast investment in renewable energy over the years has positioned us as the largest independent producer of power from renewable sources in India.

MSPL was the recipient of the first prize for 'Independent Power Producer under the Wind Programme (2002-2007)' from Her Excellency, Smt. Pratibha Patil, President of India.

## BRIDGING THE ACTION GAP

Initiatives to Combat Climate Change

### Wind Power

We plan to increase our total installed capacity from the current 127.8 MW to 400 MW by 2010.

### Solar Power

To reduce our dependence on diesel generators and grid electricity we installed small solar panels at our mining operation area for lighting purposes. We aim to take forward these initiatives on a larger scale.

### Road to Rail

We transport approximately 89% of our ore through rail which has a reduced carbon footprint vis-à-vis road transport.



## BRIDGING THE OPPORTUNITY GAP

### Economic Performance

For us, excellence in business is at the heart of being a sustainable organisation. Hence, our primary focus is to add value to our shareholders and employees by achieving excellence in business. Such a strategy fosters direct and indirect economic growth.

This year we generated a gross sales revenue increase of 78.76% over the last year while our net profit after tax doubled from INR 4,336 million in FY 2006-07 to INR 8,438 million in FY 2007-08.

#### FINANCIAL PERFORMANCE TREND OVER THE LAST THREE YEARS

	2005-06	2006-07	2007-08
Revenues	7,744	14,946	27,547

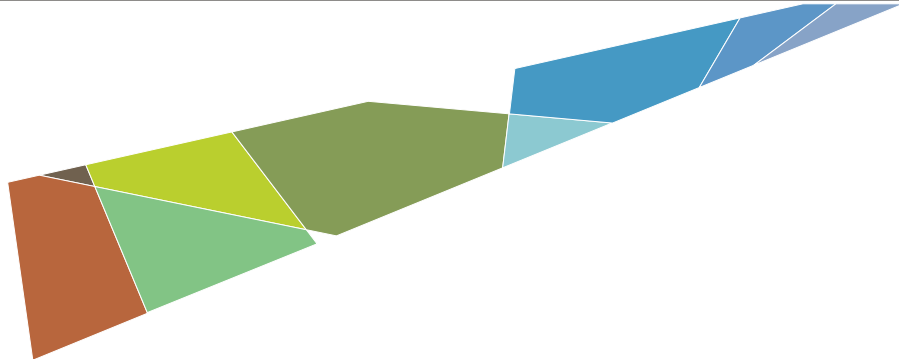
INR Million

In the wind power business the total installed capacity stood at 127.8 MW and over 250 million units were generated in FY2007-08.

Our approach is to not only add value to our stakeholders but also to the communities that we work in. Towards this we supported them through contributions totaling to INR 76.52 million.

### R I S K M A N A G E M E N T

We have taken a step forward in improving our risk management systems and have appointed internationally recognised experts to independently carry out detailed process studies of our operations and support functions and advise on opportunities and strategies for improvement.



## BRIDGING THE RESOURCE GAP

### Environment Performance

We take environmental impacts associated with our industry very seriously and have taken several initiatives to address them in our operations. To guide our actions in this direction, we have formulated an environmental policy that commits us to control pollution, reduce spillage and wastage of iron ore, minimise air, water and soil pollution and improve energy efficiency. We also undertake afforestation activities to maintain ecological balance and mitigate the impact of mining.

#### ENERGY SAVINGS

Electricity consumption from the grid reduced to 1,874 GJ as compared to 2,434 GJ in the previous reporting period.

#### GHG EMISSIONS

Greenhouse Gas (GHG) emissions from electricity consumption was 3,734 tonnes of CO<sub>2</sub>e. Our operations did not result in other indirect GHG emissions.

#### WATER CONSUMPTION

Frugal water consumption by mines has resulted in savings to the tune of 2,205KL. Thus, there has been a consistent decrease in water consumption in our mines over the last three years, from 24,606 KL in 05-06 to 14,220 KL in 07-08. Apart from reducing water consumption we have been active in augmenting local water resources. Rain water management is one of the key initiatives adopted by us. Water retaining structures in the form of 24 check-bunds and 52 gully plugs have helped reduce soil erosion and recharge ground water.

#### MATERIAL CONSUMPTION

We make continuous efforts to optimise the consumption of various materials at our operations. The consumption of grease and lubricating oil for the year 2007-08 was 361.57 MT and 61.25 KL respectively.

During the reporting period, **INR 2.5 million** was spent on environmental initiatives.

