



The Sandur Manganese & Iron Ores Limited

TRANSCRIPT OF PROCEEDINGS OF 69th ANNUAL GENERAL MEETING HELD ON WEDNESDAY, 20 SEPTEMBER 2023 AT 11.00 A.M. THROUGH VIDEO CONFERENCE

Announcement - Bijan Kumar Dash, Company Secretary

Good morning! Dear Members. I am Bijan Kumar Dash, Company Secretary of the Company.

Welcome to the 69th Annual General Meeting of The Sandur Manganese & Iron Ores Limited.

Some important announcements.

For smooth conduct of the meeting, all members will be on mute mode. Audio and video will be switched on for those members who shall be invited for speaking, as per the pre-registration. Please note, as per the requirements, transcript of 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.

Initial address and introduction – T R Raghunandan, Chairman

Good morning and a warm welcome to the 69th 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 in good health.

As informed by Bijan Kumar Dash, Company Secretary, we have the requisite quorum present to conduct the proceedings of 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. The quorum being present, I call this meeting to order.

Before we start the proceedings of the meeting, I request my colleagues on the Board to introduce themselves with their full name and place of joining.

a. S. Y. Ghorpade

Good Morning. I am S. Y. Ghorpade, Chairman Emeritus, joining the meeting from my residence at Hosapete. Thank you.

b. Bahirji Ajai Ghorpade

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

c. Latha Pillai

Good Morning. I am Latha Pillai, Independent Director and Chairperson of Nomination and Remuneration Committee. I am joining the meeting from my residence at Bengaluru. Thank you.

d. Jagadish Rao Kote

Good morning. I am Jagadish Rao Kote, Independent Director and Chairman of Stakeholders Relationship Committee. I am joining the meeting from my residence at Bengaluru. Thank you.

e. H. L. Shah

Good morning! I am H. L. Shah, Independent Director and Chairman of Corporate Social Responsibility Committee. I am joining the meeting from my residence at Mumbai, Thank you.

f. Mohammed Abdul Saleem

Good morning. I am Mohammed Abdul Saleem, Director (Mines). I am joining the meeting from the registered office of the Company at Sandur. Thank you.

G. P. Kundargi, Independent Director and Chairman of Audit Committee has conveyed his inability to attend the AGM due to unavoidable circumstances. In the absence of G. P. Kundargi, H. L. Shah, Independent Director and member of the Audit Committee is authorised to attend on his behalf for this AGM.

Uttam Kumar Bhageria, Chief Financial Officer & Chief Risk Officer and Bijan Kumar Dash, Company Secretary & Compliance Officer are also present at this meeting and joining from the Registered office of the Company at Sandur.

In addition, Monisha Parikh and Meena S – 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 69th Annual General Meeting. Bijan, over to you.

Bijan

Thank you, Sir.

Dear Members, welcome to the 69th 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 Ministry of Corporate Affairs, applicable provisions of the Companies

Act, 2013 and the SEBI Listing Regulations. The Company has enabled Members to participate at the 69th Annual General Meeting through video conferencing facility provided by National Securities Depository Limited (NSDL). The proceedings of this meeting are also being webcasted live for all 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.

As the AGM is being held through video conferencing, the facility for appointment of proxies was not applicable, and hence the proxy register shall not be available for inspection. In accordance with the provisions of the Companies Act, 2013 and the SEBI Listing Regulations, 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, 13 September 2023, during the period commencing from 9 AM (IST) on Sunday, 17 September 2023, to 5 PM (IST) on Tuesday, 19 September 2023. Remote e-voting has been blocked on 19 September 2023 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 cast vote again.

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

The statutory registers and all other documents referred to in the Notice are available for inspection by 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/ noise arising from the background and to ensure smooth and seamless conduct of the meeting.

The Members who wished to express their views at the meeting or having questions were requested to register themselves as a speaker by sending e-mail to the Company on or before 5.00 pm on Monday, 18 September 2023. Furtherance to this, we have received requests from Members to register themselves as speakers. Only those Members who have registered as a speaker shall 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.

Chairman

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

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

Dear Shareholders,

My warm greetings to all our stakeholders. It is a pleasure to present to you SMIORE's Annual Report for FY23. I am proud to share the remarkable progress we have made this year on our chosen path of integration and sustainability. SMIORE has stood tall as a symbol of trust and consistency over the nearly seventy years of its existence. Whilst witnessing and negotiating our way through shifts in the ever-changing business landscape, our commitment to our core principles and values has been steadfast. Our journey has been defined by systematic, safe and scientific mining practices, meshed with a deep-rooted sense of responsibility towards our community and the environment.

RESILIENT PERFORMANCE

FY23 brought its share of challenges from a macro and industry perspective. The announcement of increased export duty on minerals and metal products by the Government of India in May 2022, coupled with the global commodity pricing scenario at the time, adversely impacted not only SMIORE but the entire industry in the first half of FY23. Our team responded well and we bounced back in the second half, meeting our annual targets and displaying a positive trajectory towards the end of the financial year.

