



## Transcript of Proceedings

of

60<sup>th</sup> Annual General Meeting (AGM) of MOIL Limited

held at 11:30 a.m. on 23<sup>rd</sup> September, 2022

### Beginning of the meeting

#### COMPANY SECRETARY, MOIL:

- ❖ Good Morning to all shareholders and participants. As requisite quorum is present for today's Annual General Meeting of the shareholders of MOIL Limited, I request Shri MP Chaudhari, CMD MOIL to Chair the meeting and take the proceeding of the meeting ahead.

#### CHAIRMAN OF THE AGM:

- ❖ Good morning, ladies and gentlemen. Hope, I am audible and visible. I welcome you all to the 60<sup>th</sup> Annual General Meeting of your company that is being conducted through video conferencing like previous year. As informed by Shri Neeraj Pandey, Company Secretary, the requisite quorum is present at this AGM. Hence, I call the meeting to order.

We will now commence 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. 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 report and all other documents mentioned and referred to in the notice of the AGM are available for inspection in electronic mode. If shareholders want to do inspection, they can please send email to [compliance@moil.nic.in](mailto:compliance@moil.nic.in)
- ❖ I would now like to introduce Functional and Independent Directors, who are sitting with me on the dais
- ❖ On the dais.....
  - (1) On my right, Smt. Usha Singh, Director (Human Resource)
  - (2) Then, Shri MM Abdulla, Director (Production & Planning)
  - (3) Then, Dr. Archana Majumdar (Independent Director)
  - (4) Then, Shri Neeraj Pandey, Company Secretary
  - (5) On my left, Shri Rakesh Tumane, Director (Finance)
  - (6) Then Shri PVV Patnaik, Director (Commercial)
  - (7) Then, CA Shri Mangesh P. Kinare (Independent Director and Chairperson of Audit Committee and Stakeholders Relationship Committee).
  - (8) Then, Dr. Deepak Singh (Independent Director and Chairperson of Nomination & Remuneration Committee and CSR Committee)

- ❖ I wish to inform that Ms. Sukriti Likhi, Government of India Nominee Director, Shri Sukhveer Singh, Government of MP Nominee Director, Shri Prashant Vashishtha and CA Shri Dinesh Kumar Gupta, Independent Directors, are not able to attend today's AGM because of their pre-occupation with other works.
- ❖ Shri Rajesh Kumar Singh, Under Secretary, Ministry of Steel, Nominee of President of India, is also virtually present in the meeting from Delhi.
- ❖ Shri Prakash Pandhre, Under Secretary from Govt. of M.P., is also virtually 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. Besides this, electronic voting facility is available throughout the AGM.
- ❖ I would now like to share with you the performance highlights

#### *CHAIRMAN SPEECH*

Dear shareholders,

Financial year 2021- 22 was a highly eventful year for us. Despite the continuing waves of the pandemic and several volatilities in our operating environment, we recorded the near to the best of our performance almost touching the highest ever turnover, which was made possible due to our better product planning, marketing strategy and above all the collaborative efforts of our Team-MOIL.

#### Industry review

Firstly, let me take you through the industry landscape in a nutshell. Manganese industry is highly dependent on the steel industry. The steel industry has bounced back, after being impacted by the pandemic with the construction activity gaining momentum in 2021-22. The near term outlook for the industry stays positive owing to the Government's mega infrastructure push through the Union Budget 2022-23 wherein it has announced plans for expanding the national highways, increasing affordable housing and manufacturing new generation trains. All of these projects promise well for the domestic steel demand in the country.

#### Business review

During the year, the pandemic and its lingering impacts as well as the geopolitical tensions in Europe that led to intensifying the pandemic impacts globally affected global businesses significantly. Just like other industries, we were not untouched by the impacts of the pandemic and our operations were impacted to a considerable extent. However none of the challenges diverted us in accomplishing our goals and I would reiterate that in a year that could have been a weak year turned out to the year of the strong growth of 22% in turnover over the previous fiscal.