#### ENVIRONMENTAL PERFORMANCE SNAPSHOT

AIR SPM (in mg/m <sup>3</sup> )	RSPM (in mg/m <sup>3</sup> )	WASTE (in million tonnes)	WATER (in KL)
2006-07			
200.13	-	2.43	16,425
2007-08			
285.82	65.86	1.58	14,220

#### NOISE MITIGATION

To mitigate noise levels we cover crushers and screens. Heavy machinery and dumpers operating in our mines meet Euro II standard noise-level requirements.

#### AIR QUALITY

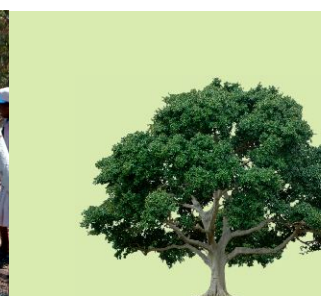
We have 9 locations for monitoring ambient air quality in the core area of our mines. The annual average concentration for SPM and RSPM was 285.82mg/m<sup>3</sup> and 65.86 mg/m<sup>3</sup> which are within prescribed norms. NO<sub>x</sub> and SO<sub>x</sub> emissions, which result predominantly from transportation activities at the site are also monitored and are well within the stipulated limits.

#### AFFORESTATION

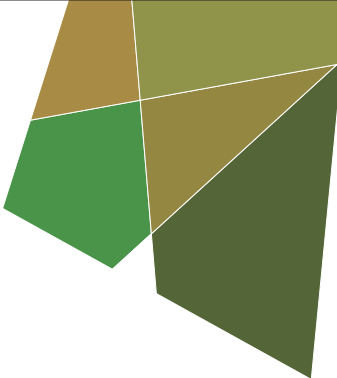
We have planted over 1.67 million saplings of selected plant species suitable to the local climatic zone. This has considerably helped to improve the tree cover in an area that previously had sparse vegetation. Land for afforestation constitutes around 50% of the mining lease area.

#### WASTE GENERATION

Overburden waste is the primary waste generated from our mining activity. The quantity of overburden generated reduced from 2.43 MT to 1.58 MT in the previous reporting period. This reduction is due to better methods, better ore quality and greater proximity.







# BRIDGING THE ACCESS GAP

## Social Performance

Society's ability to prosper is directly proportional to its access to opportunities. As responsible corporate citizens we are plugging this gap and helping the community grow and develop to a self sustaining level.

Inspired by the words of former President of India, Dr. A.P.J. Abdul Kalam, we adopted five villages last year. Encouraged by the response that we received, we adopted five additional villages during 2007-08. We implemented various initiatives in these ten villages.

Besides this the Abheraj Baldota Foundation, established in 1976, remains devoted to help deserving and needy people through medical aid, educational assistance, occupational opportunities, agricultural aid and other objects of general public utility.

### Snapshot of Key Community Initiatives

<b>WOMEN EMPOWERMENT AND LIVELIHOOD OPTIONS</b>	477 families covered under MSPL's SHG  Common fund created for SHGs (INR 0.707 Million)	Tailoring training provided to 20 women and an additional 22 enrolled
<b>EDUCATION</b>	Provided tube lights and furniture to schools.  Notebooks supplied to 18,799 students in 85 schools	Gold medals awarded to 6 meritorious students  Created awareness among teachers about computers and encouraged schools to recruit teachers who have competency in computers
<b>HEALTHCARE AND SANITATION</b>	43 eye camps conducted Free medical checkups for 4,050 people  Free operation for 1,812 people	Established blood bank and collected 3,739 units of blood  Water closet constructed for about 135 families, with a total contribution of INR 0.14 million



## BRIDGING THE NEED GAP

### Sustainability Context of MSPL

For us, sustainability means value creation through responsible operations, which take into consideration economic, environmental and social impacts. Since our mining business is associated with natural resource extraction, we particularly realise that environmental and social performance is critical to our success.

We have therefore voluntarily streamlined our efforts in the sustainability space by aligning them to various international and national development initiatives

These include:

**PRIME MINISTER'S 10 POINT SOCIAL CHARTER FOR INDIAN CORPORATE HOUSES**

**UNITED NATIONS' MILLENNIUM DEVELOPMENT GOALS (MDGs)**

**10 PRINCIPLES FOR SUSTAINABLE DEVELOPMENT OUTLINED BY THE INTERNATIONAL COUNCIL ON MINING AND METALS (ICMM)**

**IFC'S COMPREHENSIVE ENVIRONMENTAL AND SOCIAL STANDARDS**

We have embraced these standards since they are a perfect fit for our Corporate Culture and offer us an opportunity to improve upon our sustainability performance and improve our relationship with our stakeholders.





BALDOTA

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**ADDING VALUE TO NATURE'S RESOURCES**