



The Sandur Manganese & Iron Ores Limited

Transcript of proceedings of 68th Annual General Meeting held on 28 September 2022 at 11.a.m (IST) through Video Conferencing/other Audio-Visual Means

Bijan Kumar Dash:

Good morning dear Members. I am Bijan Kumar Dash, Company Secretary of the Company. Welcome to the 68th Annual General Meeting of The Sandur Manganese & Iron Ores Limited.

Some important announcements. For smooth conduct of the meeting, all the Members will be on mute mode. Audio and video will be switched on for those members who will be invited to speak as per the pre-registration. Please note, as per the requirements, transcript of the AGM will be available on the Company's website. I now request Shri T R Raghunandan - Chairman of the Company to take charge of the proceedings and conduct the meeting.

T. R. Raghunandan:

Thank you Bijan.

Good morning and a warm welcome to the 68th Annual General Meeting. I am T. R. Raghunandan, Chairman joining from Sandur House, Bengaluru. I hope all of you and your loved ones are safe and keeping well.

I have been informed by Bijan Kumar Dash, Company Secretary that we have the requisite quorum present to conduct the meeting through video conference. As per Section 103 of the Companies Act, 2013 read with the circulars issued by Ministry of Corporate Affairs, participation of Members through video conference is being recorded for the purpose of quorum. As the quorum being present, I call this meeting to order.

Before we start the proceedings of the meeting, I request my colleagues on Board to introduce themselves with their name and from where they are joining the meeting.

I begin with our Chairman Emeritus Shri S Y Ghorpade.

S. Y. Ghorpade:

I am S Y Ghorpade, I am joining the meeting through video conference from my residence at Hosapete. That's All.

T. R. Raghunandan:

Mr. Bahirji A. Ghorpade, Managing Director.

Bahirji A. Ghorpade:

Good morning. I am Bahirji Ghorpade, Managing Director, joining the meeting from the registered office at Sandur. Thank you.

T. R. Raghunandan:

Mr. S. S. Rao
Mr. Rao, we can come back to Mr. S.S. Rao.



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- G. P. Kundargi:** Good morning. I am G. P. Kundargi, Independent Director and Chairman of Audit Committee. I am joining the meeting from my residence at Nagpur. Thank you.
- T. R. Raghunandan:** Mr. S. S. Rao
Mr. S.S. Rao, could you please unmute yourself. We can come back to Mr. S.S. Rao. Ms. Latha Pillai.
- Latha Pillai:** Good morning. I am Latha Pillai, Independent Director and Chairperson of the Nomination and Remuneration Committee. I am attending the meeting from my residence in Ernakulum, Kerala. Thank you.
- T. R. Raghunandan:** Mr. Jagdish Rao Kote.
- Jagdish Rao Kote:** Good morning. I am Jagdish Rao Kote, Independent Director. I am also the Chairman of Stakeholders Relationship Committee. I am joining the meeting from my residence in Bengaluru. Thank you.
- T. R. Raghunandan:** Mr. H.L. Shah.
- H. L. Shah:** Good morning. I am H. L. Shah, Non-Executive Director and Chairman of Corporate Social Responsibility Committee. I am joining the meeting from my residence at Mumbai, Thank you.
- T. R. Raghunandan:** Mr. Mohammed Abdul Saleem.
- Mohammed Abdul Saleem:** Good morning everybody. I am Mohammed Abdul Saleem, Director (Mines). I am joining this meeting from Chennai. Thank you.
- T. R. Raghunandan:** Mr. S.S. Rao are you there?
- S. S. Rao:** Yeah. I am S. S. Rao, Independent Director joining AGM. Thank you.
- T. R. Raghunandan:** Thank you all my colleagues on the Board.
- Mr. Uttam Kumar Bhageria, Chief Financial Officer & Chief Risk Officer and Bijan Kumar Dash, Company Secretary are also present at the meeting.
- In addition, we have R. Subramanian and Gokul Dixit – representatives of the Statutory Auditors and N. D. Satish – Secretarial Auditor have also joined us today.
- I request Bijan, Company Secretary to take you through the arrangements made for the Members at the 68th Annual General Meeting. Bijan, over to you.
- Bijan Kumar Dash:** Thank you, Sir.
Dear Members, welcome to the 68th Annual General Meeting of The Sandur Manganese & Iron Ores Limited. This meeting is being held through video conferencing mode in accordance with the circulars issued by the Ministry of Corporate Affairs, applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations. The Company has enabled the Members to participate at the 68th Annual



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General Meeting through the video conferencing facility provided by National Securities Depository Limited (NSDL). The proceedings of this meeting are also being web-casted live for all the Members as per the details provided in the Notice to the Annual General Meeting. The proceedings of this meeting are being recorded for compliance purposes.