Our total Income in FY23 declined marginally by 4% to ₹ 2,185 crore, over the previous year's ₹ 2,284 crore. This was primarily due to lower sales realisations for nearly all our products as compared to the previous year. EBITDA for FY23 stood at ₹ 451 crore, registering a decrease of 55% from FY22. Consequently, PAT for the year stood at ₹ 271 crore. While our momentum from last year slowed down due to external circumstances, our team still performed admirably, given the prevailing circumstances.

On our balance sheet we continue our robust position, with a Gross Debt to Equity ratio of 0.11 in FY23, as compared to 0.19 in FY22. Coupled with our surplus cash reserves, we continue to maintain a net-debt free balance sheet.

BREAKTHROUGH EXPANSION

Despite the uninspiring macro conditions, we remained steadfast in our vision to expand our operations. We received the much-awaited Environmental Clearance (EC) for expanding iron ore production from 1.60 MTPA to 4.50 MTPA, along with the 7.0 MTPA Beneficiation Plant and a Downhill Conveyor System on 25 April 2023. This breakthrough in our mining

expansion project marks a significant milestone in SMIORE's journey and sets the stage for its next phase of growth.

These expansion plans are aligned with our vision of an integrated and sustainable future. We believe that integrating our operations and focusing on long term sustainability will not only enhance our value addition capabilities but also foster growth and prosperity for all our stakeholders.

SUSTAINABLE APPROACH

Environmental stewardship remains at the core of our operations, and we have made significant strides in this direction. In the last couple of years, our efforts have been channelised towards clean energy initiatives. In 2021, we began with commissioning our Waste Heat Recovery Boilers, to set up a 32 MW clean energy capacity. We continued our steps in that direction and entered into a partnership for a 42.9 MW Hybrid Renewable Energy project. These are strategic moves to address our growing energy needs, whilst working towards achieving a greener future. As we further scale up our operations, we are determined to contribute to environmental sustainability by embracing cleaner energy sources that reduce our carbon footprint.

LOOKING AHEAD

As we navigate the path towards the future, we are excited about our prospects. The remaining approvals for our mining expansion project are expected to be in place shortly, marking the beginning of a new phase in our journey. We are determined to position SMIORE as a formidable force in the industry, while always remaining true to our commitment to sustainability, environmental preservation, and community development.

I am delighted to announce that the Board has recommended a dividend of ₹ 5 per share, subject to shareholders approval at the coming Annual General Meeting. Furthermore, the Board has also given concurrence for listing the Company's equity shares on the National Stock Exchange of India Limited. This decision reflects our commitment to continue delivering value to our esteemed shareholders.

The Company which has been listed on BSE Limited from the year 1966. It was pleasure to mention that the Company got listed on the National Stock Exchange of India Limited (NSE) on September 7, 2023. This listing is evidence to our collective efforts, unwavering commitment, and the remarkable journey we have embarked upon. Eith the listing on NSE we have fulfilled one of long cherished dreams of many stakeholders associated with us. We pledge to continue upholding the highest standards of corporate governance, transparency, and ethical practices.

In conclusion, I extend my heartfelt gratitude to all our stakeholders for their unwavering support and trust in SMIORE. Your relentless faith has been the driving force behind our success and inspires us to reach greater heights.

Together, let us continue shaping a brighter, more sustainable and integrated future, bringing prosperity to all of us, the country and our global environment.

Thank you all.

Ladies and Gentlemen, Notice dated 3 August 2023 of 69th Annual General Meeting, Annual Report containing Audited Standalone and Consolidated Financial Statements for the year ended 31 March 2023 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 further been made available on the Company's website. The Members who have requested for physical copy of Annual report might have received copy of the same. With your permission, I shall take them as read.

The Auditors' Reports on the Standalone and Consolidated Financial Statements and the Secretarial Audit Report of the Company for the financial year ended 31 March 2023 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.

We now take up the resolutions as set forth in the notice, namely:

Item No. 1: To receive, consider and adopt audited standalone financial statements of the Company for the financial year ended 31 March 2023, together with the Reports of the Board of Directors and the Auditors thereon.

Item No. 2: To receive, consider and adopt audited consolidated financial statements of the Company for the financial year ended 31 March 2023, together with the Report of the Auditors thereon.

Item No. 3: To declare a dividend of INR 5 per equity share of face value of INR 10 each for the financial year ended 31 March 2023.

Item No. 4: To re-appoint a director in place of T. R. Raghunandan who retires by rotation and being eligible, offers himself for re-appointment.

Item No. 5: Ratification of Remuneration payable to M/s. Kamalakara & Co., Cost Auditor of the Company for the financial year 2023-24.

Item No. 6: Re-appointment of Latha Pillai as an Independent Director.

The text of the resolutions along with explanatory statements is provided in the notice circulated to the Members.

Now, we will invite questions from the Shareholders who have registered themselves as Speakers for asking their queries at the AGM. The queries shall be addressed by the Management Team, lead by the Managing Director.

I will now request Bijan to invite the shareholders one by one who have registered themselves as speakers.

Bijan

Thank you, Sir.

