



**Transcript of Proceedings
of
58th Annual General Meeting of MOIL Limited at 11:30 a.m. on 29th September, 2020**

Beginning of the meeting

CMD MOIL:

- ❖ Good morning, ladies and gentlemen. Hope, I am audible and visible to all. I welcome you all to the 58th Annual General Meeting that is being conducted through video conferencing or other audio visual means. As informed by Mr. Neeraj Pandey, Company Secretary, the requisite quorum is present at this AGM. Hence, I call the meeting to order. We will now commence the proceedings of the meeting. I would like to thank all the shareholders for joining this meeting through electronic mode from different locations.
- ❖ In compliance with circulars issued by MCA and SEBI, this meeting is being conducted through video conferencing without the physical presence of members in a common venue. However, the proceedings of the meeting shall be deemed to have been conducted at the registered office of the company.
- ❖ All members who have joined this meeting are placed on mute mode by default, to avoid any disturbance from background for ensuring smooth conduct of this meeting.
- ❖ With your permission, I would like to take the notice convening this AGM along with Board's Report, Financial Statements, etc. as read. The members may please note that Statutory Registers, i.e., register of Directors and KMP and their shareholding, register of contracts or arrangements in which Directors are interested, if any, statutory auditor's report, and secretarial audit reports and all other documents mentioned and referred to in the notice of the AGM are available for inspection in electronic mode. If any shareholder wants to do the inspection, he can please send email to compliance@moil.nic.in.
- ❖ I would now like to inform that Functional Directors are sitting with me on the dais and other directors are present virtually for the meeting.
- ❖ On the dais
 - (1) On my right, Shri Dipankar Shome, Director (Production & Planning)
 - (2) Then, Shri PVV Patnaik, Director (Commercial)
 - (3) Then Shri Neeraj Pandey, Company Secretary
 - (4) On my left, Shri Rakesh Tumane, Director (Finance), and
 - (5) Then, Smt. Usha Singh, Director (Human Resource) of the company.
- ❖ Other directors who are present in the meeting through video conferencing are:
 - (6) Shri V.M. Chariar (Independent Director and Chairperson of CSR Committee)
 - (7) Dr. Deepak Singh (Independent Director and Chairperson of Stakeholders Relationship Committee and Nomination & Remuneration Committee)
 - (8) CA Mangesh P. Kinare (Independent Director and Chairperson of Audit Committee).

- ❖ I wish to inform that Shri T. Srinivas, Government of India Nominee Director, is not able to attend today's AGM because of his pre-occupation with other works in the Ministry.
- ❖ Shri Mukesh Kumar Jain, Under Secretary, Ministry of Steel, Nominee of President of India, is also present in the meeting.
- ❖ I also wish to inform you that the authorized representatives of the Statutory Auditors M/s Demble Ramani & Co., Secretarial Auditor PS Tripathi & Associates, and the Scrutinizer Shri Amit Rajkotiya, are also virtually present in this meeting. I would like to further mention that all feasible planning and execution has been done for enabling electronic participation and voting of the members, for this AGM. It is confirmed that the electronic voting is available throughout the AGM.

Chairman Speech

- ❖ I would now like to share with you the performance highlights

Dear Shareholders,

I feel great pleasure in interacting with you again on the occasion of 58th Annual General Meeting (AGM) through video conferencing and presenting the annual report of the company for financial year 2019-20. This AGM is being conducted through video conferencing due to Covid-19 pandemic. This has been a challenging year not only for your company but also for the whole world. The pandemic has engulfed the entire world and has posed serious challenges for the health and economic security of millions of people worldwide. In India too, the spread of Covid-19 has been alarming and is having severe health and economic ramifications for the country. Though the virus started spreading in India from March'20 but the effect of the same in the industry had started from the beginning of the last quarter of the FY'20, with the outbreak in other countries.