In terms of production, in comparison to the previous year's production of 11.43 lakh MT, we produced 12.31 lakh MT in FY 2021-22, an increase of ~8%. The second wave of the pandemic and the associated restrictions did have a negative impact on productivity Although lock downs of the kind faced in 2020-21 was not imposed, operations suffered mostly during second wave due to significant rise in number of corona cases, which compelled quarantining of employees and more stress on social distancing also adversely affected the performance. Despite that, MOIL has recorded best ever high grade ore production of 6.53 lakh MT and high grade ore sales of 6.65 lakh MT during the year. EMD production has increased to 1,202 tonnes as against the 1,070 tonnes during the previous year and that of ferro manganese to 10,245 MT as against 8,851 MT in the previous year.

#### Financial performance

Our financial performance for the year reflects the strength of our sound strategies. During the fiscal, our revenue from operations increased from Rs 1177.38 crores in FY 2020-21 to Rs. 1436.31 crores in FY 2021-22. Our total income was of Rs. 1515.57 crore during FY 2021-22 as compared to Rs. 1279.85 crore in the previous year. Our operating profit increased by 1.34 times from Rs. 187.64 crore in FY 2020-21 to Rs. 438.35 crores in FY 2021-22. We earned a PAT of Rs. 376.98 crore as against Rs. 176.63 crore in the previous year.

With regard to our manufactured products, viz., ferro manganese and electrolytic manganese di-oxide, our total net sales for the fiscal year 2021-22 increased by 24% to Rs. 127.65 crores from Rs. 102.92 crore the year before. Though sales quantity of ferro manganese decreased from 13,367 MT in 2020-21 to 10781 MT in 2021-22 (due to disposal of accumulated stocks on 31.03.2020), sales quantity of EMD has notably increased from 918 MT in the 2020-21 to 996 MT in 2021-22.

#### Dividend

Given the dividend paying nature of the Company over years, we continued rewarding our shareowners during 2021-22. In March 2022, we paid an interim dividend @ 30%, which is Rs. 3.00 per equity share. After an outstanding financial performance in 2021-22, the Board of Directors have further recommended a final dividend @ 30%, Rs. 3.00 per equity share for the FY 2021-22. Thus total dividend for the FY 2021-22 is Rs. 6.00 per equity share.

#### Going forward

As we move ahead to the next financial year and beyond, our focus will be to keep investing towards developing existing mines and acquiring the new ones. Besides, we are also investing and looking forward to the acquisition of areas adjoining the mines as well as setting up of value addition projects. To fulfil these objectives, we have taken up projects for deepening of vertical shafts, shaft sinking and replacements of fixed assets. In order to sustain our leadership position in the industry, we are pursuing an ambitious vision to enhance our production to 3.00 million tonnes by 2030 from our existing mines. With the improving demand scenario, we are confident that our capacity expansion plans will be able to cater to the growing demand while also enhancing efficiency of our procedures.

MOIL is having total 1753.665 Ha. lease area as on 31.03.2022 in Maharashtra and Madhya Pradesh (excluding forest area of some of the mines). Government of Maharashtra has granted four prospecting licences comprising of 212.931 Ha. where exploration in two areas by core drilling has been completed. In addition, Government of Madhya Pradesh has granted prospecting licence over an area of 202.501 Ha. in Balaghat for exploitation of manganese ore, for which exploration by core drilling is under process. Government of Maharashtra has granted new mining lease over an area of 126.84 Ha. in village Kodegaon of Nagpur district for mining of manganese ore, which is adjacent to MOIL's Gumgaon mine.

