



“Manganese Ore (India) Limited  
Investors and Analysts Meet”  
August 23, 2024



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**MODERATOR:** **MR. PALLAV AGARWAL – ANTIQUE STOCK BROKING**

**Pallav Agarwal:**

Hello. Yes, good afternoon, ladies and gentlemen. I am Pallav Agarwal. On behalf of Antique Stock Broking, I would like to extend a warm welcome to the investor and analyst fraternity gathered here on the occasion of the Annual Investor Meet 2024 of Manganese Ore (India) Limited, MOIL. So today we have with us the gracious presence of Shri Ajit Kumar Saxena, the Chairman cum Managing Director. We welcome you, sir.

Along with him, we have the top management team today, comprising of Shri Rakesh Tumane, the Director of Finance, Ms. Usha Singh, the Director HR, Rashmi Singh, the Director Commercial and Mr. M. M. Abdullah, Director Production and Planning. So firstly, we would like to thank you all for taking time out today out of your busy schedules and making it here to understand the exciting journey of MOIL. I would also like to acknowledge the efforts of the CMD and the MOIL team for the exemplary performance and which is reflected in the stock returns as well.

I have been tracking the company and have invested in the stock and it has done very well. And we are very confident that the company would again transit to a higher orbit going ahead. So without much ado, I would like to invite the CMD and his team to share their thoughts. So please come over, sir.

**Ajit Kumar Saxena:**

So good afternoon, everyone. Before we start, I would like to introduce my team. Mr. Rakesh Tumane, Director of Finance, Mr. M. M. Abdullah, Director of Production and planning, Ms. Usha Singh, Director HR and Ms. Rashmi Singh, Director Commercial. We are really thankful to all of you for joining us in this investors and analysts meet today.

We offer our heartfelt gratitude to all the investors and analysts who have reposed faith in MOIL. As a part of proceeding, after my opening remarks, we will have a brief presentation on the company's business, business performance, industry and future outlook, and then we will have question and answer session. In the last financial year, we have met thrice on different occasions, and I am happy that we are meeting again today in this financial year.

Hope most of you are already aware about the company and its business operation and also the Manganese Ore industry currently. I would like to briefly highlight about MOIL and the development going on in the company. MOIL is a more than 120-year-old company and its history goes back to pre-independence day.

All mines of the company at present are more than 100 years old and still operating. MOIL shares were listed on NSE and BSE in December 2010 through this investment process of Government of India, in which Government of Maharashtra and Government of Madhya Pradesh had also participated. In the year 2017, the company has also issued bonus shares in the ratio of 1:1.

There was also offer for sales by the Government of India in the year 2017. Between 2016 and 2022, the company has bought back shares worth more than INR2,000 crores. Present shareholding of Government of India in MOIL is 53.35% and State Government of Maharashtra and Madhya Pradesh holding around 5.96% and 5.38% respectively. Remaining 35.31% shares are held by public and other institutions. MOIL has 10 mines, which includes 7 underground mines and 3 open cast mines.

More than 70% production is coming through underground mines. It is heartening to mention that MOIL has been maintaining its leadership in magnesium ore industry in the country. At present, MOIL is producing more than 52% of magnesium ore produced in the country.

So, it is the largest magnesium ore producer of the country. Besides, MOIL also produces Electrolytic Magnesium Dioxide, which is the only EMD plant in India and this EMD is used for batteries, pharmaceuticals, etc. State of Maharashtra and Madhya Pradesh being a promoter of the company and thus extend their full support for MOIL in carrying out different operations and that adds to the strength of the company.

You will be happy to know that leases of MOIL have been extended not only to the next decade but beyond that. Few mines are up to 2032 and few up to 2042. And I think you would appreciate that this is the biggest strength for any mining company.

Coming to magnesium ore market, I would like to share that Government has set a target of Indian steel production capacity to be around 300 million tons by the year 2030. This augurs well for magnesium ore market also as it is an essential ingredient for making steel. Currently, magnesium ore consumption in India is around 8 million tons, which includes magnesium ore required for export of manganese-based ferroalloys from the country.

By 2030, it is envisaged to exceed 11 million tons as per National Steel Policy. This clearly speaks volumes about the opportunities that lies ahead of MOIL. At present, MOIL is producing around 1.7-1.8 million ton, while the rest of India is producing around similar quantity 1.7-1.8 million ton and remaining quantity is being imported. It is most heartening to share that MOIL has not only recognised the opportunity, but also has gone all out to make the most of it. The figures say it all. I will just highlight a few of the achievements of the FY24.

Best it is, FY24 the certain highlights is best ever production of 1.756 lakhs tons of manganese ore, which is higher by 35% year on year basis. Best ever sales of 15.36 lakhs tons of manganese ore, that is 30% higher year on year basis. Best ever turnover of INR1449.42 crores, 8% higher on year-on-year basis. Best ever exploration done, core drilling done, that is 87,661 metres against target of 80,000 metres and that also shows a growth of 100% year on year basis. Capex, that is capital expenditure of INR316 crore was done, which is more than profit after tax of the year.

You will be happy to know that the first quarter of the financial year has similar feathers, and the same stellar performance continued, that is April to June was the best ever quarter since inception of the company in various fronts. During the quarter, MOIL has recorded it is the best ever quarterly revenue from operation, that is INR492 crores, that is 30% higher on year-on-year basis as compared to last Q1 of FY24.

Best ever quarterly sales of 4.53 lakhs metric tons, which is 15% higher year on year basis. Best ever first quarter magazine manganese ore production of 4.7 lakh tons, which is 8% higher and best quarterly exploratory core drilling of 30,000 cubic metres, 30,000 running metres, almost 1.56 times of year-on-year basis. This will help the company adding in its existing manganese ore resources, reserves and resources and opening new mines wherever potential is viable.