Covid-19 : Impact on MOIL

Production and performance of MOIL also got affected by the lockdowns imposed to curb the spread of the virus in Maharashtra and Madhya Pradesh, where MOIL's mines are located. The production and sales quantity of manganese ore during April-June'20 has reduced to 42.30% and 51.09% respectively, in comparison to April-June,'19. Similarly, the turnover in value terms has also come down to 53.72% during the period. However, I am happy to inform you that your company's performance has shown improvement in the second quarter of current year. Production and sales were almost at normal levels during August'20; in fact, sales in quantitative terms in August'20 were 2.27 times the August'19 quantity.

As a responsible corporate citizen, apart from other measures to fight the Covid-19 with respect to the working conditions of the employees, your Company has risen to meet the needs of the Nation and has so far contributed Rs. 45.00 crore to PM Cares Fund and Rs. 5.00 crore to Maharashtra Chief Minister's Relief Fund. This is in addition to the contribution of one-day's salary by all the employees of MOIL for the cause. The Company has also contributed Rs. 3 crore to PM Cares Fund under its CSR activities for 2019-20.

Industry Scenario

Putting the things in perspective, let me in briefly touch upon the performance of steel industry, to which the performance of manganese ore industry is largely linked. As per estimation of Indian Steel Association (ISA), steel demand in India is expected to fall in calendar year 2020 to around 93.70 million tonnes from an estimated actual of 101.50 million tonnes in 2019. This will also have adverse impact on manganese ore industry. However, in a long run, as per World Steel Association (WSA), with the expected population growth, emerging new applications for steel and more sophisticated steel applications, the global steel market has a potential to grow further by 700 to 1000 million tonnes in the long run..

Performance of the company

As mentioned earlier, FY 2019-20 has been a challenging year for your company, when the turnover and profit got affected due to changes in product mix containing higher proportion of medium and low grade ores available for sale and sharp fall in prices of manganese ore in international market coupled with reduction in demand necessitating price corrections by MOIL also. The financial performance also got affected due to the stoppage of operations at mines/plants consequent to lock down imposed after outbreak of corona virus in March, which is one of the most productive months of the year.

Your Company has recorded sales of Rs. 1038.07 crore during F.Y. 2019-20 as compared to Rs. 1440.67 crore in previous year. Profit before tax (PBT) for the year is Rs. 340.49 crore in comparison to previous year's PBT of Rs. 719.75 crore. The Company has earned a profit after tax (PAT) of Rs. 248.22 crore as against Rs. 473.89 crore in the previous year.

During 2019-20, your Company has produced 12.77 lakh MT of various grades of manganese ore as against 13.01 lakh MT in previous year. Output per man shift (OMS), an indicator of productivity, was 1.044 MT (previous year 0.992 MT). The production of EMD was 925 tonnes as against the 992 tonnes during the previous year. The production of ferro manganese was 10421 MT as against the 11003 MT in the previous year.

Dividend

MOIL is a dividend paying company since many years. I am pleased to inform that despite the substantial fall in the profit, the Board of Directors of your Company have recommended final dividend @ 30%, i.e., Rs.3.00 per equity share for 2019-20 in addition to interim dividend @ 30% already paid in the month of February, 2020.

Capital projects to sustain/improve performance

MOIL is giving utmost thrust on expansion and modernization of its mines to sustain production levels and attain capacity enhancement. Sinking of ventilation shaft, which help in maintaining safety and enhancing productivity, at Balaghat mine and Kandri mine have been completed during the year. Other four projects of sinking of vertical shaft at Balaghat, Gumgaon, Munsar and Ukwa mines are under process. However, due to Covid-19 pandemic, these projects have been delayed by atleast five to six months.

Strategic Management Plan

In order to meet the future requirement and maintain leadership in the industry, MOIL has planned to enhance its production from present level of ~ 1.30 million MT to 2.50 million MT by 2025 and 3.00 million MT by 2030, for which a strategic management plan is already in place. As a follow-up action, a Strategic Management Group has also been assigned task of monitoring the progress.