In accordance with the provisions of the Companies Act and the SEBI Listing Regulations, the Members have been provided with the facility to exercise their right to vote by electronic means both through remote e-voting facility and e-voting at the Annual General Meeting. Remote e-voting facility was made available to all Members holding shares as on the cut-off date, 21 September 2022, during the period commencing from 9 AM (IST) on Sunday, 25 September 2022, till 5 PM (IST) on Tuesday, 27 September 2022. Remote e-voting has been blocked on 27 September 2022 at 5 PM.

Members joining the meeting through video conferencing facility who have not yet cast their vote by means of the remote e-voting, may vote through the insta-poll e-voting facility provided at this Annual General Meeting. The Members who have cast their vote by remote e-voting prior to the meeting cannot be casting their vote once again.

The Board of Directors appointed Sathya Prasad Yadav, Practicing Advocate as the Scrutinizer for this meeting. Based on the report of the Scrutinizer, the combined results of remote e-voting and the e-voting done at the meeting today will be announced within two working days and will be displayed on the website of the Company, and will also be submitted to the stock exchange as per the requirements under the SEBI Listing Regulations.

The statutory registers and all the other documents referred to in the Notice are available for inspection by the Members. Members seeking to inspect such documents can send an email to investors@sandurgroup.com.

All the Members who have joined this meeting are by default placed on mute by the host to avoid any disturbance arising from the background noise and to ensure smooth and seamless conduct of the meeting.

The Members who wished to express their views at the meeting or have questions were requested to register themselves as a speaker by sending an e-mail to the Company on or before 5.00 pm on Monday, 26 September 2022. We have received requests from Members to register themselves as speakers. Only those Members who have registered themselves as a speaker will be allowed to express their views/ask questions during the meeting. The guidelines for the Q&A session will be provided later.

I now request Shri. T R Raghunandan, Chairman, to continue with the proceedings of the meeting.



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T. R. Raghunandan:

Thank you Bijan. I am satisfied that all efforts feasible under the circumstances have been made by the Company, to enable the Members to participate and vote on the items being considered at this meeting.

Ladies and Gentleman, Notice dated 11 August 2022 of 68th Annual General Meeting, Annual Report containing Audited Financial Statements for the year ended 31 March 2022 and the reports of the Board and the Auditors, have been sent by electronic mode to those Members whose e-mail addresses are registered with the Company or Depositories. These documents have also been made available on the Company's website. The Members who have requested for physical copy of Annual report might have received copy of same. With your permission, I shall take them as read.

The Auditors' Report on the Financial Statements and the Secretarial Audit Report of the Company for the financial year ended 31 March 2022 do not contain any qualifications, reservations, adverse remarks or disclaimers. Accordingly, the Reports are not required to be read out as provided in the Companies Act, 2013.

Now with your permission, I will begin my formal address to the Members.

Dear Shareholders,

Namaste, it's a pleasure to welcome you to the Annual General meeting of SMIORE. I recall that at the same time last year, we were faced with unprecedented challenges due to the Covid-19 pandemic. Let us bow our heads in silent prayer to our near and dear ones who lost their lives during that terrible time.

I am relieved that we have not only recovered from the setbacks of that time, but have also become more resilient and mindful of ourselves, our surroundings and our people. Fiscal Year 2022 was an eventful year for our Company. Happily, we grasped the opportunities that came our way and delivered a robust performance across all business segments, as our strategies aligned well with our execution. Superior financial position

In Fiscal Year 2022, we recorded ₹2,248.74 crore of Revenue from Operations, which is an all-time high, and a 201% increase over the previous year's performance. We achieved an increase in our FY21 EBITDA from ₹271.63 crore; a margin of 36%, to ₹974.13 crore in FY22, a margin of 43%. Our PAT grew from ₹153.93 crore in Fiscal Year 2021 to ₹675.11 crore in Fiscal Year 2022, which is an impressive increase of 339% over the previous year. Besides reporting a superior top line and bottom line performance, SMIORE achieved vastly improved cash conversion, resulting in a record ₹873.05 crore of net Cash from Operating Activities.