In order to ensure smooth interaction and participation, we request the speaker shareholders to note the following guidelines for the Q&A session:

1. The Q&A session will be anchored by me, and I will call the pre-registered shareholders to come-up one-by-one.
2. Shareholders are requested to un-mute their microphone before speaking, and also enable webcam, if they wish to appear on video.
3. Shareholders are requested to mention their name, folio number and location.
4. Shareholders are requested to restrict their questions to three minutes, so that all speakers will get an opportunity to share their views.
5. In the interest of time, I request shareholders to not repeat questions raised by the previous speakers.
6. It may be noted that the Company reserves the right to limit number of shareholders asking questions depending on availability of time at the AGM.

We will now invite shareholders, who have registered themselves as speakers to speak and ask their queries at the AGM.

1. I now invite 1st Speaker Mr. Praful Chavda to unmute yourself and speak. Hello?

Praful: Hello am I audible?

Bijan: Yes, you are audible. You may start.

Praful: Thank you. Thank you, Sir. Chairman sir, Board of Directors, shareholders. I am Praful Chavda from Hyderabad. I listened to the Chairman's speech and thank the chairman for providing all the information. Firstly, I'd like to thank Md. Abdul Saleem Sir. When he previously was the appointed as the Company Secretary, whenever I visited from Hyderabad he advised that the Company is good and buy at least 100 shares. I bought 100 shares. Currently, the 100 shares has become 305 shares whose value is INR 500,000/. My investment was INR 3500/. I don't know when I bought the shares, all I know is that Saleem Sir was appointed, and I bought shares. The benefits I am getting from the investment is the result of hard work of to the Board of Directors, employees and Secretarial Department. Sr, especially the bankers. There are six bankers. Very good Sir. These many bankers has to be there, so that whenever any bank does something wrong, or when there is a problem. For example, someone given me Axis bank cheque and when I deposit it, it gets passed on the same day and vice versa.

So benefit is two-way. The process which usually takes two to three days or forty-eight hours, is done in one day which is time saving enabling timely payment. Hence, it is good to have six bankers. Nothing more to say about the Company, but that while the minerals and stones are extracted from mining, is there any chance of finding diamonds, gold and other items? In Kashmir and Rajasthan lithium has been extracted, like that are there any valuable items found in the mines? Could you talk about the mining and what is the use of minerals extracted? Is there any luck so that I can get lucky and get benefit, do let me know. CSR activities are going well. But I heard that there are no blood banks and when there are many accidents, and when there is requirement of blood there will be a problem. So add this in CSR activities so that poor people benefit from it. Thank you Sir, wanted to tell that this is a good Company and I trust the Company and wish everyone for upcoming festivals. Thank you.

Bahirji: Good Morning Mr. Praful, I'm happy listening to what you expressed. You asked about the metals being extracted from the mines. We have been mining Manganese and iron ores from the start, hence in the Sandur mines these are the minerals being extracted. These mines are operational from the past 120 years. Second, you asked about our CSR activities, and we are doing a lot of activities in terms of education and health. In healthcare, we are regularly conducting cataract surgeries and other health camps. We will take your suggestions on blood bank and see what can be done.

Praful: Thank you, Sir.

Bahirji: Thank you. Thank you, Praful.

Bijan: Thank you, Mr. Praful Chavda.

2. So, I will now invite Mr. Prabhjot Singh Sahni to unmute yourself and speak. Yeah, Mr. Sahni.

Prabhjot: Thank you for allowing me to speak at your AGM. Sir, I have been following your scrip for a long time and I believe you have done so well for the investors and other stakeholders. Actually, I don't have any questions as such. All financial results are clean and tidy. I just wanted to understand that how are we spending our CSR amounts since we are having mines and we need to connect with local communities and how are we developing local areas? which in return supports our mining operations. What exactly are you doing for the shares of shareholders whose shares have been transferred to Investor Education and Protection Fund. I believe you are having lots of shareholders who are missing this, your growth. Because they have lost your shares, or we are not able to really trace. And you have put on the list, but that is not having the addresses along with it. So it is very difficult for them to really understand. They are the people who are the shareholder of your company. So please look into it and have a more transparent disclosure of people whose shares have been

transferred to IEPF. Thank you. I have received your hard copy of the annual report. So, thank you. Thank you very much. Thank you for allowing me, thank you.

Bahirji: Thank you Mr. Sahni for your questions and connecting with us as a speaker shareholder. First of all you asked us asked regarding the works that we are doing and the connect with the people as you're very well aware that, we are, almost a 7 decade old company. We have a very good connect with the local area and, if I have to tell you, 20+ villages are, are present in our buffer zone of our mining area, which is about almost 2000 Hectors. We maintain connect we, even in our employment policies, we ensure that we give a balanced approach to providing the employment in the surrounding areas. Similarly, we adopt the same type of policy with villages around the plant that are about 10+ villages. We maintain very good connections. Apart from that when you ask about our CSR activities, we have primarily focused on education and health care. Previously we've also done a lot of work on sanitation activities. We constructed almost 2500+ individual and block toilets and presently we give significant number of scholarships. We give about a 500+ scholarship and apart from that, we also, as I mentioned earlier, conduct various health care activities, such as a conducting of health camps, conducting of cataract surgeries. This is what we do. Apart from that we extend any support required in the local area. Thirdly, you asked us regarding the investor education IEPF shares. See we have done our best. Our secretarial team has supported all the shareholders who have reached out to us to bring back the shares from IEPF into their personal accounts. We have also given a reasonable amount of time and support, and we take personal care from our side to attend to any shareholders request and help them.