The company is focusing on brownfield as well as greenfield projects to enhance the production by increasing the productivity of existing mines and exploring mining opportunities in other states and other geographies. In this direction, as already informed to you earlier, MOIL has already signed MOU with Gujarat Mineral Development Corporation, Gujarat State Enterprise to explore the possibility of mining of manganese ore in the Pani area of Gujarat. Exploration is done and we are nearing the signing of joint venture with GMDC with having 51% shares with MOIL.

MOIL has also signed MoU with Chhattisgarh Mineral Development Corporation for the exploration, followed by mining. MOIL has received the go ahead for carrying out exploration in 218 square kilometres area in the Nilkanthpur block, Balrampur, Chhattisgarh. MOIL has started exploration on 1st of June this year, 2024.

Further, MOIL has also signed tripartite MoU with the government of MP and MP State Mining Corporation Limited to explore the possibility of manganese ore in four districts, in four districts of MP, that is Jhabua, Jabalpur, Balaghat and around more than 1300 square kilometres area has been allocated to MOIL for exploration. MOIL has completed exploration works in Chhindwara and exploration in Balaghat area is under process. Exploration indicates availability of manganese ore in these areas and there are positive responses.

Friends, MOIL is having skilled manpower working in its both underground as well as open cast mines. The management of company is very well experienced, and you can impose full faith on them. The current performance of the company shows that it is working in the right direction wherein we have registered a growth of 35%.

This year we are targeting a growth of around 14%-15% over the last year. Also, the exploration targets have been increased by 25% and so the other targets. The company has concrete growth plans and by the year 2030 when country is requiring around 11 billion tons of manganese ore, we have targeted that we would be contributing to the tune of 32% of requirement of country which is right now around 20%-21%.

So, with this I would request my, I put full stop to my address, and I request my colleague Mr. Ashwini Das, AGM Finance to take forward this presentation and thereafter we will have a question-and-answer session. Thank you. Thank you one and all.

**Ashwini Das:**

Thank you sir. Good morning, everyone. I am Ashwini Das, AGM Finance working at MOIL. I extend a warm welcome to each one of you and express my sincere gratitude for taking the time today. Your presence here is a testament to your confidence and interest in our company and our business. Over the past one-year MOIL has taken various significant strides in the areas of production, sales, exploration and environmental clearance.

We are excited to share with you not only what we have achieved so far, but also the strategic initiatives we are pursuing to drive our next phase of growth. In today's presentation we will cover our current performance, our growth strategy and the exciting developments in the horizon. But more than that we aim to provide you with a clear understanding of how we intend

to create sustainable value and why we believe that now is the time to invest, be invested in our company.

So, without further ado let's dive into the details. MOIL is the largest manganese ore producer in India. As our CMD sir has already mentioned it is the first CPSC to install windmill projects in India also. And it is the only company in India to produce electrolytic dioxide manganese. Electrolytic manganese dioxide that is EMD. First of all, let's discuss about what are the uses of manganese ore.

Manganese ore has several uses. Most important and primary it is used in steel and industrial sector. In steel production it is used as a deoxidizing agent to remove oxygen and sulphur impurities to improve the steel durability and strength. Manganese is also used in steel alloys to enhance the hardness, tensile strength and resistance to wear and impact. Manganese is also used in other industrial sector, which is in alkaline batteries, lithium-ion batteries and also pigment of paints and ceramics and also it is used as a micronutrient for fertilizer which helps in plant growth.

Since manganese is a critical component in steel production the demand for steel directly affects the manganese ore prices. Higher the steel production leads to increased demand and potentially higher prices. With this we move to the manganese ore global market scenario. The global market is very competitive with significant players from the country of South Africa, Gabon, Australia and China.

India contributes only 5% of the total manganese ore produced in the world. MOIL subtraction are primarily focused within India and it continues to explore ways to enhance its global footprint though it remains more prominently domestically. This is an overview of our Indian market.

We can see that around 5.6 million tons of manganese ore are being imported which is a significant growth opportunity for MOIL. MOIL can achieve and contribute to the country's production demand by increasing its production and production capacity by expanding its manganese ore reserves and resources. This is an overview of the reserves and resources in India.

MOIL holds only 21% of the total reserves and resources. Before going into details let me explain to you what are resources and what are reserves. Resources are identified as mineral occurrences which reasonably prospect for future extraction. However, reserves are economically viable portion of the resource that can be extracted. Exploration of these reserves and resources forms the basis of any mining industry. Although MOIL holds only 21% of the manganese ore it meets around 52% of the country's production demand and tries to achieve higher goals with this huge opportunity.

This is a brief history of MOIL. MOIL has a rich history having its journey started around 125 years ago from a single mine at Mansar in the district of Nagpur. From there on it became a CPSC in 1962 and got listed in 2010 December and now it has achieved the highest level of production since its inception. These are few details of our mines. We have 10 manganese mines in the state of Madhya Pradesh and Maharashtra. three are open cast mines and seven are underground mines.

We have a ferro manganese plant in the state of Madhya Pradesh in the district of Balaghat. 12,000 metric ton is the installed capacity. Similarly, we have the EMD plant which is the Electrolytic Manganese Dioxide which is used in alkaline batteries and lithium-ion batteries and dry cell batteries also. It has a plant capacity of 1500 metric ton. We have also installed renewable sources of energy which is around 20 megawatt in windmills and 10.5 megawatt in solar energy. We are contributing more than 56% of our energy requirement through renewable resources by which we are going zero carbon and contributing to the nation's reduction in carbon footprint also.