In this direction, your company has planned investments for development of existing mines, acquisition of new mines within and outside the country, acquisition of mineral bearing areas adjoining the mines, setting up value addition/diversification projects, etc. Some of the projects have already started and some are in progress. All these projects will require investments of ~ Rs. 2500 crore by 2030.

Your company has commenced production of manganese ore from its new Parsoda mine in March, 2019 and the mine has achieved production level of 31,988 MT, as against environmental clearance limit of 40,000 MT, during 2019-20.

MOIL's strengths and opportunities

MOIL, being India's largest manganese ore producer, accounts for about 48% of the country's production. With about 93.06 million tonnes of reserves and resources of manganese ore, it is well-positioned to capitalize on India's steel demand growth, given its dominant position, medium- to high-grade ore reserves, centrally located mines and strong and expanding customer base.

During FY 2019-20, your Company got environmental clearance of additional 1.20 lakh tonnes per annum for its Ukwa mine over an area of 48.974 Ha adjacent to the existing mine. MOIL also got enhancement in environmental clearance from 90,000 TPA to 2,03,200 TPA for its Gumgaon mine. The production will increase gradually from these mines.

The Company has also commenced process of obtaining environmental clearance for setting up a ferro alloys plant of 25,000 MT capacity at Gumgaon mine

In order to explore the possibility of mining of manganese ore in the State of Gujarat, your Company has signed a detailed MoU with Gujarat Mineral Development Corporation Limited (GMDC), a Gujarat State Government Undertaking. MOIL is in process of formation of Joint Venture Company with GMDC. Further, Tripartite MoU has also been signed amongst MOIL, Govt. of Madhya Pradesh, M.P. State Mining Corporation Ltd. (MPSMC) for conducting exploration in four districts i.e. Jabalpur, Jhabua, Balaghat and Chhindwara in Madhya Pradesh State.

Your company is having total mining leases over an area of 1743.77 Ha as on 31-03-2020 in Maharashtra and Madhya Pradesh. An area of 814.71 Ha has been reserved by the Government of India in favour of MOIL for prospecting of manganese ore in Nagpur and Bhandara districts of Maharashtra. Out of this, the State Government has granted prospecting license (P.L.) over eleven areas aggregating to 597.44 Ha. The company has applied for three Mining Lease (M.L.) applications over 176.86 Ha. area and out of these, the Government has communicated in-principle approval for two MLs. covering 132.46 Ha., and one application is under process. In 2nd phase, balance area has been granted by Government of Maharashtra comprising of 212.931 Ha. in four PL areas. The exploration in these PL areas by core drilling is expected to start soon.

In addition, Government of M.P. has also reserved as area of 372.701 Ha.in favour of MOIL in Balaghat for exploration of manganese ore. Your company has taken necessary steps to convert these areas into mining leases so as to open new mines/expand existing mines.

Corporate Governance

Your Company always strives to attain the 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 SEBI (LODR) Regulations on corporate governance. However, filling up of vacant posts of Directors, which is one of the requirements of corporate governance, is under process at Government level. A report on corporate governance compliances has been made part of the Boards' Report..

Corporate Social Responsibility Initiatives

Being a model corporate citizen, MOIL has always been on the forefront in extending assistance for up-liftment of the needy people of the society through development and improvement of the quality of life of internal as well as external stakeholders and the society at large. It has undertaken a number of CSR initiatives in the area of health, education and skill development programme, construction/renovation of roads and schools, water supply facilities, etc., predominantly in and around its area of operations. Your company, under its CSR programme, in association with a professional agency BAIF and Maharashtra Institute of Technology Transfer for Rural Areas (MITTRA), is carrying out Community Development Program

After big success of MOIL-DAV school at its Chikla Mine, I am pleased to inform that your company is in the process to open one more branch of this school at its Munsar Mine, under the CSR which will cater to the need of quality education of the children of nearby areas.