At the end of Fiscal Year 2022 our Company's gross Debt-to-Equity ratio stood at 0.19 compared to 0.37 in the previous year. An improved gross Debt-to-Equity ratio coupled with surplus cash reserves has



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effectively made us a net debt-free Company, further cementing our confidence in our strategies and the direction we have chosen to traverse.

On the operational front, we recorded robust volumes across all our product segments, especially in Ferroalloys and Coke. Fiscal Year 2022 was the first full financial year of operations for our Coke segments. Our realizations in these segments have been in tandem with global trends, which resulted in record profitability for the Company.

It is thus safe to say that SMIORE has surpassed its operational and financial expectations in Fiscal Year 2022, and is now ready to take on its next leg of challenges.

Let me speak of little bit about SMIORE's enhanced profit profile.

Let us take a closer look at our enhanced profit profile for FY22, which comes in the wake of robust financial performance for the last two years. This is the result of our successful efforts at business diversification.

There is an illustration, there was a quantum jump in our PBT, which moved from an average of ₹230 crore between Fiscal Year 18 to Fiscal Year 20 to ₹996 crore in FY22. This was achieved through two measures, namely, the addition of the Coke and Energy segment, which has resulted in a new stream of profit, and refurbishing and modernisation of the Ferroalloys segment, resulting in significant capacity expansion.

While we acknowledge that our profitability has also been buoyed by good prevailing commodity prices, which may not be repeated every year, we are confident that the Company will maintain a healthy mix of different profit streams, resulting in a more resilient business model than what prevailed in previous years. Furthermore, we plan to build on this momentum with further CAPEX, already in the pipeline.

SMIORE's goals and ambitions

As communicated through our regular disclosures last year, SMIORE has reworked its long-term operational strategy to better suit its ambitions. With new leadership and renewed fervour, SMIORE is prepared and ready to take the next big leap. In this regard, we have modified our earlier plan for a 1 MTPA fully-integrated steel plant. We now aim to build and operate a 0.4 MTPA hot metal plant, along with a value-added production facility of 0.3 MTPA of DI Pipes. This facility will be a fully-integrated one, with captive Iron Ore and in-house Coke production. Not only is the new plan more suited to SMIORE's current scale of operation and capital allocation policy, but it is also the next step in our ambition to manufacture value-added products. This is in line with our aim to transform ourselves from a merchant miner to an integrated commodity player focused on producing value-added end-products. With this project we will become one of the few plants in India with such a thorough level of integration.



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In conclusion, I thank all of you for your support and encouragement. It is your faith in us that keeps us motivated to create maximum value for all of you. We believe we have delivered on our expectations and promises in the past, and we are certain that our endeavours will bear fruitful results as we go forward. Namaste and Jai Hind.

I now request the Managing Director to address the Members. Subsequently, we will invite questions from the Shareholders who have registered themselves as Speakers for asking their queries at this AGM. The queries will be addressed by our Management Team lead by our Managing Director.

I request Managing Director Bahirji you may please proceed.

Bahirji A. Ghorpade

Thank you sir.

Good morning one and all.

What a landmark year it has been at SMIORE. We are blessed to have such supportive and enthusiastic team members, shareholders and all other stakeholders, who have helped us every step of the way in our road to success - thank you very much for being there, and we hope to stand true to your expectations going forward as well.

The Company has evolved to become a new and improved version of itself. At the risk of sounding repetitive, I will remind you that while our business canvas has transformed in response to the changing industry landscape and in anticipation of upcoming trends, what will never change are our core values and principles - we will always remain true to my forefathers' vision. It goes without saying that ensuring sustainable and environment friendly operations, overall welfare of employees and essential support to aid regional development where the Company operates will always remain our top priority.

Now, would like to briefly update about the Company's expansion and growth strategy. Through our earlier disclosures, we have communicated our intent and plans of expanding our core operations in the mining vertical, which has been the backbone of the Company since its inception.