Bijan: Thank you, Mr. Sahni.

3. I now invite Mr. Bharat Shah to unmute yourself and speak. Mr. Barat Shah? I think he has not connected.
4. So, I will now invite 4th Speaker Mr. Kamal Kishore Jhawar to unmute yourself and speak. Mr. Kamal Kishore?

Kamal: Hello? Hello? Am I audible?

Bijan: Yes

Kamal: Thank you Sir, Kamal Kishore Jhawar from Hyderabad. I had attended the physical meeting previously and visited Sandur 3-4 times and received response from the management. I thank you the Management. Thank Bijan for sharing the Meeting link and also for enquiring about the physical copy of Annual Report. Chairman Sir has briefed very well about the Company's Status. I know Saleem sir from past 25 years and we know each other and am very happy that he has grown to become Director of the Company. I saw his photo in in annual report which is printed along with other directors' photos and due to which I feel happy. I don't want to say much, we have received good return on investment and meanwhile rights issue has been good benefit

for us and I wish everyone on festivals to come. I have nothing further to say but request Saleem Sir to provide a chance to speak with him. Thank you, Sir.

Bahirji: Thank you, Mr. Kamal Kishore. I am happy to hear that.

Bijan: Thank you, Mr. Kamal Kishore Jhawar,

5. I now invite Mr. Yashvee Kothari to unmute yourself and speak. I think Mr. Yashvee is also not there. Mr. Yashvee? Okay, you have logged in as Himanshu? You can go ahead.

Yashvee: Congratulations on the numbers and the disclosure quality has been really good. So, my first question is, when are we expecting the approvals consent for expansion as well as consent for operations for both the mining expansions. My second question is, what is the pellet capacity that we are targeting at the initial stages? And on the iron ore forward integration, what product are we looking into? And when are we expecting the capacity to come live? Thank you. And what would be the Capex? That's it. Thank you so much.

Bahirji: Thank you for your questions. First of all, regarding the approvals, we've recently informed all our stakeholders of the receipt of the consent for establishment from the government of Karnataka Pollution Control Board for expansion of production from 1.6 Million tonnes per annum to 4.5 Million tonnes per annum along with the 7 Million tonnes beneficiation plant and we expect the consent for operation approval to come in the coming upcoming quarter. The activities for ramping up of the mining operations are in motion which will not take much time. And we will be able to ramp up immediately, post receipt of approvals. With regard to the Pellet plant, and the initial capacity, first of all, as you may be aware, we have a wholly owned subsidiary, which is a Private Limited. It has got environment clearance for beneficiation plant of 0.49 Million tonnes per annum. We have ordered the equipment already and we should commission that, this financial year itself and with regard to the pellet plant we are looking at the capacity of say about 1.2 to 1.5 Million tonnes per annum however, it will take better shape in the upcoming years.

Bijan: Thank you. Thank you. Mr. Yashvee.

6. I now request Mr. Hardik Indramal Jain to unmute yourself and speak. Mr. Hardik?

Hardik: Am I audible?

Bijan: Yes

Hardik: Good morning Sir, I am joining from Mumbai. Congratulations for a good set of numbers and getting permission from Karnataka Government for Manganese & Iron ores. As a minority shareholder, I'm really very happy of the corporate governance

which company is following and I personally believe that our company is in the right hands. So I personally feel that Mr. Bahirji Ghorpade will lead this company to greater heights in coming decades. And this company will grow from height to height. Question is on iron ore, so we have got mining expansion and also on manganese ore If Mr. Ghorpade can guide what is the capacity? And whether there is more scope for mining expansion. And second question is on integration part. So I believe our palletisation plant once it commence, our margin should be in the range of 55 to 40% depending on the realization of the products. As we know that steel industry is very cyclical in nature. The demand for steel is kind of immortal in a country like India. I just want to understand Mr. Ghorpade how our Capex plan will shape, and at this point of time we are debt free, but we have to borrow money. So, what are the plans? probably in a short term to medium term for 3 to 5 years. So that will give us more clarity on, kind of profitability. So thank you very much for listening.

