



# 58<sup>th</sup> ANNUAL REPORT 2019-2020

## MOIL LIMITED

(A Govt. of India Enterprise)

Adding Strength to Steel

हर एक काम  
देश के नाम



**MOIL LIMITED**  
(A Govt. of India Enterprise)

## MISSION VISION & OBJECTIVES

### Mission

Our mission is to create long-term value for our stakeholders, through exploration and development of natural resources, in an efficient, safe, cost-effective and eco-friendly manner.

### Vision

To sustain market leadership in Indian Manganese industry and be a globally diversified enterprise, through strategic alliances and technological up-gradation

### Strategic Objectives/Priorities

- To strive towards objective of catering to the Mn demand in the country by enhancing our production to '3 mn MT by 2030'
- To explore various diversification options into related businesses & geographies and add value to shareholders
- To enrich the lives of employees and providing the best opportunities for growth
- To make our mining areas clean, green and eco-friendly

## Contents

Performance at a Glance.....	04
Board's Report along with Annexures.....	06
Secretarial Audit Report.....	79
<b>STANDALONE ANNUAL ACCOUNTS</b>	
Independent Auditor's Report on standalone annual accounts.....	82
Comments of C&AG.....	92
Balance Sheet.....	93
Statement of Profit & Loss.....	94
Cash Flow Statement.....	96
Significant Accounting Policies.....	97
Notes on Accounts.....	103
Information about Business segments.....	117
<b>CONSOLIDATED ANNUAL ACCOUNTS</b>	
Independent Auditor's Report on consolidated annual accounts.....	118
Comments of C&AG.....	126
Balance Sheet.....	127
Statement of Profit & Loss.....	128
Cash Flow Statement.....	130
Significant Accounting Policies.....	131
Notes on Accounts.....	137

### Important Communication to Members

In compliance with the MCA and SEBI Circulars, notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participant. Members who hold shares in physical form are requested to register the same with MOIL Limited or our R&T Agent (M/s Bigshare Services Private Limited) to enable the Company to send the Annual Reports through e-mail.

Disclaimer: The Company has taken utmost care in printing of these documents. However, in case of any discrepancy, the shareholders are requested to bring the same to the notice of the Company. In such case, the information contained in original documents approved by the Board of Directors of the Company shall prevail.

## BOARD OF DIRECTORS



**Shri M. P. Chaudhari**  
Chairman-cum-Managing Director

## FUNCTIONAL DIRECTORS



**Shri D. Shome**  
Director (Production and Planning)



**Shri Rakesh Tumane**  
Director (Finance)



**Smt. Usha Singh**  
Director (Human Resource)



**Shri P.V.V. Patnaik**  
Director (Commercial)

## GOVERNMENT DIRECTOR



**Shri T. Srinivas**  
Jt. Secretary, Ministry of steel,  
Govt. of India

## INDEPENDENT DIRECTORS



**Shri V.M. Chariar**



**Shri Mangesh P Kinare**



**Dr. Deepak Singh**

## RETIRED DIRECTORS



**Shri T. K. Pattnaik**  
Director (Commercial)



**Shri Satish Gavai**  
Additional Chief Secretary (Industries)  
Govt. of Maharashtra



**Smt. Sunanda Prasad**  
Independent Director



**Smt. Sangita Gairola**  
Independent Director



**Smt. G Latha Krishna Rao**  
Independent Director

## CHIEF VIGILANCE OFFICER



**Shri Sharat Chandra Tiwari**

## EXECUTIVE DIRECTORS



**Shri D V Raju**  
ED (Personnel)



**Shri C.B. Atulkar**  
ED (Technical)

## GENERAL MANAGERS



**Shri P. Karaiya**  
GM (Production)



**Shri T.K. Mandal**  
GM (Finance)



**Shri N.M. Shesh**  
GM (Mechanical)



**Shri S. Rai**  
GM (Technical)



**Shri R.K. Verma**  
GM (Mechanical)



**Shri M.M. Abdullah**  
GM (Mines & Co-ordination)



**Shri Akhilesh Rai**  
GM (Electrical)



**Shri G.G. Manekar**  
GM (Mines-Planning)



**Shri T. Das**  
GM (Personnel)

## COMPANY SECRETARY



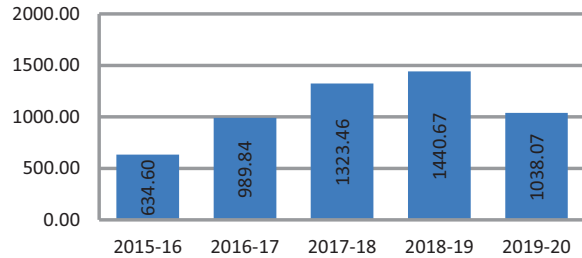
**Shri Neeraj Dutt Pandey**  
Company Secretary