To that effect, it is important to note that in November 2021, the Company obtained amended Terms of Reference (ToR) for proposed enhancement of permissible mining limits. Accordingly, we have proposed to enhance manganese ore mining operations from 0.28 MTPA to 0.46 MTPA and iron ore mining operations from 1.60 MTPA to 4.50 MTPA, while duly complying with the parameters prescribed by the Hon'ble Supreme Court. For this aforesaid expansion, the Company has filed requisite applications with the respective Government authorities. Upon receiving the approval, our mining operations should ramp up fairly quickly. Post expansion, our businesses' scale of operations and cash flow generation will move to a different orbit and will prove to be greatly beneficial to the Company. Moreover, to counter any possible depletion in the quality grade of the additional mined ore, the Company has also proposed a significantly higher beneficiation unit facility of 7.0 MTPA compared to the previous proposal for 2.0 MTPA.



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A significant milestone that we achieved this year was the Coke and Energy vertical completing its first full financial year of operations, which in fact garnered exceedingly positive results for us and affirmed our belief in this vertical. I would like to add that our Coke Oven plant ran at full capacity throughout the year and the energy generated from this facility contributed tremendously to our Ferroalloys operations, enabling us to fully capture the upcycle in the Ferroalloys' market last year. Moreover, due to our efficiencies and optimisations throughout the year, we were also able to reclassify our Coke facility's manufacturing capacity from 0.4 MTPA to 0.5 MTPA, without any incremental CAPEX. We have obtained approval to expand our ferroalloys' output to 95,000/ 1,25,000 TPA (SiMn/ FeMn) from 48,000 / 66,000 TPA (SiMn / FeMn). We are in the process of refurbishing our existing manufacturing facilities and obtaining additional power requirement to scale up to enhanced limits by the beginning of FY24.

With the expansion of our business and more ventures in the metallurgical operations, such as the expansion of existing verticals like Ferroalloys, our energy needs will soar in the coming year. However, after giving it much thought, to ensure sustainable and environment friendly operations, we have decided to meet our energy requirements through renewable sources of energy such as solar and wind. To make this possible, we have signed an agreement with Renew Green Energy Solutions to set up renewable energy assets that will meet our growing needs in a sustainable manner. The key takeaway here that I would like you to understand is that, no matter what the problem, our solution will always be sustainable and well-thought-out.

During the year, we also took a very crucial decision to reconfigure our metallurgy expansion project. We modified our proposal of 1 MTPA integrated steel plant, as per our original plan, and instead chose to venture into a more suitable and well-integrated project of Hot Metal to DI pipes and Pig Iron. In this regard, we have already announced a 0.4 MTPA capacity expansion which will utilise our mined ore and manufactured coke to produce hot metal. This hot metal will be processed further to create a downstream value-added products, i.e. 0.3 MTPA of DI pipes and balance will be converted to Pig Iron. DI pipes will have vast applications in a growing and developing country such as ours, wherein infrastructure and water supply will require significant investments.

Adding further credibility to our belief is India's effort to grow its water infrastructure, the Government's policies and schemes such as 'Har Ghar Nal Se Jal' or the 'Jal Jeevan Mission' or 'Amrut 2.0'. We are certain that this will prove to be a highly lucrative segment for us in the near and far term. Moreover, our strategically located facility in Southern India will be well-positioned to leverage opportunities coming up in the region as well.

Additionally, we have formed a wholly owned subsidiary called 'Sandur Pellets Private Limited.' This company proposes to set up a Pellet plant and associated infrastructure to produce a value-added



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product such as Pellets by consuming the beneficiated ore from the mines to integrate and diversify the product portfolio to strengthen our business model further.

The next phase of SMIORE is as exciting as it gets. We have so many new projects to look forward to, some of which have been announced and some of which we are still evaluating. However, what we are absolutely certain about is our direction towards transforming ourselves into an integrated and value-added commodity producer. We are geared to re-jig the structure of the Company, which will enable us to maximise the value of our in-house products and cross-leverage the efficiency of one segment into another. This definitely sounds like a daunting task, but I am absolutely sure that with the support, encouragement and enthusiasm from my teammates at SMIORE and all of you, we will achieve this milestone and much more.

I am excited to be able to lead this journey and add to the legacy left behind by my forefathers. I know we can do this, and I am confident that our labour today will translate into great fortunes in the years to come.