These are our mines location. Mostly MOIL's mines are centrally located within 250 kilometres from Nagpur. MOIL's operate in the district of Balaghat, Bhandara and Nagpur. This is our capital structure. Government of India holds majority stake of MOIL's shares and apart from government of Maharashtra and government of Madhya Pradesh, the rest of shares are held by public at large and other institutions.

As we know and already got introduced to our Board of Directors, I want to reiterate our Board of Directors is led by Shri Ajit Kumar Saxena sir, our CMD sir, and comprises of experienced leaders and diverse expertise across industries, guiding MOIL with strategic vision and governance towards sustainable growth. Similarly, these are our independent directors. Our independent directors bring wealth of experience and contributes their valuable perspectives to MOIL strategic decisions.

Let's go into the performance. As our CMD sir has already discussed about what we have achieved so far, but we are now in the phase where we will be achieving new heights. So in the first quarter, if you can see the green marks, we have already produced around 4.7 lakh tons of manganese ore in the first quarter itself. And in the first quarter, we have also sold 4.53 lakh tons of manganese ore. Similarly, in the area of ferromanganese, we have produced 2,948 metric ton of ferro manganese and 368 tons of EMD.

Exploitation is the prerequisite of any mining industry. So it is like a backbone to the mining industry. We have already doubled the last year, previous year exploration from 41,000 to 87,000 meters. And in the current year itself, we have already achieved 30,000 meters of exploration. Like exploration resource are the lifeline of any mining industry, we are making further efforts to convert these resources into reserves.

As you can see, we have already added significantly to our resources of our company. Last year itself, we have added 7.98 million tons of resources to the manganese ore. These are the key performance highlights for previous year. I have already gone through it. These are the first quarter's highlights. In the last 10 years, MOIL has given an outstanding return to its shareholders through consistently paying dividend. And in a phase manner, it has also bought back shares and also gave an outstanding return of 164%.

MOIL has consistently delivered strong returns to its shareholders, reflecting its commitment to value creation and financial growth. Being a corporate entity, it has also given back from where it has got so many opportunities of growth. We promote skill development, community

development, health, education, and also we protect our environment by planting trees and going green.

In the last three years, this is the movement of our share price. There is a significant potential of value unlocking in MOIL share from the current market position, which offers promising opportunities for growth and investment returns also. As you can see, it has already crossed the 400 mark. In the coming years, it may cross even more.

These are the visions envisaged by our steel policy and our management, which will be fulfilled in the coming years. As per national steel policy, India is targeted to produce around 300 million tons of steel by 2030. For producing that much of steel, around 11 million tons of manganese ore will be required. And MOIL has targeted around 3.5 million tons to be produced by 2030, increasing its market share from 20% to 32% by 2030.

We are focusing on enhancing our production and increasing by 20% in the current year from the last year. Apart from that, we also have a target of around 3.5 million tons with 3 million tons being produced from our current mines and 0.5 million from our other upcoming projects. These are the areas we are focusing on.

As I have already said, exploration is the lifeline and backbone to any mining industry. We are going for higher exploration, not only in the areas of our existing mines, but also outside our joint venture. We are proposing joint venture. We are taking up new shaft sinking projects, which will augment our operational efficiency.

We are enhancing our environmental clearance limits, which not only help in production, also achieving our targets. And we are also expanding in the other states also, the likes of Gujarat, Maharashtra, Madhya Pradesh, Chhattisgarh. All we are exploring for further point where we can achieve our production target of 3.5 million tons by 2030.

As I have already emphasized that exploration is the lifeline of any mining industry. These are the few details which are already achieved and what we have targeted in the current year. We are targeting around 1 lakh metres to be explored and further we will add to our reserves and resources in the current financial year.

Environmental clearance requirements are essential to MOIL's expansion. It plans to scale up operations also. However, we are committed to navigating these regulations responsibly. By 2030, we are targeting environmental clearance for 5 million tons or 50 lakh tons, so that we can achieve our envisaged target of 3.5 million tons.

Our capital expenditure plan is strategically focused on expanding production capacity with modernization and mechanization of our mines to meet our growing demands and enhance our operational efficiency. In the last financial year, we have expensed more than our profit after tax in capital expenditure to improve our production capacity and also modernize our mines. These are the projects which are underway to enhance MOIL production capacity and operational efficiency. There are two high speed shaft sinking projects in Balaghat and Gumgaon mine.

We have MOU with GMDC, that is a state PSE under the government of Gujarat. Also, we have exploration in the state of Madhya Pradesh in Chhindwada and MP and we have also started exploration in Chhattisgarh, Nilkanthpur block also. These are the few details in MOU with the state of Gujarat under GMDC. We are already in the process of signing up JV agreement, which will be completed shortly after state government's approval.

In the state of Madhya Pradesh, two areas have positive responses in Chhindwada and Balaghat and we are also in the process of finalizing our JV. In June 2024, we started the exploration operation in Nilkanthpur block of Chhattisgarh, and we are hopeful for finding positive results in those areas also. Thank you for your patience hearing.

**Moderator:** Thank you Ashwini. So now we will open the floor for question and answers. I am sure with the recent Supreme Court ruling a lot of you would have question on that. Please I would request you all to raise your hand and then call for the mic before asking for questions. So we will start. Sir please introduce yourself.

**Ramesh Bhojwani:** Ramesh Bhojwani from Mehta and Vakil. First and foremost, you have made an excellent presentation encapsulating the current state and going up to 2030, the vision is very heart warming and welcome. Sir one thought came to my mind in the vision 2030 you have given a conservative target of raising your production to 3.5 million ton, whereas one can foresee at least 5 million ton production coming from your side. Would like to have your thoughts on that?