Bahirji: Good morning. Mr. Hardik Jain, thank you for connecting with us as a speaker shareholder. Your first question was with regard to the magnesium ore enhancement we've the environment clearance for manganese ore of about 6 Lac tonne presently. We have received the consent for establishment to expand our operation from 2.886 Lac tonnes to 5.8 Lac tonnes per annum. So this is what is the increase with regard to manganese, this will help us explore all the areas available in our mining lease. And also we will try to enhance the quality of ore, which will support our plant and also the market, where we would be able to possibly supply the better grades of ore, which would be sold majorly domestically. So, that is the idea behind the manganese ore enhancement. With regard to the next few years, we are ramping up our mining capacity, as I mentioned earlier with regard to iron ore production, which will be enhanced from 1.6 to 4.5 Million tonne which is almost 3X of our current capacities and the capex cycle going forward, integrate to our business. We expect a healthy compounding of our growth rate and also this will help us in optimizing, considering the larger volumes that we will be mining. And this will also increase the overall realizations for the company. And you also asked regarding what kind of margins do we expect on sustainable basis. As you know both the previous year and the year to previous were a part of high and low of the industry in which, one year we saw compelling command and the other year we saw subdued demand. We expect the market to be more stable now, and we also will continue to enjoy better margins on account of economies of scale as we will be operating approximately at 3X of our earlier capacities.

Hardik: Thank you very much Sir.

Bahirji: Thank you.

Bijan: Thank you. Thank you, Mr. Jain.

7. Now I will invite Mr. Anandu Vithal Nayak to unmute yourself and speak.

Anandu: Am I audible?

Bijan: Yes, you are audible.

Anandu: Good morning to all the Board members. My name is Anandu Nayak, based in Goa. My Client ID is IN30133020183317. Thank you, Bijan Sir, for giving this opportunity and good morning to all the Board members. In the interest of time, I may not go into the list of various queries, which I have already circulated to the Company Secretary sir. So my only thing is that let me congratulate and let me thanks to the management for rewarding the shareholder with the liberal kind of Rights Issue. I have not seen in my life, you know, company coming out with the right issue at a face value. So that is really a good move of the company. So, and I wish company all the success for the future. So that company can, let company grow in multiple times and let company do multiple employment opportunities. Thank you so much.

Bahirji: Thank you Mr. Anandu for connected as a speaker shareholder.

Bijan: Thank you. Thank you, Mr. Anandu.

8. Now I request Ms. Yachna Bhatia to unmute yourself and speak. Hello? Yachna Bhatia, can you unmute and speak? Hello? Are you. Yeah. Yeah, you are audible.

Yachna: Hi, very good morning to all of you, I had a couple of questions. First was on this Iron ore expansion. You mentioned that by the next quarter, you're expecting all the approvals. If you could just elaborate on what are the specific next steps, next approvals which are pending and how soon can we ramp up, you know, once the approvals are received? Second question is if you could give timelines on when does the beneficiation plant come up and what is your total expected Capex cost in the beneficiation plant. Third is that, you know in this time that this beneficiation plant will be coming up; will we be selling low grade iron ore in the market or do you just intend to mine and hold the inventory till the plant comes up? The idea is to just understand, you know, when does the actual sale of iron ore start from, on the expanded numbers. My next question is that how much improvement in grade of iron ore do we expect from beneficiation. So, I'm just trying to understand the unit economics here in terms of, you know, what is the incremental cost that you would be spending a beneficiation per tonne, versus what is the incremental realization. So, you know, what kind of margins can it give if you can just elaborate on that. The larger question was on the capex, so we were earlier pursuing DI plant capex. However, I don't see too much of a mention of that in the latest annual report. So, is that plant still on? Are we pursuing, not pursuing if you could just elaborate. And in general, you know, what are our capex plans that we are pursuing for the next 3 years. I want to understand how do you intend to use the cash flows that we will be generating from this generation of iron ore expansions? That's all. Thank you.

Bahirji: Good morning Ms. Yachna, thank you for connecting with us as a speaker shareholder. First of all you asked regarding the iron ore expansion, as I mentioned earlier, we will be expanding from, 1.6 Million tonne to 4.5 Million tonnes. The approvals are in final stages. We just have the consent for operations, and the maximum permissible annual production approval pending, which are in the final stages and that's how we are saying during the next quarter, we should be able to achieve that. And with regard to beneficiation plant, see, first of all, we have planned our operations in such a way that even with the increased output, which will be from 1.6 to 4.5 Million tonne, we will still be producing the same quality of material of iron ore which will be almost for more than one and a half years. So that is the time which we will take to set up a beneficiation plan, there will be no reduction in the realizations, and we will also be producing same or similar quality of ore that we have been producing at enhanced levels. And this will also give some time for us to work out and implement the beneficiation plant. With regard to beneficiation plant. We have conducted various studies internally and we are fairly clear what and how we should go about it. We are planning to implement that in phases. That's where we will not be able to give an exact number, this will vary because there are different manifestation processes and the cycles that we would like to implement, which will take shape in the due course of time. I hope I have answered all your queries. With regard to the third point with regard to the plant. Currently, we are looking at our overall capex plan and we are evaluating how to move ahead considering the capex and the gestation period. Usually, any capex will take 2 to 3 years and post that there will be a certain amount of stabilization time. That's where we are evaluating and re-evaluating our plans. We will come back to you to the shareholders and stakeholders in due course of time.

Yachna: Sure, just one follow up there, on the iron ore you're seeing that while the beneficiation plant comes up, you will be selling those iron ore in the market as it is at the same grade what is there right now?

Bahirji: Yes.

Yachna: Okay, and what are the timelines for the beneficiation? When does that come up?