As a recognition of our long-standing shareholders, whose undeterred support through the decades has strengthened the Company's steadfastness towards sustainable growth, it was felt most appropriate to reward the shareholders with additional shares through the right issue at par value.

I would like to share my gratitude and thank everyone at SMIORE, our shareholders, teammates, and all other stakeholders, for their belief, trust and most importantly their commitment to us. Together, we will create a Company that will become an industry leader. Thank you all.

I now request Shri T. R. Raghunandan, Chairman, to continue with the proceedings of the meeting.

T. R. Raghunandan:

Thank you Bahirji. I now request Company Secretary, Bijan to moderate the proceedings, and invite the shareholders who have registered themselves as speakers to speak turn by turn. Over to you, Bijan.

Bijan Kumar Dash:

Thank you sir.

In order to ensure smooth interaction and participation, we request the shareholder speaker to note the following guidelines for the question and answer session.

Question and answer session will be anchored by me and I will call the pre-registered shareholders to come up one by one. Shareholders are requested to unmute their microphone before speaking, and also enable web-cam, if they wish to appear on the video. Shareholders are requested to mention their name, folio-number number and location. Shareholders are requested to restrict their questions to three minutes, so that all speakers will get an opportunity to share their views. In the interest of time, I request shareholders to not repeat questions raised



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by the previous speakers. It may be noted that the Company reserves the right to limit the number of shareholders asking questions depending on the availability of time after the AGM.

We will now invite shareholders, who have registered themselves as speakers to speak and ask their questions at the AGM. I now invite our first speaker Celestine Elizabeth to unmute yourself and speak.

C. E. Mascarenhas:

There are so many meetings at a time and my Company is such a good Company, Sandur. And I wanted to be more participatory, but at the same time, there are so many, I am really stuck because every day we have to make certain choices. So anyway, I come to the formal part, Respected Chairman T. R. Raghunandan, MD Bahirji A. Ghorpade and Members of the Board, my fellow shareholders, I am Mrs. C. E. Mascarenhas, I am speaking from Mumbai.

I thank the Company Secretary Bijan Kumar Dash and his team for sending me an e-Annual Report. I would have preferred a physical report. But anyway, I have gone through the e-Report. And I also thanks for registering me as a speaker. Thank you for giving me this platform which was more quite friendly to open. Thank you so much.

Now, balance sheet is very good, self explanatory, informative and adhering to all the norms of the corporate governance. Also Business Responsibility Report is very good, great. Now I come to the working, working is the best, this year revenue is up 201%, EBITDA up to 249%, PBT up, PAT by 339%, working is very good. Dividend is Rs 5/- per share, and what is important, rights are given at par, that is like a mini bonus.

Next, I congratulate for all the awards and the accolades received during the year. I also appreciate the CSR work. I want to be very brief.

And I would like to know whether you have gone for ESG rating. And what is our rating score? I would like to know you have said we are the third largest manganese ore mines in India, who is number one and two? Can we reach to number one?

Next one is, we have only one plant, any plant to be added?

Next is expansion and go downstream, for DI pipes. what are the infrastructure we are including ? Also water supply. And also for pig iron expansion?

Also, our wholly-owned subsidiary, Sandur pallets. When will we set up pallet? With this I support all the resolution. Thank you for giving me, patient hearing, God bless --, because there are so many and there I am in real mess you know. Anyway, please send my answers on my email. Thank you so much.

Bahirji A. Ghorpade:

Bijan I think most of the questions were answered. However, we can reply on the email.

Bijan Kumar Dash:

Yeah, I now invite second speaker Praful Chavda to unmute yourself and speak.



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Praful Chavda:

Chairman Sir, Board of Directors, I won't take much of your time, your EBITDA (inaudible 00:32:59) and revenue from operation, last year, Rs. 747 crore, when I spoke to Saleem, Saleem said it would cross Rs. 1000 crores, it didn't, but you have taken a big leap, very good. With that you gave rights issue, and you gave 2 share for 1, it is more than bonus for us, very good.

The whole management works at top level, doing good work and all the employees are doing good work. You always give good results and I thank all of you for that. And please do not give more than 2 minutes to the next speakers, so that all the speakers get a chance to speak. Thank you.