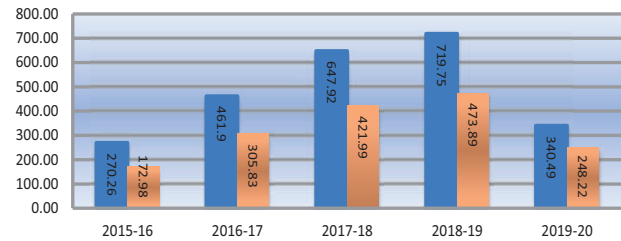
## PERFORMANCE AT A GLANCE

Particulars	2019-20	2018-19	2017-18	2016-17	2015-16
<b>Financials (₹ in crores)</b>					
Revenue from operations	1038.07	1440.67	1323.46	989.84	634.60
Other income	181.11	190.81	177.72	221.13	252.15
Total income	1219.18	1631.48	1501.18	1210.97	886.75
Gross margin (EBIDTA)	436.65	786.57	710.37	516.61	322.72
Profit before tax	340.49	719.75	647.92	461.90	270.26
Profit after tax	248.22	473.89	421.99	305.83	172.98
Total Comprehensive Income	253.56	454.32	398.55	299.27	172.98
Dividend	148.48	141.68	159.82	66.59	84.00
Equity Share capital	237.33	257.61	257.61	133.19	168.00
Other Equity	2526.06	2825.10	2541.59	2672.16	3285.37
Networth	2763.39	3082.71	2799.20	2805.35	3453.37
Borrowings	0.00	0.00	0.00	0.00	0.00
Gross block	1190.89	952.07	810.47	734.56	671.88
Working capital	1933.78	2355.27	2212.72	2362.78	3061.87
Capital employed	2521.12	2785.62	2560.49	2688.98	3372.76
<b>Important ratios</b>					
Profit before tax to capital employed %	13.51	25.84	25.30	17.18	8.01
Profit before tax to sales %	32.80	49.96	48.96	46.66	42.59
Debt- equity ratio	0.00	0.00	0.00	0.00	0.00
Earnings per share (₹) (on face value of ₹ 10)	9.80	18.40	21.08	20.21	10.30
<b>Contribution to exchequer (₹ in crores)</b>					
Income tax	144.19	245.00	225.00	135.00	97.81
Dividend distribution tax	30.52	29.12	32.54	13.56	17.31
Service tax and GST	15.33	35.12	43.97	27.58	13.61
Royalty and cess, DMF, NMET	82.35	73.40	78.95	58.61	30.57
Excise duty	0.00	0.00	4.53	8.26	5.86
M.P. road cess	24.56	27.88	25.58	16.40	10.91
<b>Total</b>	<b>296.95</b>	<b>410.52</b>	<b>410.57</b>	<b>259.41</b>	<b>176.07</b>
<b>Production</b>					
Manganese ore (MT)	1277444	1301191	1201113	1004845	1032275
E.M.D. (MT)	925	992	875	731	612
Ferro manganese (MT)	10421	11003	10573	9950	6519
Electricity from wind mills (KwH)	31305864	34676695	29009933	32305629	36370789

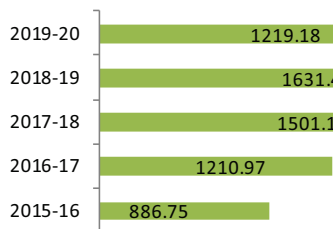
### Net Sales (₹ In Crores)



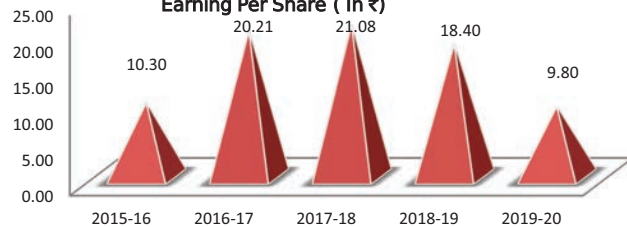
### Profit before Tax (In Crore) Profit After Tax (In Crore)