**Ajit Kumar Saxena:** What we have committed is what is there in our control and right now we have leases, and we are planning to have ECs and then shafts in those mines. Definitely we can go to 5 million ton and further, but that all depends based on what kind of mines do we get from different - different new mines which we get. What we have committed is from existing mines only. So that is - for that we are sure that we are going to do that.

**Ramesh Bhojwani:** So that is an excellent remark, excellent comment you have made that it is only from the existing mines, but the new mines certainly can take you to 5 million ton.

**Ajit Kumar Saxena:** New mines would have certain shares in that, but not the mega share. But going to 5 million ton that definitely would require new mines.

**Ramesh Bhojwani:** And the second thought was, first and foremost, many congratulations for being the first CPSC to install windmills and progressively add solar power. Solar power has got the fancy and imagination of almost every company or private and public sector in India. I also see, Vision 2030, the doubling of this renewable energy from your side?

**Ajit Kumar Saxena:** We are working on that, but I would like to share that around 60% of our own consumption comes from renewable energy sources, from windmill as well as solar. So definitely be raising this.

**Ramesh Bhojwani:** That should go up to 100% and double by 2030 that was the thought.

**Ajit Kumar Saxena:** Sure.



**Ramesh Bhojwani:** Thank you and all the best.

**Ajit Kumar Saxena:** Thank you.

**Digant Haria:** Thank you. Hi, sir. It's a question from here. Sir, my name is Digant Haria from GreenEdge. Sir, we have been shareholders of MOIL for two years, so your great performance has benefited us, so thank you for that. And thanks to Antique also for timely writing the reports, arranging these events, it helps improve our understanding. So three questions from my side. Sir, in the Annual Report, you have increased the target from - since very long we used to write 30 lakh tons, now we have increased it to 35 lakh tons this year.

Sir, when we met you last time, you said that from our existing mines 21 lakh tons it will definitely reach. For more, we need these, you know, JVs with Chhattisgarh Madhya Pradesh and all these states. So this 35 lakh tons seems like what more will you need to do? Because in Annual Reports, you write that we are doing something next to existing mines. We have put all those shafts, increased the lift speed, operational efficiencies, but this 35 lakh tons seems ambitious. What will the company do?

And sir, I will tell you why I ask this. We were at 13 lakh tons in 2008. This number we crossed in 2023. So 15 years we took to cross that 13 lakh tons. Now we are talking of reaching like 35 lakh tons in just 5 years from now. So if you can just explain own mines how much, JVs how much, new mines how much and why do we not go to the mineral rich states of Odisha and Karnataka because in your own slide, we saw that 50% resources are in these two states whereas we are only going to states where the reserves are less. So that's the first from my side?

**Ajit Kumar Saxena:** So about the breakup of 35 lakh tons. First of all, as we have mentioned in our presentation that exploration is a continuous activity and is backbone to any mining organization. So that is why last year when we said 21 lakh tons and this year if you have seen the presentation, the last year we have added around 7.98 lakh tons to our reserves. So this is a continuous activity, and we realize that how much magnesium we can get, or we will not get at all. So this is the result of continuous exploration.

Now coming to the breakup of 3.5 million tons, I will say that roughly what we have estimated now is 3 million tons from our own resources and 0.5 from other resources. But I feel that we have potential of reaching even 3.5 from existing mines. That's what I have said that for 3.5 we are sure and for the growth of maybe to another step 5 million tons we require more mines, and you never know. By that time we may be exploring more in the same area, and we will be getting more reserves and resources.

**Digant Haria:** Sir, second question is, how does the organization get so much energy like 15 years nothing happened, steel sector was down, we understand all that. But now in two years we are talking like as if we are running on the fourth gear now. So is this the government driving it or inside the company the whole employee force is recharged? What has happened? Just very qualitative comments?

**Ajit Kumar Saxena:** I think it's a collective effort and very focused and synchronized effort of everyone. Maybe it was waiting for this time to happen. I can say only this. It's a collective effort and all forces are

working together. That is why we are achieving this, and we are confident that we will be crossing 2 million ton target this year.

**Digant Haria:**

Sir, lastly on this Supreme Court verdict, we have seen that Jharkhand, Odisha, they have already, the states have started applying tax on whatever mining output is there. For us, Maharashtra and Madhya Pradesh are the two states which matter most. If they also decide to go that way, what happens to us?

Because we can't change our selling prices, they are determined globally. So that hit probably has to be absorbed by us. So any ballpark calculations you have done on what kind of hit can come or what can we do so that this does not happen?

**Ajit Kumar Saxena:**

As of now, there is no major implication. I think DF (Director Finance) can tell better, but since we are working constantly on our cost, so we don't have much apprehension. And as of now, there is no major impact on past taxes. You would like to give some detail?

**Digant Haria:**

No sir, but future, if we don't ask for the past...

**Ajit Kumar Saxena:**

Future, we are working in a very focused manner on our cost. Of course, I cannot reveal the figures, but our cost is definitely a word benchmark.

**Digant Haria:**

Okay sir, thank you.

**Kunal:**

Hello sir, Kunal here from Centrum Broking. Thanks for the opportunity. So my question is in regard to the EC limit that we are looking to expand from currently 2.5 million ton to 5 million ton. So can you share any of this project timeline that we require the public hearing and everything all together. So what timeline that you have set, what has been achieved and for each milestone by how much time you are looking to get it done?

**Ajit Kumar Saxena:**

Look, the beginning of this year that is 1st of April 2024, we had an EC of nearly 24.88 lakh tons. And for this year, financial year 2024-2025, we have planned to apply for nearly 10 lakh tons. And out of that, 4.4 lakh ton has already been applied.