Bahirji: That will take a good 12 to 15 months. However, we plan to implement that in phases. I missed one more part of your question. I would like to answer it now, where you mentioned, what will be the enhancement in the grade. See, the idea of our beneficiation plant is that, considering the mines which have operated for decades we expect based on studies conducted, the lower grades to be mined. So, that's where we would like to beneficiate the ores so that we would be able to produce post beneficiation, more marketable grades, which will be similar to the grades that we are currently producing.

Yachna: Okay, sure.

Bijan: Thank you, thank you Madam.

9. So now I will request Mr. Ayush Mittal to unmute yourself and speak. Mr. Ayush Mittal?

Ayush: Good morning, Sir. Am I audible?

Bijan: Yes you are audible.

Ayush: Good morning everyone, first of all it's a pleasure to see the Board and get to interact. It's always a proud feeling to be a shareholder of a company like Sandur, which has been a particularly a very good company in the mining industry, which has been not that well perceived and given a rich legacy, the kind of management we have. As a shareholder, we all have a lot of expectations from the company and like all my previous participants asked, I think all of us are waiting for the final approval and the ramp up in production, so that the true value of a company, and those things get unlocked. So I sent my questions, but maybe as some of these have been covered, maybe I'll ask the missing ones or you want to take them if you have the questions one by one.

Bahirji: See I suggest Ayush, you can ask the missing ones or some further clarification because I have all your questions. I think most of your questions have been, I think, clearly answered.

Ayush: Okay. Yeah, that's why I thought that I'll ask missing one. So Sir, like first thing which we all have been asking is that, it has taken a fairly long time for these approvals to come and we still see that there are some of the approvals which remain pending, like, consent to operate. And then there's also something that you need like MPAP, wherein higher limits have to be allocated for you to be able to sell. So, if in this quarter, you get the approval, then proportionately we'll have to ramp up or we can ramp it up our production more aggressively? That is the first question.

Bahirji: Yeah usually.

Ayush: How is the timeline? Yeah sorry.

Bahirji: See usually MPAP is a thing which is given, which is the annual production limit, which is given. So, once we get the approvals it will be initially prorated for this financial year. From next year, it will be from day one. So that is how it will be.

Ayush: Okay, so we can expect that if we get approval in time, then even for Q4 we can ramp it up to, like you said, it doesn't take time to ramp up. So at least we can double our production. Is that a fair understanding once we get the approval?

Bahirji: Definitely a fair understanding. Q4 we can expect.

Ayush: Okay. Okay, great. Sir second, one thing on the manganese ore we have already got the approval. So what has been the progress on the ramp up? Because many of them we have said that the overall quantity is something which is not easy to scale up. So, do we really expect that we'll be able to double our production and if yes, what will be the timeline?

Bahirji: See doubling our production is definitely not a challenge. We are again expecting the approval which will come soon. So post that we have, we are gearing up for the operations. It is mainly, having the manpower in place and the machinery in place, and we will be able to ramp that up. So that is no problem.

Ayush: Okay, another thing in the mining is the downhill conveyer. I think that is still pending for us.

Bahirji: Yeah, that is now in advanced stages, though we have not yet received the stage 2 approval. Based on temporary working permission we have implemented most of it. So that will be in place, say by end of this financial year subject to the stage 2 approval coming. However, the work, we are in advance stages.

Ayush: But does that impact the ramp up on mining or no.

Bahirji: No, that will not impact. But that will help in a better evacuation once it is implemented.

Ayush: Okay. Okay. So the other thing we always have this question is that as it has taken already a fairly long time and now that we have got these approvals, why are we not being aggressive on these beneficiation and palletisation? Like, today also, what you mentioned is that in pallet, we intend to put up 1 to 1.5 Million tonne capacity. Is it just the capacity we want to put, or we want to scale it up further to the maximum production of 4 Million tonne 4.5 Million tonne that we intend to do?

Bahirji: See it may look we are not aggressive, but we are definitely taking very positive steps. See, as you know that we have planned the beneficiation plant near the mines and near the mines bed head which comes with various challenges, like mainly the tailing disposal, also the electricity supply on top of the hill. Whereas, other challenges. So, we have worked out all that. And also, major requirement for a beneficiation plant is a water requirement. So that also we have studied so based on all that we would like to keep certain amount of flexibility as I mentioned earlier, we will have different types of benefications. It may be advanced, or it may be a minimum. And it may just be watching to enhance 2-3 units of iron ore which becomes much more marketable. So, that kind of flexibility we want to keep at the same time the resources should be, we should be easily able to manage that. That's the reason why we are planning the capacity. However, we have completed and completed most of our studies.

So, we will be soon getting into the implementation phase and we would like to do it in a phase one.

Ayush: Okay, and what kind of pallet capacity we you intend to put?

Bahirji: We are considering between 1.2 to 1.5. That is what we are looking at.

Ayush: Why not a full palletisation? Like, why not 3 to 4 Million kind of a number.