The company has spent a sum of Rs. 12.74 crore on CSR activities during 2019-20.

Awards and recognitions

Your Company is for last several years getting, various prestigious awards and is one of the public sector enterprises in the country known for its continuous excellent performance. During the year, the company has bagged Best Growth Performance Award, National Safety Awards for "Longest Accident Free Period", HR Excellence Award, etc.

Acknowledgement

To conclude, I would like to acknowledge that all these have been possible only due to the relentless and dedicated efforts and hard work by the employees of the Company.

On behalf of the shareholders and management of the Company, I thank the Government of India, Ministry of Steel, State Governments of Madhya Pradesh, Maharashtra and Gujarat and other stakeholders, for the confidence and trust reposed in your Company.

I also place on record my sincere appreciation and thanks to the Board Members, our valued customers, company's bankers, suppliers, staff and workers' unions, officers' association, C&AG, research institutions and other organizations and institutions for their unstinted support, guidance and co-operation specially during this Covid-19 pandemic. It will certainly be our endeavour to put in the best efforts for sustained growth, expansion and prosperity of the company benefitting all stakeholders.

Jai MOIL. Jai Hind.

- ❖ I now request Mr. Neeraj Pandey, Company Secretary, to read the Auditors' Report and Secretarial Audit Report and brief the members on the voting process to be followed at the meeting.

Company Secretary:

Thank you sir. Hope, I am audible and visible to all.

- ❖ I wish to inform the members that there are no qualifications, observations, or comments in the Statutory Auditors' reports which are required to be read at the meeting. With the permission of the members present, we take the Auditors' Report as read. CAG has also not given any comments on the financial statements of the company. However, there is one qualification in the Secretarial Audit Report regarding composition of the Board. I request all the shareholders to refer to page no. 80 of the Annual Report of the company for this qualification. In this regard, I wish to mention that as you all know, MOIL being a Government Company, all the Directors are appointed by the Government of India and the appointment of requisite number of the directors is in process.
- ❖ MOIL has complied with all the provisions of applicable laws / regulations and circulars / notifications issued by MCA and SEBI for conducting the AGM through electronic mode.
- ❖ The Company has provided electronic voting by means of remote e-voting. As AGM is held virtually, the option for physical voting at the AGM is not provided. However, the Company has enabled e-voting facility during the AGM for members who have not voted through remote e-voting and who are present at the AGM. The e-voting facility is available in the e-voting platform of the NSDL. The e-voting facility would close after 15 minutes from conclusion of this AGM.
- ❖ The shareholders who have registered themselves as speaker shareholders will be allowed to speak and ask their question OR give suggestions on the items of the business of the meeting when they are invited to speak. The questions shall be answered after all the allowed speaker shareholders have raised their questions.
- ❖ I now request the Chairman to resume the proceedings. Over to you, sir.

BUSINESSSES OF THE MEETING

CMD:

Thank you Neeraj

- ❖ We will now take up the resolutions as set forth in the notice. We will open the lines for questions from the shareholders after all the resolutions are tabled at the meeting. I wish to inform that there are total 08 businesses to be transacted in this meeting.

- (1) Item number 01 of the notice is to receive, consider and adopt the Audited Financial Statements of the Company including consolidated financial statements for the financial year ended 31st March, 2020 together with the Reports of the Board of Directors, the Auditors thereon and Comments of the CAG.

The financial statements have already been provided to you.

- (2) Item number 02 of the notice is to approve declaration of dividend on the equity shares.

The Board has recommended a final dividend of Rs. 3 per equity share of Rs. 10 each. This is in addition to interim dividend of Rs. 3 per equity share paid earlier.

- (3) Item number 03 of the notice is to continue the appointment of Smt. Usha Singh, Director (Human Resource), as a Director liable to retire by rotation.
- (4) Item number 04 of the notice is to authorise the Board of Directors to fix remuneration of Statutory Auditors of the Company for the financial year 2020-21.