And remaining baseline study and other things are in progress. Some mining plans are being made. So we are sure that we will be applying another 10 lakh tons in this financial year. So that will make it around 35. And next 10-15 lakh tons we will be applying in the year 2025-2026. For which detailing has to be done. But yes, we already have plans, and we have started working on that. So this is starting 25 lakh tons. This year application for 10 lakh tons. Next year application for another 15 lakh tons.

**Kunal:**

Thank you, sir. Second question is in regard to the opening remark that you mentioned about enhancing global footprint as well. So any plans or outlook that something new for, I believe for everyone that may be with you, that you can share sir?

**Ajit Kumar Saxena:**

We are working in different geographies and for different minerals also. With time we will come to know.

**Kunal:**

Thank you very much.

- Ajit Kumar Saxena:** Thank you.
- Vikash:** Hello sir, this is Vikash from PhillipCapital. Sir, just wanted to understand one thing. Since we have already an EC limit of closer to 2.5 million tons, what are the constraints which is stopping us to go to that figure in this year itself? Why are we taking a two-year timeline for that?
- Ajit Kumar Saxena:** I mean, we just clarify your question. I mean, do you expect that whatever EC we have we should be producing that much of amount?
- Vikash:** No, India is importing 50% of the requirement. So there is a demand in India, right? So just wanted to understand the constraint which is stopping us to go to the full EC limit of mining capability.
- Ajit Kumar Saxena:** So it is a long process. I mean, you have to start from getting the land allocated for exploration. You explore and having, I mean, there is a word, statistics that having successful exploration that is three out of thousand explorations lead to economically viable mine.
- So you have to get the area, then you explore, then you start applying for EC, then you start planning various equipments and shafts, getting clearances. So it is a long drawn process. It just cannot be like you decide and you do it tomorrow.
- Vikash:** So EC is there but our current capacities are lower, right?
- Ajit Kumar Saxena:** No, it is, we have to apply for EC also. Right now, we have ECs of only 24.88 lakh tons.
- Vikash:** Okay, and what is the current capacity in terms of production capability?
- Ajit Kumar Saxena:** There is nothing called capacity because once you are in certain strata of mine, you may be getting 28%, you may be getting 42% that precision and accuracy is yet to be achieved, that you know from the very beginning that how much you are going to get at particular level. So generally the score at present is around 77%-78% we get from run-off mine. So if you get 24.88 lakh tons, you would be getting somewhere around 19.5 or 20 lakh tons of manganese ore.
- Vikash:** Understood, sir. That's all.
- Ajit Kumar Saxena:** Thank you.
- Kirtan Mehta:** Good afternoon. Kirtan Mehta from BOB Capital Markets. You currently mentioned about that we have a production capacity of around 77%-78%. If we take it, it is closer to 2 million ton. We are also looking at the production target of 2.49 million ton for the FY '25. So what would aid this production ramp up to 2.49 million ton during the year? And would you be able to also give a picture for the next two years as well?
- Ajit Kumar Saxena:** I think it is wrongly understood. This year we have capacities, that is environmental clearances of 24.88 lakh tons. Out of which, suppose you produce this much. So 78%-77% will be clean ore. That will be around 20 lakh tons. So that is what the plan for this year is. And this year we would be adding, we would be applying for another 10 lakh tons of environmental clearances. That is easy.

- Kirtan Mehta:** So when we say the production target would be roughly around 14%-15% growth this year over 1.5?
- Ajit Kumar Saxena:** Production target would be around 20 million ton plus. 20 lakh ton plus, sorry. That is 2 million ton. 20 lakh ton plus.
- Kirtan Mehta:** And from the 1-million-ton additional EC that we are targeting?
- Ajit Kumar Saxena:** That you will be getting throughout the year.
- Kirtan Mehta:** Throughout the year?
- Ajit Kumar Saxena:** You may not be getting because there are so many clearances. There are certain places where certain committees have to clear things. Maybe committee is not there. When committee is going to meet, then your point will be there in their agenda. So it is not like switching on and switching off the fan.
- Kirtan Mehta:** Correct. I just wanted to understand, once you receive the EC, how many years would you take to reach that capacity? Because then you will have to plan the equipment and other things.
- Ajit Kumar Saxena:** Look, we have plan of producing say 35 lakh tons in the year 2029-30. And right now we have produced 1.756. So you can say if we achieve a CAGR of 12% over next 5-6 years, we will be reaching there. And this year we have taken a target of more than 14%-15%.
- Kirtan Mehta:** So it will be more or less a linear growth through the period?
- Ajit Kumar Saxena:** So 12% growth CAGR would take me there to 3.5 level. But last year it was 35%. I mean that is a historical thing. That cannot be repeated every year. So this year we have targeted of 15% plus. Accordingly, as we get EC, as our equipments get commissioned, in some year it may be less, in some year it may be more but definitely 12% CAGR we are targeting, so that we will be reaching 3.5 by the year 2029-30.
- And we have clear cut plan as you have seen. We are planning to apply for the EC of 5 million tons by next year end. So even if it takes 1, 1.5, 2 years more, and if you calculate that 77-78% of 5 million tons, that comes to 3.5. So that EC we will be achieving much in advance to the year which we have committed for 3.5 million tons. So we are planning and of course there are different levels. One is equipment commissioning, another is getting clearances and then getting all the contracts. So we are sure, I mean things are on right track.
- Kirtan Mehta:** Thank you for the details. Couple of more questions. One is about the two GVs that we are planning one with JMDC and second is MP. Would you be able to give us more details in terms of what is the resource base that we have established there, what is the EC limit that we would be looking there, do we have some initial idea at this stage?
- Ajit Kumar Saxena:** In Gujarat, I can share that we have explored, and we have identified about 9.51 million tons of manganese ore. Now based on the joint venture signing and then getting clearances perhaps the starting year we can say another 2 lakh tons, maybe next year there is '25-'26 but potential is 9.5

million tons. Madhya Pradesh exploration is still on. Chhattisgarh we have started exploration just in the month of June. But initial results are quite good.