Bahirji: See, that will again mean that the beneficiation plant has to be much more complex to handle that kind of volume. At the same time, which will mean that we will only have a pallet product and we will not have other types of products. We are having lumps and fines which cater to different kinds of industrial requirement with the larger integrated players. All the, all the smaller players such as the sponge iron units. We cater to the broader requirement being a merchant miner. And looking forward, we may also look at some captive consumption.

Ayush: Okay, Sir what will be the average realizations for us currently in the current market scenario for the iron ore?

Bahirji: See for the iron ore broadly it is in line with the market, we can say similar to the, NMDC realizations.

Ayush: So one worry which investors have always had is that in our mind, renewal has to come up into 2032-33. so, at that time, given the way the rules have changed, there's always uncertainty as to how, what will happen to our mine and if the current, , profitability that we have, how will be able to protect it. It will be great if we can share your thoughts around this concern area.

Bahirji: See, currently, as per the current prevailing legislations, the mining lease if it expires, which expires in 2033, we will have the 1st right of refusal. And currently all the mining leases, which are expired, generally go into, E-auction and the bidding takes place. So, presently that's how we are taking steps. And, as, you know, that we have been trying to move into from being a pure merchant, mine mining company to a more of a metals and mining company. We have been in metallurgy, considering we have been producing for ferroalloys for quite some time. We have been also producing Coke. So, we will have to move towards something much more integrated, which will support us from end to end from mine till the finished product. Okay.

Ayush: And we don't have plans to acquire any more mines given our expertise in this area?

Bahirji: See, we are looking for options but it sure we are looking at a long-term perspective and also the viability point of view because, you may be aware, recently, leases that have been conducted for the mining auctions have been going for very high

premiums, which for a merchant mining perspective, it definitely is not viable to bid at those high levels. But if we have some captive consumption, it gives some amount of, long term security of mine. we are keeping a watch on what's happening in the industry. Okay.

Ayush: Okay, so, now coming to other segments, which are also very important, I believe like coming to the ferroalloy segment, we have done a large expansion in that and we have also tied up for the power. Yet, we see the Q1 results in the recent quarters. They have been fairly poor, or we can see the profitability was massively impacted. Even the utilization was very low in Q1. So, what is the reason and what is the expectation going forward and why we are not able to make money in this segment despite having captive resources and cheap power.

Bahirji: See, first of all, the captive power got operational early in the 1st quarter during June and the benefits of this have definitely started coming in immediately but however, on the coke oven front, we have faced certain challenges though, we have taken very careful steps by having a mix of contract manufacturing, and also producing something for the market but we definitely foresee some challenge because as a merchant Coke Oven, you may be aware in the past merchant, Coke Oven have not done well, so, Coke as a product standalone will definitely face challenges and unless we will be able to operate Coke Oven and certain capacity levels, say at least a 50% of the capacity then the power generation from the waste recovery boiler also suffers. That's the reason during the 1st quarter very carefully we have operated, we have reduced our Coke Oven production to just meet the contract manufacturing requirement and we have avoided any kind of major cash loss, at the same time, we have operated one Ferroalloy furnace with renewable energy what we have got and renewable energy is at fairly optimize the market price. So we have to think from the long term perspective, we will in due course come up with what should be our long term plan.

Ayush: Okay, so How's the situation now? And, what kind of utilizations are we hitting in with these segments? Coke and Ferroalloy, what kind of sustainable margins do you think we can do?

Bahirji: See, as of now, the market is not very favorable and it's been more than a quarter now since the prices have definitely come down significantly and this is a challenging situation. However, during the course of 3rd and 4th quarter, we expect the market to turn around, already in the last 1 month, there has been an indication. Originally things are getting better but from long term perspective, if our Ferroalloy has to do well, then our Coke also has to do well, because both have to support each other. and that will help in generation of power, which will support the Ferroalloy. Okay.

Ayush: Okay, so what is the budgeted Capex for FY24-25 and if you see FY23 numbers we have done 187 Crore capex, but out of which 85 crore meant for land. So, what was this and what is the budgeted Capex for us for the coming years?

Bahirji: See, the capex that we have incurred in the last, 1 year is mainly on land. You're right, we have acquired significant parcels of land close to 400 acres, which is again from the long term perspective, which will enable us in case we plan any projects in the future. In the present facility we are currently landlocked that is the reason we plan to make this investment and the balance capex that we have already incurred is mainly with regard to the Utilities and the ground preparation activities I can say, mainly we did not have access to the 200+acres on the other side of the railway track. Presently we are nearing completion of beautiful railway under bridge that has been constructed. It simply opens up our access to the land, so there was some capex incurred on that apart from that the utility lines, the power transmission lines and all that we have basically incurred the capex to prepare the ground for the project.

Ayush: So, this is the additional land we had at a main factory yes, that's a large land area.

Bahirji: It is a large land area. However, It was landlocked. We didn't have a straightforward access, so we encourage this to create the access going forward. That is the only land, because on the 2 sides we have a forest and 1 side we have another industry. So, expansion of that land is not possible. That's how to position ourselves for the future. We looked at other lines.

Ayush: Great. So great. And what are the Capex budgeted for upcoming years and next years.