Here, I wish to inform that CAG has re-appointed the existing Statutory Auditors M/s Demble Ramani & Co. Chartered Accountants for the financial year 2020-21.

- (5) Item number 05 of the notice is to ratify remuneration of Cost Auditors of the Company for the financial year 2020-21.
- (6) Item number 06 of the notice relates to continue the appointment of Dr. Deepak Singh as an Independent Director.
- (7) Item number 07 of the notice relates to continue the appointment of CA Mangesh P. Kinare as an Independent Director.
- (8) Item number 08 of the notice is to ratify /approve the contribution made in bona fide charitable fund, i.e., PM Cares Fund and CM Relief Funds.

- ❖ The texts of the Resolutions along with explanatory statements are provided in the notice circulated to the members. I request the members to treat the resolutions as read.

Question and Answer

CMD:

- ❖ I now invite the speaker shareholders to raise questions, if any, on the items of the business of the meeting. I request the members to confine their queries strictly to the items of the business of the meeting.
- ❖ Name of the Shareholders who have registered to speak at the meeting will be announced one by one. The speaker shareholder, if present, will thereafter be unmuted by the host.
- ❖ Before the shareholder starts speaking, it is necessary to unmute your audio and switch on your video. If such Shareholder is not able to join through video for any reason then he can join through the audio mode.

- ❖ The Shareholders are advised to use headphones for clear Audio and switch off other background applications.
- ❖ If there is any connectivity issue at the speaker shareholder's end, we will request the next speaker shareholder to join the meeting and he will be requested to join later.
- ❖ In the interest of time, I request the speaker shareholders to restrict their questions and/or views and observations to a maximum of five minutes.
- ❖ I will now call the speaker shareholders to raise their questions or give suggestions. I request the speaker to mention their name, DP ID - Client ID and number of shares held, before speaking.

We will now begin the question and answer session.

Company Secretary:

Company Secretary informed that four shareholders had registered as speaker for this meeting but they are not attending the meeting. Some shareholders have requested and sent some questions through e-mail which can be so those questions can be answered. CHAT BOX ??

CMD:

OK. As informed by Mr. Neeraj D. Pandey, Company Secretary we will address the question raised by shareholders. To avoid repetitions, I am not taking up those questions which are already covered in the Chairman's speech some time back.

- 1) As regards the impact of Covid on the operations of the company, the company produced 13.01 lakh MT of manganese ore in 2018-19 which came down to 12.77 lakh MT in 2019-20. Upto August, 2019 the production was 4.88 lakh MT as against the production upto August, 2020 in the current financial year which is just 2.82 lakh MT. So, there is a drop of 2.07 lakhs MT. The impact is about 42%
- 2) The capex has also come down sharply. In 2018-19, it was Rs.208 crores; in 2019-20 it was about Rs.244 crores. Upto August, 2019 the capex was Rs.58.16 crores whereas now in 2020-21 it has come down to Rs.33 crores only. This is also showing reduction of 43%.
- 3) The procurement in 2019-20 was to the tune of Rs.116 crores. Upto August, 2019, the procurement were Rs. 52 crores as against which upto August, 2020 it has fallen to Rs.40 crores so there is reduction of 23%.
- 4) The capex in financial year 2019-20 upto September it was Rs.138 crores as against that it has fallen sharply to Rs. 32 crores and total number of orders placed has come down from 155 to 75; so, there is a sharp reduction.
- 5) The growth triggers in first half and second half of the current year - the production and sales, coupled with average sales realization will be the triggers. In the first half, for some part of the year, we have seen very good price realization but then demand was not there. Later on prices have fallen and market has picked up. As informed by me in Chairman's speech, the sales quantity has improved; in fact, in August it has improved and September also, it is also showing increasing trend.