**Kirtan Mehta:** One last question. You have shown the resource addition. Would you also share how have we added the reserves over the last couple of years? We have shown around 7.98 million of the resources. Correspondingly, what were our reserve addition figures for FY '24?

**Ajit Kumar Saxena:** Details, can you share?

**MM Abdulla:** Last year we have added around 7 million tons of resources. This is by means of exploratory drilling. When you puncture the ore body and the geometrical figures are available regarding the depth, width and percentage of recovery of ore body, then we add the resources, and we convert resources into reserves. It is like that. It is a continuous process, perhaps.

**Kirtan Mehta:** Reserve addition number for FY '25, reserve addition that we would have done, we would have also sort of RP ratio, whether it increased, decreased during the year?

**MM Abdulla:** Actually, whatever reserves you have mined out, that we reduce from our resource base, then we convert the resources into reserves. It is like that.

**Kirtan Mehta:** Fine, sir. Thank you.

**Hinal Kothari:** Hinal Kothari here from Systematics. Sir, I wanted to know the grade-wise sales mix for FY '24 and historically, if it is possible?

**Ajit Kumar Saxena:** It is possible, but it is quite detailed. I mean, it is a full document. We can share it after the meeting.

**Hinal Kothari:** Okay.

**Ajay Mehta:** Good afternoon, sir. Ajay Mehta from Makrand Finance . Sir, two questions. I just wanted to clarify, whether this Ninth Bench Supreme Court decision, there is no past liabilities on that account?

**Ajit Kumar Saxena:** I think I have addressed it. There is not much implication of this decision.

**Ajay Mehta:** Quantify any figures, sir? Because somewhere I had seen in one of the Annual Reports, 2,500 contingent liability. Am I correct in that? INR2,500 crores of various, various taxes.

**Management:** As far as the Supreme Court decision is concerned, it is about the power of the states. The royalties are taxed or not. Royalty is not a tax. And if the state governments are imposing certain taxes, those taxes have to be paid since 2005, in the next 12 years. So, in case of MOIL, there are no taxes with respect to state governments. So, there is no liability from the state government.

So, this decision does not impact at all MOIL's operations. We do have the liability from the State Government Service Tax, but that is a different thing. That has already been disclosed in our contingent liability. So, as such, there is no liability.

- Ajay Mehta:** Fair. Good answers. Sir, next one on this. Your quarter one results have been really very good, very encouraging. Congratulations on that. But can you give us a little idea how, if we break it up between volume and price, what has been the breakup and what would be your foreseeing for the next few quarters on this?
- Ajit Kumar Saxena:** Figures we already have shared about the volumes and volume was around 4.53 lakh ton.
- Ajay Mehta:** A percentage breakup between quarter four and quarter one, sir. If that is possible?
- Ajit Kumar Saxena:** That is definitely possible. I may not be having figures right now, but that is definitely possible. I think 4.53 lakh ton sale is there in Q1. And before that, it was 4.35. Q4 was 4.35 or 4.36. And right now it is...
- Ajay Mehta:** 8% up in volume.
- Ajit Kumar Saxena:** No, 8% is Y-o-Y. That is Q1 of FY '24. And Q1 of '24 with respect to Q1 of '25, there is a growth of 8%. Growth in Q1 of '25 with respect to Q4 of '24 is marginal.
- Ajay Mehta:** So the major difference, there is a pad difference of INR90 crores to INR150 crores if I am not mistaken. So is the difference because of the price alone? I mean if there was a marginal difference in the volume?
- Ajit Kumar Saxena:** No, it is definitely prices as well as the grade. I mean what kind of grade is sold in that year, whether it was available or not. So lot many factors, but definitely prices have played. I think a rally of 3 to 3.5 weeks. That really made a difference. Yes, it was there.
- Ajay Mehta:** Sir, what do you feel of it going quarters ahead? Would the price be maintained in the coming future?
- Ajit Kumar Saxena:** Look, normally Q2 is a bit sluggish. And we expect that, still we expect around 2.5 to 3 lakh ton sale, 3 lakh ton plus sale even in Q2.
- Ajay Mehta:** Because whatever we could read, it meant that something in probably South America, some plant got disturbed and that is why the price shot up. And the U.S. were expecting some steel production.
- Ajit Kumar Saxena:** No, the plant which was, I mean the information which you have, whether there is a breakdown in some plant or some mine, that is still there and that will continue, I think as much we know that till end of this calendar year. But yes, that could be one factor, but there are many more other factors. I mean production of steel, demand of steel and further lack of producers.
- Ajay Mehta:** Sir, can we take it then that the next few quarters, the price would stay what it is today, averaging out 5% here and there?
- Ajit Kumar Saxena:** Prices what we have today, I mean in this Q2, I think most likely they will continue. But Q3 onwards, prices will go. And this is a regular pattern over years.
- Ajay Mehta:** Wonderful. Thank you so much.