Bahirji: Yes, I told you here, next year, we are working out the pellet and beneficiation plant in a phased manner. So that's where I will not be able to give you an exact number but, yeah in due course we will.

Ayush: Okay, and so last questions are given like I initially said, we all have a lot of expectations that we have a rich legacy and a young management in place. So, what is your vision, how you want to transform Sandur and unlock its true potential from the next 3 to 5 year perspective? What is the vision for the company? If you can entail about it?

Bahirji: Yeah, this is a very important question that you are asking and as you are well aware, it's been a little more than 3 years. Now it's been quite a journey we've been taking various steps to unblock the potential that the company has from the rights issue to NSE listing, and also implementation of the renewable energy units from a futuristic perspective of becoming much more greener and sustainable with regard to the vision as a company, and we should aim at becoming a prominent player in the metals and mining industry by integrating our operations at the same time, excelling in our mining operation, which has always been our core. And taking it to new heights by layering the principles of sustainable and scientific mining with the right kind of technology and possible digitization options that have come in now over the next 3 to 5 years. I can say that we should plan to build a self sustainable business model with a vision business model with the vision of good 30- 40 years through necessary backward integration such as possible coal and power linkage as we have already taken a step with regard to

by implementing a renewable energy unit and forward integrate through when, if session prioritization and possible options of a steel plant with a strong finished product. That is what is more important, we are taking some time to evaluate the options. We intend also to diversify our product portfolio and possibly geographical portfolio, and we should aim to travel and take our journey from a regional player to a national player. In this process, we stand to our commitment of being a socially responsible corporate citizen and an enabler to create value and reward for all our stakeholders and shareholders at large. So that is our broad vision I can say. And this will be detailed, and we'll come up with a lot more clarity in the next course of time.

Ayush: And so last suggestion and a request from my side, which I've been mentioning again in between. We had started doing the investor conference call, I think we can start once again maybe quarterly or at least 2 numbers yearly hopefully. We should definitely do it because for a company of our size, which is reasonably large, you have so many segments there's so much volatility in the business and they are so many developments happening for shareholders it is a very very important. This is also another corporate governance thing, we all are talking about good governance in the Company, but today, given our size, if the institutional participation is not there, and that will not happen till we adopt all these right kind of things, also in the journey if you want to grow that at some point, we will need to tap capital markets or do something and for that, we should have a good track record of right Communication. So that is my last request & suggestion. Thank you so much for your time!

Bahirji: Thank you for your suggestion. We will take it and see what best we can do!

Bijan: One more speaker and last one. I request Sweety Agarwal to kindly unmute and speak.

Sweety Agarwal: am I audible? Yeah.

Sweety Agarwal: Thank you for this opportunity, most of my queries have been answered, but just a few more questions, 1st is for the hybrid renewable energy project. What is the number of units expected and how are we reaching at this pricing? Any pricing formula, my 2nd query would be, any external power was purchased in FY23 and what would be the rate for it. And also regarding the Ferroalloy plant, do we need any external power for it? And do we intend to set up any more solar power projects? After the iron Beneficiation plant, you had just mentioned that since we've been mining for many years, the quality of the iron ore has been deteriorating. So, I wanted to understand what is the current grade that we are selling and also to understand if we are incurring this Cost to maintain the current realization. So, would there be any improvement in realizations because of it? For the pallet plant if you could just share the key topics that we are looking at and the expected commissioning for the same. So that would be my queries if you could answer, thank you so much. Yeah.

Bahirji: Good morning, thank you for connecting as a speaker shareholder. 1st of all with regard to the renewable energy plant that you asked. see, we have set up this plant and this project has gone live during June. And we have the project teams to generate

about 33 megawatt of solar energy and 9.9 megawatts of wind energy. we get enough power to run 1 of our 3 Ferroalloy. And the pricing we have already started getting the benefits of the lower pricing as compared to the conventional power. It is significantly lower and the cost of power per unit is in line with the market present market and this will remain consistent for 25 years. And the 2nd question you asked was regarding what was the quantum of external power purchase during FY23 and the average storage ideally, see the company plans to utilize the renewable energy and the co-generation power that comes from the waste heat recovery and with the coke oven operations, so this will enable us to utilize the entire power at the lowest possible cost. And we will generally not import any external power. We will avoid that, which will mean that there is no volatility attached to the power costs. With regard to pellet plant, I think I've already answered the questions in the earlier response, in case you need anything specific. I would like you to ask that.

Sweety: Oh, that's okay. I was just understanding that we are doing the beneficiation plant just to maintain the quality of work, but the realizations would remain the same right?

Bahirji: Realizations yeah, overall realization would remain the same.

Sweety: Okay, thank you.

Bijan: Thank You Madam. I think the Question and Answers session has been ended.

There being no other requests from shareholders, I will now request the Chairman to continue with the proceedings.

Closing remarks by Chairman

Thank you. 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 shall remain active until 30 minutes after the 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 54 Members participating in today's 69th Annual General Meeting. Thank you for attending the meeting. I hereby declare the proceedings of the 69th 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. Stay safe, healthy and happy.