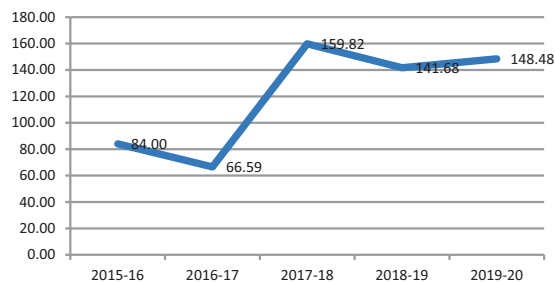
### Total Income (₹ In Crores)



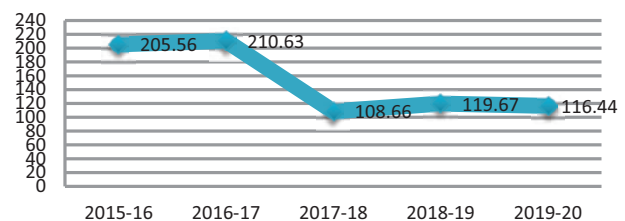
### Earning Per Share (In ₹)



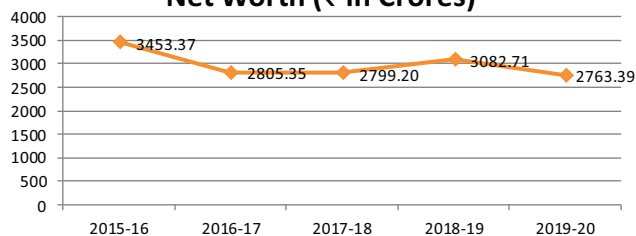
### Dividend (₹ In Crores) (Including Final Dividend)



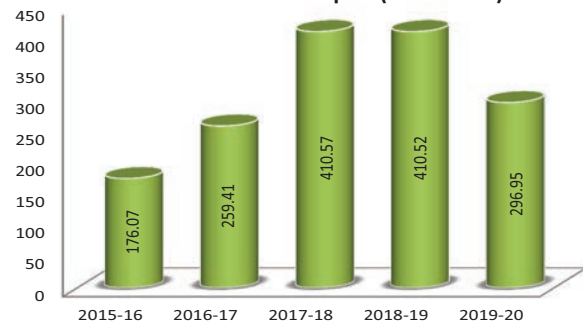
### Book Value Per Share (In ₹)



### Net Worth (₹ in Crores)



### Contribution to Exchequer (₹ In Crores)





## BOARD'S REPORT TO SHAREHOLDERS

## DEAR SHAREHOLDERS,

On behalf of Board of Directors, I feel great pleasure in presenting the 58<sup>th</sup> annual report of your Company, together with the auditor's report and financial statements for the year ended on 31<sup>st</sup> March, 2020.

## A. FINANCIAL RESULTS

Financial results of 2019-20 and of the previous year are highlighted below:

Rs. in crore

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Revenue from operations	1038.07	1440.67	1038.07	1440.67
Other income	181.11	190.81	181.07	190.81
Total income	1219.18	1631.48	1219.13	1631.48
Profit before interest, depreciation and tax (EBIDTA)	436.65	786.57	436.65	791.14
Depreciation	96.16	66.82	96.16	66.82
Profit before tax (PBT)	340.49	719.75	340.49	724.32
Less : Provision for taxation	92.27	245.86	92.27	245.86
Profit after tax (PAT)	248.22	473.89	248.22	478.46
Total comprehensive income	253.56	454.32	253.56	458.90
Transfer to general reserve	80.00	270.00	80.00	270.00

## Key financial ratios (Standalone results)

Ratios	2019-20	2018-19
EBIDTA to sales turnover (%)	42.06	54.60
PAT to net worth (%)	8.98	15.37
EBIDTA to average capital employed (%)	16.46	29.43
Earning per share (Face value Rs. 10 each)	9.80	18.40
Book value per share	116.44	119.67