MOIL has entered into a MoU with Gujarat Mineral Development Corporation Limited (GMDC), a Gujarat State enterprise, to explore the possibility of mining of manganese ore in the State of Gujarat. For detailed exploration and analysis, MOIL has also entered into MoU with Mineral Exploration Corporation Limited (MECL), a CPSE under administrative control of Ministry of Mines. Exploration by core drilling has already been completed and results indicate availability of good grade of manganese ore and quantum of about 9.51 million MT. After completion of the exploration work, a Techno Economic Feasibility Report (TEFR) has been prepared, which indicates that the project is technically and economically viable. MOIL has now initiated process to formalize the arrangements by signing joint venture (JV) agreement with GMDC in terms of the MoU.

#### Our 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 independent 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 Board's Report. MOIL has got excellent

rating from Department of Public Enterprises (DPE), Government of India for corporate governance compliance for FY 2021-22 and expects the same for FY 2022-23 also.

Being the social stewards

At MOIL we believe in building mutually beneficial relationships and, therefore, we continue to be dedicated to make positive changes in the lives of the communities we operate in. We undertake several social welfare projects that are aimed at improving the lives of the underprivileged. Our corporate social responsibility initiatives include a wide array of projects encompassing education, women empowerment, health and hygiene, skill development and community development including livelihood generation. I am pleased to report that in comparison to the mandatory requirement of Rs.8.54 Crore for FY 2021-22, our total CSR expenditure was Rs.33.20 crore across CSR projects (including contribution of Rs. 20.00 crores to PM Cares Fund).

Acknowledgment

Finally, I would like to express my heartfelt gratitude to our employees for their dedication and commitment in enabling us to achieve our growth objectives. I would also like to thank the Government of India, Ministry of Steel, Ministry of Environment and Forest, and State Governments of Maharashtra and Madhya Pradesh for the confidence reposed in MOIL and continued guidance. Similarly, I would also like to thank Government of Gujarat and GMDC, who have been facilitating the project of mining in Pani area, taken-up outside Madhya Pradesh and Maharashtra for the first time. I am also grateful to our valued customers as well as our shareholders and all other stakeholders for the faith reposed in MOIL.

I also place on record my sincere appreciation and thanks to the Board of Directors, Company's bankers, suppliers, staff/ workers' unions, officers' association, C&AG, research institutions and other organizations and institutions for their unstinted support, guidance and co-operation.

The positive momentum seen amidst difficult times makes us feel optimistic about our future performance and we believe we are well positioned to accelerate the value creation journey for our shareholders.

*End of Chairman Speech*

CHAIRMAN:

- ❖ I now request Shri 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.
- ❖ Neeraj Pandey: 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. Further, there is one qualification in the Secretarial Audit Report regarding composition of the Board. I request all the shareholders to refer to Page No. 71 of the Annual Report of the company for the 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 being followed up with the Ministry.
- ❖ As regards holding AGM in virtual mode, I would like to inform that 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, 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 shareholder will be allowed to speak and ask their questions 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.

### BUSINESSES OF THE MEETING

CHAIRMAN: 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 for the financial year ended 31<sup>st</sup> March, 2022 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. 3.00 per equity share of Rs. 10 each. This is in addition to interim dividend of Rs. 3.00 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 continue the appointment of Shri Sukhveer Singh, Nominee Director (Govt. of Madhya Pradesh), as a Director liable to retire by rotation.
  - (5) Item number 05 of the notice is to authorise the Board of Directors to fix remuneration of Statutory Auditors of the Company for the financial year 2022-23.  
Here, I wish to inform that CAG has appointed M/s Jodh Joshi & Co., Chartered Accountants of Nagpur as the Statutory Auditors of MOIL for the financial year 2022-23.
  - (6) Item number 06 of the notice is to ratify remuneration of Cost Auditors of the Company for the financial year 2022-23.
  - (7) Item number 07 - (Special Resolution) - of the notice is to continue the appointment of Shri Prashant Vashishtha, as an Independent Director
  - (8) Item number 08 - (Special Resolution) - of the notice is to continue the appointment of Shri Dinesh Kumar Gupta, as an Independent Director

- ❖ 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.