- Ajit Kumar Saxena:** Thank you.
- Analyst:** Hi Sir. So, just one question. Since we are looking to double production from current to by FY '30, what kind of capex plans have we outlined for the next 4, 5 years?
- Ajit Kumar Saxena:** For last 2 years, capex is, or maybe 3 years, capex is more than our profit after tax. And even this year we have planned INR328 crores, next year INR340 crores. So we have, and if you understand the language of mining engineers, that is number of shafts to be added. So it is under process, but we have decided on 5 shafts to be installed in different mines. So capex is, there will be a gradual increase in capex.
- Analyst:** Hi Sir. This is Pavas from Birla Mutual Fund. So firstly on your quarterly results, if I look at a blended realisation, whatever volumes you have shared in the revenue number, there is roughly around 13%, 14% blended realisation growth. But if I look at your announcement over last 3 months, April, May, June, there was roughly around, on a blended basis, 30% increase in realisation, should be there.
- So what is the gap between whatever you have announced, the hikes, and whatever you reported in your numbers? So there was one hike of 3%, 4%, then another 25%, 30%, and then another 30%. Throughout the quarter. So that culminates to roughly around 30% on a blended basis hike. And you reported 14% growth in realisation. So what is the gap, why the realisation was lower than expected?
- Ajit Kumar Saxena:** I couldn't get your question. Will you elaborate it please?
- Analyst:** Sir, during the, throughout the quarter in 1Q, in April, May and June, you announced certain price hikes across product price points. That culminates to 30% blended realisation. That should have been a growth in realisation for the quarter. But whatever you have reported, it seems it was only 14%, 15%. So is there some increased discounts, or is the mix?
- Ajit Kumar Saxena:** No, what you see, I mean, it is just one or two grades. But we have a lot many grades, so it is a mix of that. Which grade is having how much demand and how much could be dispatched. So the total net sales realisation is based on that. You monitor only one or two, 36% or 37% or 44%. But there are so many grades.
- Analyst:** Okay. And going forward, you have also announced certain kind of price corrections. So how this will trend in this 2Q?
- Ajit Kumar Saxena:** We do pricing only on a monthly basis. There is no price correction. We have to follow certain, we follow certain indicators, like stocks at different port, consumption, prices of ferro-alloys, steel market, and availability of ore. So based on that, and the global prices, we fix our prices. It is not correction. If you look at figures, I mean, there is a fluctuation across the globe.
- Analyst:** Sure. And secondly, on this employee cost, which is kind of, entire area was INR550 crores, INR555 crores, which was lower than FY '23, how this number will trend, and how this number will trend with respect to your production growth?

- Ajit Kumar Saxena:** Like, Burton,
- Analyst:** No, not Burton. It's absolute number of INR550-odd crores for the full year as a whole?
- Ajit Kumar Saxena:** Absolute numbers will be fluctuating because there would be certain rise on account of your dearness allowance and increments of regular employees. There would be some retirements. So it is just not, if you want we can calculate...
- Analyst:** Because in FY '23 this number was higher.
- Ajit Kumar Saxena:** FY '23 this number was higher because in that particular year, we have revised the pay scales of employees. And it was with effect from 1-1-2020 or so. We had to pay arrears as well as new pay scales. And definitely after that, since arrear impact is not there, so it is coming down. Also we are focusing on cost. There is redeployment of manpower in effective areas with decreasing manpower. So definitely, overall cost is coming down.
- Analyst:** So when is the next big reset in terms of employee cost?
- Ajit Kumar Saxena:** That will be around 2027 or so.
- Analyst:** And any take on global markets, how the after South 32 disruption, how the market is performing in terms of supply and demand?
- Ajit Kumar Saxena:** They had an impact of around 3, 4 million ton. But if you look at production of manganese for last so many years globally, it is hovering around 59, 64 million ton. 3% of global steel production. So it is, I mean, not much of it.
- Kunal:** Hello. Kunal here again, sir. Sir, our country is opening up with critical minerals opportunity right now. And we are seeing lot of state-run government companies are also looking to participate in that opportunity and also looking to bid in overseas as well. In MOIL, how we see the opportunity for ourselves and aspiration that we have in India and overseas both together?
- Ajit Kumar Saxena:** As you have mentioned in the presentation, we are open to any geography and any mineral provided it is economically viable and viable proposition for the company. We are looking to different proposals and working on it. So as it comes, whether it is viable, then we will participate and then it comes to what we get. So we are very well into the group for going to new geographies and new minerals.
- Kunal:** Sir, any specific minerals that you are targeting right now that you are looking for in India and elsewhere?
- Ajit Kumar Saxena:** Not exactly. Of course, manganese is our core stream, but manganese involves underground as well as open cast mining. So as far as skills and other exposure is concerned, we are very well equipped. So it all depends on economic viability of the proposition. So no specific, but definitely we are looking for other minerals too.



- Kunal:** Sir, last question. Also there is lot of opportunity in ocean, seabed, mining as well, where huge manganese deposits are there. So any plans, any thoughts that you can share with us that MOIL can work on it?
- Ajit Kumar Saxena:** It is really premature about ocean, seabed, mining and who will get what rights and where exactly is the. Yes, it is a topic of importance and interest for last 1.5 years, 2 years. Deep ocean mining and yes, the best quality of manganese is lying there. But so far nothing commercially, no commercial proposal is available to any one of us.
- Kunal:** Sir, any government's framework or initiatives has been undertaken that looks promising for mining in future, that you can share some light on it?
- Ajit Kumar Saxena:** Not specifically about manganese, but definitely it is part of steel policy. So government is working for becoming art in the world in that element too.
- Kunal:** Thank you so much, sir.
- Analyst:** Sir, can I ask a question? Sir, any target to reduce cost of production by percentage, any target in next 2, 3 years? How the cost of production reduces?
- Ajit Kumar Saxena:** Exactly, you cannot say target, but definitely as we are targeting a growth of around 14%, 15% every year, so you can presume that reduction in cost by 6%, 7% every, on year-to-year basis. Considering, because you do not know what will be the dearness allowance, what will be the, of course, the increment, but you do not know the dearness allowance.
- So what is the area of focus? Area of focus is with the same manpower, if you can increase production. So if you take just same values, increase by 12%, 14%, 15%, you will get around 6%, 7% of reduction in production cost on year-to-year basis per ton.
- Analyst:** Sir, there is any basis that the employee cost goes up?
- Ajit Kumar Saxena:** Come again?
- Analyst:** If the profitability goes up, employee cost goes up?
- Ajit Kumar Saxena:** Not exactly, no linear relationship or predictable relationship.
- Analyst:** Thank you.
- Moderator:** Any other questions?
- Subhabrata Mitra:** Yes, hi, this is Subhabrata Mitra from Augmenta Research. So to augment your production capacity to 3.5 million ton, what is the targeted employee recruitment you need to do going forward?
- Ajit Kumar Saxena:** Look, as we have already said about, talked about the capex, we are, it is not only about installation equipment, equipping the commissioning of shafts, it also involves lot of mechanization. Because all those mines are 100 years old, and we are working also on changing