Bijan Kumar Dash:

I invite our third speaker, Bharat H. Shah to unmute yourself and speak.

Bharat Shah:

Mr. Chairman Sir, you have given good suggestion regarding this Annual Report and our Founder Director, Murarirao Ghorpade and other family directors and our wealth grower, biggest wealth creator Bahirji Ghorpade Sir. Because it was unbelievable profits. And it is a bonus only, we can't say it right issues, before two years, three years I had attended the AGM, and I had known that. At the age of around 27, last three years, four years, you have created biggest wealth. And we hope next decade, our Company will be one of the largest wealth creators in this industry because we are now fully integrated company.

My question was why we are increasing the borrowing limits? Which sector will be there, we are going for biggest capital expenditure? That's my one question.

And I am supporting all the Directors, including Managing Director, Mr. Bahirji Ghorpade, our Founder Chairman, Founder Directors and our Mohammed Saleem, Abdul Saleem sir, who are going for reappointment and we are 100% supporting. We hope we see that this management and this young and dynamic Ghorpade Sir, Bahirji Ghorpade will create biggest wealth, in coming years. Thank you, sir.

Bahirji A. Ghorpade:

Thank you, Bharat Shahji, for all your feedback and inputs. With regard to the one question that you asked, regarding increasing the borrowing limits, see as we have announced, we are implementing three projects, which is the Ductile Iron Pipe manufacturing facility. And then we will also be implementing the beneficiation plant at the mines and the pellet unit. So, these are all involving significant CAPEX, however, these are also integrating all our operations. And apart from this, we will also require a good amount of working capital, to run these operations. So, in view of that we have proposed to increase the borrowing limits.

Bijan Kumar Dash:

Now I invite Mr Ayush Mittal to unmute yourself and speak.

Ayush Mittal:

It is great to see Bahirji, Saleem Sir and Chairman Sir, safe and healthy and other Board of Members as well. First of all, great set of performance. We have been waiting for this for all our CAPEX to play



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out till now. And we have been on top of all our CAPEX done until now. And our balance sheets shows that despite such a large CAPEX we have huge cash reserves on our balance sheet. So many congratulations to the entire Sandur team for the performance. I have already sent in my long list of questions, do you want me to go through them or do you have them available with you? How would you like to answer them?

Bahirji A. Ghorpade:

We have them available, however, I think based on what we said and what Chairman Sir also spoke, some of it has been covered. So, anything specific and short if you want to know then we can answer that.

Ayush Mittal:

So first, if you can throw some light on the pending EC approval of our iron ore mining limits, where are we in the process? Why is it taking so long? We understand it's a very tedious process. But if you can throw some light on where are we currently, and in what time are we expecting the EC approval.

Second on our beneficiation and pellet operations, we were working out the unit economics of our beneficiation plant, have we been able to finalize on the cost structure of the beneficiation plant? And we will have roughly 4 million ton iron ore approvals. So, are we thinking of doing pelletization of the entire 4 million apart from what will be used for captive consumption for our pig iron plant, blast furnace. So, some insight on the pellet operations of what kind of capacity are we putting up? What kind of CAPEX we will do there, will be helpful.

And something on the DI pipe operations because we have seen other listed peers struggle a lot initially with the DI pipe, CAPEX so, how are we planning to stabilize that or learn from them and maybe operationalize our CAPEX much better, so that we don't face the teething issues, which go on for years for some players.

And if you can, educate us a little about our Power Purchase Agreement with ReNew Power. What kind of agreement we have with them?

What is the power rate linked to, is it to the grid cost or we have given something else. So something on that.

And our CAPEX budget for FY23 and '24, and given so many CAPEX that we are doing altogether, what is the kind of risk that we face in our expansion plans?

And lastly, what is the management's view on the export ban imposed by the government and how are we facing that scenario? So, if you can answer these five, six questions it will be really helpful.

Bahirji A. Ghorpade:

I will quickly cover what you have asked for. See with regard to EC of enhancing our iron ore, and manganese ore operations, it is all progressing fairly satisfactorily. And as we have announced by the end of the year, we should be able to get all the approvals. And we should produce at higher capacity by the beginning of next financial year. Otherwise, all the things are in order and it is in process.