### **Q & A**

- ❖ We can now invite speaker shareholders, who have joined the AGM, to raise questions / put forth their views. In the interest of time, I request the speaker shareholders to restrict their questions and/or views and observations to a maximum of three minutes.
- ❖ There are total 11 shareholders who have registered as speakers for today's AGM
- ❖ I request the moderator to invite the speakers one – by – one.

Moderator of AGM proceeding:

(1) Now, I invite the first speaker Shri J. Abhishek

He congratulated management for the 50<sup>th</sup> Annual General Meeting and said that there are many expectations of the shareholders. He wished the company and Directors for great success and prosperity in years to come in the eve of golden jubilee year. He said that the company deserve more value than its present market cap. After good result and performance and dividend history he asked to know the impact of covid during last 3 years in company's business as no industry has been untouched with the impact of covid. He wanted to know employees who have been sacked of their salaries cut, etc. He thanked the management for declaration of excellent dividend. He also requested management for regular con-call and investors meet. He also suggested to update the necessary statutory register (register of shareholders, register of KMP, register of contracts, etc.) He also requested for factory visit of the shareholders. He thanked the Company Secretary and management for inviting him as a speaker and sending the information in advance. He also thanked the Company Secretary. At last he also requested to management for giving appointment in Nagpur so that he can felicitate the management.

(2) Now, I invitee Mr. Santosh Saraf

He hoped for good health of Directors, employees and shareholders. He said company is doing well so he will not speak much about the company's performance. He already sent the questions. He asked for CSR audit report, fire safety audit, capex plan and less number of female employees. How to increase in number of female employees? He also requested for taking booster dose by all so we will protect of severity of corona virus. He also requested for continuation of AGM through e-mode or hybrid mode. He also wished long life of concerned people of the company.

(3) Now, I invitee next speaker Mr S.P. Bisania

He thanked the company for inviting him as a speaker and congratulated for very good performance year on year. He further said that Quarter on quarter - Quarter 1 of current year is less in revenue and profit compared to quarter-4 of last year what are reasons? PBT margin 35% before last year it was 40% which margin is sustainable and maintainable 35% or 40%. How are manganese prices of raw material and finished products.

Revenue reached pre covid level of 1436 cores 2018-19 however profit is less. Why manganese ore production reduced from 13.01 to 12.31 lakh tonnes between 2019 and now. I prefer not to give a higher dividend but go for buyback which is tax efficient in the hand of Shareholders.

I asked for physical copy but I have yet not got. Although company secretary informed me about speaker number. All the best for future.

(4) Now, I invitee next speaker Mr. Kankana Bharatraj

Very Good morning, I am Bharat Raj from Hyderabad and safe & healthy. In this pandemic, my company has done wonderful.

What is your future plan for next coming 3 years?

Thanks for wonderful dividend and congratulate entire Board for diamond jubilee year. It has completed 60<sup>th</sup> year. On this occasion we wanted to meet physically but cud not, hopefully next year we will meet. Thanked secretarial department for wonderful VC facility.

On diamond jubilee 60 years, can you give special bonus or dividend of Rs. 60? Declare Special dividend of Rs.60.

Any future plan entering into international Markets. Are you bidding for the international ore, because now a days nobody knows who will come and acquire our organisation that is the situation in our country. So more expansion means more strong in the market?

(5) Now, I invite next speaker Mr. Amit Bhargav

MOIL has spent about 30 + crores on CSR, out of which 20 crores have been given to PM care fund this being a Government company, the Government makes money and we are not against CSR is very good thing we need to consider that the share price of MOIL is less than the IPO price today and people who bought shares in 12 years ago in 2010 including myself sitting at a loss in terms of what they paid despite of company giving dividend being in profit, so 20 crores given in PM Care Fund something we need to consider that we don't do this kind of expenditure. Other thing, You know why not MOIL even other PSU, despite being having a good book value, the value in share market as good as private competitors that cause of concern and I hope the company would look at it and go into expansion mode but you know expansion you know being a Govt company it has more resources than private company and can aggressively, I hope it does so. These I thought what I need to say

Now there are further speakers for in today's meeting. With this we conclude speaker shareholders' session.