the way of how do we mine. Of course, it is an early stage, it is difficult to say, it is premature to say how exactly we are replacing, but definitely we are working on the more productive safer methods to dig out manganese so that we increase, we can have more mechanization and less requirement of manpower exactly.

**Subhabrata Mitra:** Okay, and my second question is that, out of this capex, whatever you are saying, what will be the modernization equipment and stripping cost, if you can give the bifurcation?

**Ajit Kumar Saxena:** Modernization?

**Subhabrata Mitra:** Equipment and the stripping cost that you start for new mines. You capitalize a certain portion of the stripping cost, right? So can you bifurcate that thing? In terms of...

**Ajit Kumar Saxena:** I think next financially we will be capitalizing two of our major projects and the other five which we are talking about is only at the stage of conceptualizing and locating and finding out the technology.

**Subhabrata Mitra:** So, whatever you are capitalizing next year, that would be, can you give an estimate of that stripping cost capitalization?

**Management:** That's basically the accounting aspect, stripping cost, so we need not disclose that separately, but as CMD sir has already said, next year, this year we are planning a target of INR328 crores of capex, right? So, it includes everything.

**Ajit Kumar Saxena:** It will be capitalizing for two projects?

**Management:** Yes.

**Subhabrata Mitra:** So broadly, I wanted to know how much will it be for modernization and how much will it be for capitalization of the starting of the new mine of stripping cost?

**Management:** Basically, it depends, I think it's again a very internal assessment and the numbers, so we are doing both. We are doing, expanding in terms of increasing our shafts, major capital projects and the modernizations. Can you elaborate your question more?

**Subhabrata Mitra:** Yes, so I am asking that you are doing a capex of INR320 crores-INR330 crores, whatever, if you can subdivide that into the modernization portion capex and the stripping cost capex. Is it possible to keep that?

**Ajit Kumar Saxena:** No, no, it is just not possible because it all depends, it's in certain mines at certain levels you might be mechanizing the things and in the other level you are doing the things in the same old fashion. So, I mean, identifying that in the same mine, one level cost, another level cost, I mean that will be very difficult to share it. Definitely we will be working on it but that is very difficult to share. I think that, I mean, your question has addressed well. Thank you.

**Digant Haria:** Sir, two questions again. Sir, we import like 65% of manganese ore and I believe, in your presentation you showed 54 lakh tons. Sir, so what can we do to address this? Do they need a different grade which we don't produce or are we not doing enough marketing in, say, the

ferroalloy belt of Odisha where we can sell more? You know, what's your take on this? How much import substitution can we really do?

**Ajit Kumar Saxena:** Definitely, they also have certain points in importing. I mean, it is not exactly 100% grade. Few grades are definitely we are not producing. I mean, country is not having that. It is basically a mineral and definitely logistics-wise they have some advantages too when they are importing the material, especially the ferroalloy producers of Vizag and Durgapur.

More so, it is not only import of manganese ore but also the export of ferroalloys because whatever manganese-based ferroalloys are produced in country, nearly 50% of that is exported. So, they definitely have advantage at times in importing, again based on what kind of prices country is offering, what kind of freight country is offering.

**Digant Haria:** Sir, you said that imports are competitive. Sir, imports may come from South Africa, Gabon, Australia. So, there is a much longer distance whereas from Madhya Pradesh to Vizag is a much smaller distance. I just want to ask one more thing that what is our cost of production per kg and global average?

**Ajit Kumar Saxena:** You need to compare ocean freight and land freight. You will get the answer. I mean, there is a huge difference. In ocean freight and...

**Digant Haria:** Okay, sir, but just in terms of rupees per kg, like we are selling our products at INR8 to INR11 per kg on an average. So, what would be our production cost on an average and how much is it dropping every year?

**Ajit Kumar Saxena:** Every year, you can say drop of 6% to 7%.

**Digant Haria:** Sir, but that number per kg...

**Ajit Kumar Saxena:** I hope you understand.

**Digant Haria:** Thank you, sir.

**Pallav Agarwal:** Yes, I think, Sir, should we close it? Yes, okay. Any last questions, please? I think most of them -- so there was indeed a very insightful session, and I would like to thank the entire Investor fraternity for their time today and also express my gratitude to the CMD and the top management for making it today and giving us a picture of what the path ahead looks like for MOIL.

So also, this event would not have been successful without the efforts of our sales team from Antique corporate access, Bharati Ponda, the Company Secretary of MOIL, Mr. Neeraj Pandey, and our events manager, Mr. Sanjay Sahdev. So, I would also like to take some time out to thank all of them and as well as the hospitality team at Taj Land End for taking care of our needs. So now lunch will be served, and we can proceed for that. So, thank you all for coming.