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And with regard to the beneficiation and pelletization as you asked, see, we have planned for a beneficiation plant capacity of seven MTPA, which is expected to give an output of about 4.3 MTPA. However, not all the beneficiated ore will be used for pelletization. And the balance beneficiated ore will also be, will keep some ore for our capital consumption and also sell it in open market, that's how we are planning to distribute the beneficiated product.

And with regard to the DI pipe plant, you are asking how will it be ramped up, and how are we planning to stabilize? See when we are operating a hot metal plant, we will have the hot metal which will be used for DI pipe plant and production of pig iron. So, pig iron is one of the balancing product which is used during the ramp up phase. So, that's how we are planning to do that. And apart from that the project also is progressing fairly satisfactorily. We have obtained the Environment Clearance and the Consent for Establishment. And the onsite work also has commenced.

With regard to the Power Purchase Agreement, we have entered into an agreement based a OPEX model. So that's how our investment is being limited to 49% of the equity. And that also helps us to enable the statutory benefit of being the group captive consumer. And the power price is fixed however, certain amount of charges as per the prevailing policy will get added. And this is a long-term agreement.

And fourthly, with regard to the CAPEX budget, that you asked for FY23 and 24, as we have aligned various projects, and we also have taken up fairly aggressive timelines to complete this project we have planned hopefully to complete this project by end of the financial year FY24. So, most of the CAPEX will be spent during these two years.

And with regard to the risk, see, well, I can say that we are integrating our complete operations and each of the product is complementing each other, from the mined out ore which will be consumed at the plant, where we are setting up the blast furnace. And also, we will be producing the pellet. So, there will be different products which are being added in the portfolio, that's why risk also is being hedged and the different products are going into different applications and different consumption. So that's where we see that the risk also is fairly diversified and it looks to be balanced.

And with regard to the export restrictions that were lifted by the Supreme Court, yes, it was a welcome move, where the Supreme Court lifted the export restriction on the ores which were produced from Karnataka. However, few days after that the government-imposed export duty, increase the export duty and imposed export duty up to 50% on iron ore, which has created a challenging situation to restart exports because the costs have gone up and export duty of 50% makes it very challenging.

Ayush Mittal:

Just one question what is the amount of pellet plant we are installing, capacity of?



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- Bahirji A. Ghorpade:** Currently, we are considering a capacity of 1.2 million tones.
- Ayush Mittal:** We will ramp it up.
- Bahirji A. Ghorpade:** No, that will be the capacity and the balance beneficiated output will be beneficiated fines, which we will sell it in the open market, and also consumed some amount of iron ore fines in our own plant.
- Ayush Mittal:** Why not going for a larger pellet plants, 2 million kind of capacity, any reason for that?
- Bahirji A. Ghorpade:** See we have been doing the market studies and export of pellets, pellet marketing happens basically in three ways , one was export of pellets, the other was sale of pellets to integrated steel plants and the DRI pellets which are consumed by the secondary steel players. So, based on which we find that 1.2 million ton of pellet is a fairly good capacity. And also we will have to produce high grade beneficiated concentrate from our beneficiation plant. However, we have not yet finalized on this capacity, we are working out the details.
- Bijan Kumar Dash:** Thank you, Mr. Ayush. We invite our next speaker Aspi Bamanshaw. I request him to kindly unmute.
- Aspi Bamanshaw:** Chairman Sir, Mr. Raghunandan and Mr. Bahirji and my fellow Shareholders and Directors, I am Aspi from Bombay. Thanks for giving me an opportunity to talk. At the outset, I welcome Mr. Hemandra Shah as a Director. One request, please do not hold the AGM in the last week of September when there are so many other meetings, please hold it slightly early. And next year the physical meeting start, continue with hybrid meeting so that we can also talk.
- Manganese ore price increase by 34% whereas iron ore price increased by 71%, any reason for so much increase in iron ore prices? What are the latest prices of manganese and iron ore?
- Page 5 and page 8, manganese and iron ore maximum permissible production limits have been utilized. How can you increase production now, in future, any proposal to increase capacity? Do we have reserves of manganese and iron ore?
- Who else is mining manganese in India?
- Hindustan Copper will be privatized by the government. So, do you have any intention of bidding for that, as and when it's privatized, because otherwise Adani will take over.
- In view of the export duty, you should consume all iron ore within the Company rather than selling in the local market.
- Which FE quality iron ore during mine?
- What our investment properties, are the leased or they are just lying. Don't be in a hurry to give a dividend because now our equity has become three times, you can use it for CAPEX requirements.
- I would like to know why rights were issued at par, you could have got a good premium and you could have used that money for your CAPEX, rather than borrowing.