- 6) Some questions seek statistical data and the same will be uploaded in the company's website so that all will have relevant details.
- 7) One of the important questions was how many employees we have sacked and salary cut.
We have not sacked any employees due to Pandemic as such and there was not salary cut.
- 8) So far as cost cutting initiatives are concerned, the cost without depreciation in 2019-20 is reduced by about 8% to Rs.780 crores from around Rs.840 crores in previous year whereas production only reduced by 2% i.e., mainly on account of Covid. Now, we are organizing meetings through video conferencing, virtual meeting and other digital means are used to reduce the cost. Printing of any kinds are discouraged. These some are measures taken.
- 9) Salary cut by the management - We have inbuilt system where performance related pay is in tune with the performance of the company; so, in case performance is on lower side, performance related pay will reduce and there will naturally pay cut.
- 10) One of the questions was related management efforts to improve the company image through investor relation exercise.
The company is organizing con-calls on quarterly basis for which information and invitation is placed on the website of stock exchanges and on MOIL website also. Corporate presentations whenever prepared are uploaded on the company's website. Conferences with global investors are arranged as and when there is a need / request from them. We also organized road show with institutional investors and fund houses whenever necessity arose.
- 11) Another question of statistical nature is related to current and non-current liability. Mostly things are available in Annual Report. However, we will place a statement in our website. As regards contingent liabilities, details already available in Annual Report; out of the total contingent liabilities Rs.162 crores, one case of excise duty is having implication of around Rs.144 crores, which is pending; so, if you reduce that, the balance is not much and as regards excise duty case also we are confident that we are going to win this.
- 12) Management efforts to reduce other expenses, legal charges - In more than 90% cases, MOIL is on defending side; so, we do not favour litigation. Any conciliation matters related to IR are handled by in house team i.e., IR Department and Legal Cell professionals.
- 13) Policy related to Dividend
MOIL is complying with guidelines issued by Government. In this regard, the guidelines state that the company should pay minimum dividend 30% of PAT or 5% of net worth whichever is higher; we are complying with this.
- 14) Details of any contribution to political fund
We have not contributed to political fund as such.
- 15) Opting of Vivad se Vishwas Scheme
MOIL has done this and to some extent liability has reduced. These details will be uploaded on the website of the company.

16) Expenses of AGM through Video Conferencing - We have spent around Rs.1.00 Lakh on this.

How much company has saved by not printing Annual Report? - The company has saved around Rs.37 lakhs.

Other things are mostly covered in Chairman's speech.

Company Secretary:

Company Secretary informed that there are some questions in chat box.

CMD:

What are those questions please?

Mr. Modi has asked about impact of corona virus in first half capex for next three years main competitor of our company impact of corona virus.

I have already stated that capex is affected to the large extent during the first quarter as well as second quarter also.

Other producers of manganese ore in the country are TATA Steel but mostly they are consuming it captively and Sandur Manganese is there. Mr. Abhishek has asked about AGM link. It has been provided to all the shareholders.

Company Secretary:

Sir, probably his point is that actually if shareholders want to speak in the AGM they have to register themselves. We have not received any request in time and I think we have already taken his questions and addressed those questions. So, I think all the questions of shareholders have been answered. And if there are still any questions from the shareholders, they can mail to compliance@moil.nic.in which will be responded to by the Company.

CMD:

This concludes the business of the day. I take this opportunity to thank all the shareholders present, for their kind attention, co-operation and valuable support and time. The combined results of the votes cast through remote e-voting and e-voting during the AGM on all the resolutions would be uploaded on the Company's website and will be intimated to the stock exchanges as per the SEBI listing regulations by tomorrow.

I wish the shareholders all the very best. Good health and staying safe in the current environment is very important. I wish that we together with the rest of the world get over the Covid pandemic soon and hope to meet you in-person at the next AGM. A virtual AGM is new to most of us and I hope you will excuse the inconvenience and any other glitches you might have faced in the meeting. I now declare the meeting as closed. Thank you all.

JAI HIND ! JAI MOIL !