## B. DIVIDEND

MOIL is a dividend paying company since many years. Continuing the same during the year 2019-20, an interim dividend @ 30%, i.e., Rs. 3.00 per equity share, has been paid in February, 2020. The Board of Directors of your company has further recommended a final dividend @ 30%, i.e., Rs. 3.00 per equity share, for the year. The total dividend for the year 2019-20, thus, works out to Rs. 6.00 per equity share (Rs. 6 previous year). The total dividend outlay including dividend distribution tax for the year works out to Rs. 157.03 crore (Previous year Rs. 186.34 crore) on reduced share capital post buyback of shares. In current year's total dividend outlay, dividend distribution tax on final dividend is not included as the Government has withdrawn dividend distribution tax. The Company is having a dividend distribution policy which is available on company's website [www.moil.nic.in](http://www.moil.nic.in).



57<sup>th</sup> Annual General Meeting of MOIL

## C. FINANCIAL PERFORMANCE

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. Total comprehensive income for the year is Rs. 253.56 crore. The reduction in turnover and profit during the current reporting period is mainly 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 and reduction in demand. The financial performance is also affected due to stoppage of operations at mines/plants consequent to lock down imposed after outbreak of corona virus (detailed elsewhere in the report).

As per the Investment Policy approved by the Board, your Company has deployed surplus funds in fixed deposits and mutual funds and earned interest income (included in total interest received) of Rs. 154.64 crore (previous year Rs. 165.13 crore) and clubbed under other income. The interest income was lower in comparison to last year due to fund utilized for buy back of shares by the Company and also lower rate of interest during the F.Y. 2019-20.

#### **D. SALES:**

In F.Y. 2019-20, MOIL has achieved turnover of Rs. 1038.07 crore, in comparison to previous year's turnover of Rs. 1440.67 crore. F.Y. 2019-20 was a challenging year for manganese ore industry. Price of imported ore witnessed downward trend during the first three quarters of the F.Y. 2019-20. In order to keep in tune with the imported ore prices, which accounts ~ 50% of domestic consumption, MOIL continued reviewing the prices on monthly basis. However when prices were on trajectory of recovery and started showing upward trend from the beginning of 4<sup>th</sup> quarter of the year, the global economy was hit by the Covid-19 pandemic. By end of the 4<sup>th</sup> quarter of F.Y. 2019-20, the market for the manganese ore started affecting adversely on account of lockdown.

In FY 2019-20, per tonne average sales realisation has decreased from Rs. 10403 to Rs. 8217 (a reduction of 21.01%). The sales of manganese ore decreased by 7.08% from 12.70 lakh MT in the 2018-19 to 11.80 lakh MT in 2019-20. During the year, the company continued to take various positive steps in order to derive the best out of market conditions to increase the sales, such as continuance of partial railway freight reimbursement to the buyers located in far-flung areas, credit policy, etc.

In respect of manufactured products of the company, viz., electrolytic manganese di-oxide (EMD) and ferro manganese, the total net sales during the year 2019-20 was Rs. 60.95 crore in comparison to Rs. 111.20 crore during previous year. Sales quantity of EMD has slightly decreased from 987 MT in the year 2018-19 to 930 MT in the year 2019-20 and sale of Ferro Manganese has also decreased from 12199 MT in the year 2018-19 to 6187 MT in the year 2019-20. Price as well as demand of Ferro Manganese in the domestic market was also not encouraging during F.Y. 2019-20.



**MOIL's Customer Meet**



**Jumbo Drill Machine installed at MOIL's Balaghat Mine**

closing stock of ferro manganese was 5524 MT valued at Rs. 27.26 crore as on 31.03.2020 as against 1290 MT valued at Rs. 8.27 crore as on 31.03.2019. The closing stock of EMD as on 31.03.2020 was 34 MT (previous year 38 MT) valued at Rs. 0.44 crore (previous year Rs. 0.51 crore).

#### **G. COVID-19 AND ITS EFFECT ON THE COMPANY**

The pandemic of COVID-19 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 coronavirus has been alarming and is posing severe health and economic ramifications for the country.

#### **E. PRODUCTION AND PRODUCTIVITY**

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. Reasons for the lower production are enumerated above. Output per man shift (OMS) was at 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.

#### **F. CLOSING STOCK**

The Company has a closing stock of 1.91 lakh MT of manganese ore valued at Rs. 115.13 crore as on 31.03.2020 as compared to 1.23 lakh MT valued at Rs. 66.13 crore as on 31.03.2019. The