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Sir, I applied for additional rights, and I didn't get a single right additional, so how much it was oversubscribed. Thank you very much and ask a moderator not to mute me till you finish the questions & answers.

Bahirji A. Ghorpade

Thank you Aspi for asking various questions. I will briefly cover some of the answers. See with regard to iron ore, you mentioned which quality iron ore we mine, currently, we mine about 58 to 60 grade iron ore. And as you asked, we have reached the maximum permissible annual production in the year. So that's where we are currently now proposed to increase our iron ore production and manganese ore production. That's where we are processing our application to increase the Environment Clearance, to get an enhancement in the Environment Clearance. We are working on that.

Now apart from that, you asked about prices, you said iron ore price has increased by close to 70% and manganese ore prices increased by 30%. That was the industry trend last year, when the demand for iron ore and demand for steel went up high and also the products were being sold at a premium. And that's how the value of iron ore increased and -- magnesium ore also went up, and magnesium is a high value commodity. That's where it was increased by 30%. s.

Aspi Bamanshaw:

I would like to change your picture on the Annual Report. It doesn't look good, go to a professional photographer.

Bahirji A. Ghorpade:

We are taking the pictures, yeah fine. We have taken the best possible pictures. With regard to rights issue, you said, why were the rights issued at par? This was mainly to reward the long standing shareholders and make the shareholders part of the CAPEX. and that is the reason why we issued the rights issue at par, and make it more reasonable.

Aspi Bamanshaw:

If you are going to ask at least for Rs. 100 premium, if not more, because that gives the indication to the market that it's a cheap stock, something like that. So next time please remember, to charge at least a little premium.

Bahirji A. Ghorpade:

How is it a cheap stock it is currently trading at around 800.

Aspi Bamanshaw:

Not so much less. When the rights were announced the price was 5000. Sir thank you very much. All the best in the future, and I would like to visit your mines also, if it's possible, is it possible? I will pay for my traveling.

Bahirji A. Ghorpade:

You can contact our Secretarial team, they will tell you.

Aspi Bamanshaw:

Well, Hindustan Copper, you didn't answer whether you're interested or not.

Bahirji A. Ghorpade:

See as of now, we are in the business of iron ore and manganese ore and we have proposed expansion into metallurgical units itself, into downstream units of producing hot metal. So, we are focused on that.



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Aspi Bamanshaw: Like Adani, you should spread your wings everywhere. Whenever you can, you can come with a rights issued, say 400, 500 and then finance that copper purchase.

Bahirji A. Ghorpade: Hopefully in future, we will come up with a diversification plan.

Aspi Bamanshaw: No, but now the thing is gone to somebody, it won't come back to you. You are losing an opportunity, please think it over.

Bahirji A. Ghorpade: We will think it over and something that strategically fits into our plan and module, we will consider those options.

Aspi Bamanshaw: Thank you very much and all the best for the future.

Bijan Kumar Dash: Thank you Mr. Aspi. There been no other requests from the shareholders. I will now request the Chairman to continue with the proceeding.

T. R. Raghunandan: Thank you Bijan.
The Members may note that the insta-poll e-Voting facility will now be activated for those members who are participating in this meeting and have not already voted through remote e-Voting. The insta-poll facility will remain active till 30 minutes after this meeting.

Further, I hereby authorize Bijan Kumar, Company Secretary to declare the results of the e-Voting and place the results on the website of the Company as per the prescribed timeline. The resolutions as set forth in the Notice shall be deemed to be passed today subject to the receipt of the requisite number of votes.

We had 53 Members participating in today's Annual General Meeting which is a 68th Annual AGM of Sandur Manganese & Iron Ore. Thank you all for attending the meeting. I hereby declare the proceedings of the 68th Annual General Meeting of The Sandur Manganese & Iron Ores Limited closed. On behalf of the Board of Directors, I thank each one of you. We will see you at the next AGM. Please stay safe, healthy and happy. Namaste from us in SMIORE.