CHAIRMAN:

Am I audible ? Yes I think so. Thank you all speaker shareholders, all suggestions have been noted my team and I also will take personal interest into all suggestions which can be implemented. I am consolidating all the suggestions, requirements including the questions received in chat box. Some of the queries which can be immediately answered and are being done so and rest of the thing will be taken care through e-mail or through posting in website.

- Most importantly for production as rightly pointed out that in 2018, production was 13.10 lakh tonnes and 2021-22 12.30 lakh tonnes so in the first quarter of 2021-22 our production was impacted precisely by 62000 tonnes we have calculated this based on the production. As you know that this all because of covid. The operation was impacted significantly in the second wave of covid mainly due to large number of deaths and consequent quarantine of employees and maintaining social distancing norms. All these have affected the production levels in the subsequent period production has picked up but 65% of the production comes from underground mines and it is very difficult to make up this kind of shortfall so we have done our best and future plan for FY 2022-23 is have target of 15 lakh tonnes and we are confident of achieving this. One of the shareholders has asked six monthly break-up.
- In first 6 months between 5 and 6 lakh tonnes production expected and next 6 months balance. In due course of time in the year 2030 we aim to produce 30 lakh tonnes and for that purpose we have elaborated in our Directors report.
- We have taken up several projects and you are aware that due to corona our two highly ambitious projects high speed shaft sinking at Balaghat and Gumgaon have been adversely affected i.e., result the reason we could not achieve the targeted production growth pertaining subsequent years it is I mean projects are likely to be completed in next years and accordingly production will be achieved as flat some set back being there we try to make it out. Regarding capex somebody asked so current year capex targeted is around 240 crores and next year it will be more than 250 crores and we will continue to invest in modernization of machineries, shaft sinking projects wherever possibilities are there.
- Regarding bonus issue and rights issue. Rights issue I don't see any scope. Bonus issue already you are aware that my company is having turnover around 1400 to 1500 crores and share capital is 203 crore which is very high as compared to the turnover as of now we don't consider the bonus issue to give any significant benefit to the shareholders and that's why it is not considered right now. But the opportunity time this will be examined and this will be done.
- Regarding doubling the production by 2030 the base year 2022-23 so this year we are targeting 15 lakh tonnes so accordingly it will 30 lakh tonnes by 2030. Regarding by cash balance is around 1000 crores slightly less than 1000 now as on 31<sup>st</sup> March it was around 1048 crores.
- As regards, CSR expenditure somebody was mentioning about PM care fund. I don't think that is going to have any impact on the value of the shares significant impact on the value of the share as well as share price the company is incurring CSR expenditure as amended by the Companies Act and other provisions and relevant rules and regulations and it will continue to do so.

- We have not sacked any employee due to the effects of covid I mean the production losses that we have suffered are absorbed by the company and besides normal sacking of employee as a major of disciplinary action there is no sacking on the account of reduction in the quantum of activities.
- Share price ok.. that we can't comment much on that suggestion regarding more number of con-calls and visit to MOIL mines and somebody has also mentioned about Diwali and so many things. We will do whatever possible in terms of framework laid down by the rules and regulations. I think address to all question barring statistical thing which is posted in our website.

If there is any other question in the chat box we would be happy to take that question.

I think all questions of shareholders have been addressed answered still any other question from the shareholders which will be responded by the company I take this opportunity to AGM we will intimate to the stock exchanges as per SEBI listing regulations I hope you will excuse any other you might have encountered in this virtual meeting.

I would like to inform you I would attend the age of superannuation in the next month i.e., in October 2022 this being my last AGM as CMD of the company I express my gratitude co-operation guidance for everything that is extended by my shareholder to MOIL thank you

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