



# *The Sandur Manganese & Iron Ores Limited*

## TRANSCRIPT OF PROCEEDINGS OF 70<sup>TH</sup> ANNUAL GENERAL MEETING HELD ON WEDNESDAY, 18<sup>TH</sup> SEPTEMBER 2024 AT 11.00 A.M. THROUGH VIDEO CONFERENCE

### **Announcement - Ankitha S, Assistant Company Secretary**

Good Morning dear Members. I am Ankitha S, Assistant Company Secretary of the Company.

Welcome to the 70<sup>th</sup> Annual General Meeting of The Sandur Manganese & Iron Ores Limited.

### **Some important announcements**

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. Audio and video will be switched on for those Members who shall be invited for speaking, as per the pre-registration. I now request Shri T R Raghunandan - Chairman of the Company to take charge of the proceedings and conduct the meeting. Over to you Sir.

### **Initial address and introduction - T R Raghunandan, Chairman**

Good Morning, Namaste and a warm welcome to the 70<sup>th</sup> Annual General Meeting. I am T. R. Raghunandan, Chairman joining from the Corporate Office of SMIORE in Bengaluru. I hope all of you and your loved ones are safe and in good health.

This meeting is being held through video conference in accordance with the circulars issued by the Ministry of Corporate Affairs (MCA) and SEBI. We have the requisite quorum present through video conference to conduct the proceedings of this meeting. Participation of Members through video conference is being reckoned for the purpose of quorum as per Section 103 of the Companies Act, 2013, read with circulars issued by the MCA. 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. Bahirji Ajai Ghorpade**

Good Morning. I am Bahirji Ajai Ghorpade, Managing Director, joining the 70<sup>th</sup> Annual General Meeting of the Company from the Corporate office of the Company at Bengaluru. Thank you.

**b. 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.

**c. Latha Pillai**

Good Morning. I am Latha Pillai, Independent Director and Chairperson of the Nomination and Remuneration Committee, attending this meeting from my office in Bengaluru. Thank you.

**d. H. L. Shah**

Good Morning. I am Hemendra Laxmidas Shah, Independent Director and Chairman of Corporate Social Responsibility Committee. I am joining this meeting from my residence at Mumbai, Thank you.

**e. Mohammed Abdul Saleem**

Good morning everybody. I am Mohammed Abdul Saleem. I am attending this meeting from the Corporate office of the Company in Bengaluru. Thank you.

**f. Anand Sen**

Good Morning. I am Anand Sen, Independent Director and Chairman of the Stakeholders Relationship Committee. I am attending this meeting from my hotel room in Maheshwar. Thank you.

**g. S. Y. Ghorpade**

Good Morning everybody. I am S. Y. Ghorpade, attending the meeting through video conference from my residence at Bengaluru. Thank you.

Thank you, Sir. Thank you, everybody.

Krishnendu Sanyal, Chief Executive Officer is present at this meeting and joining from Delhi. Uttam Kumar Bhageria, Chief Financial Officer & Chief Risk Officer is also present at this meeting and joining from the Corporate Office of the Company at Bengaluru. Statutory auditor and Secretarial auditor have also joined this meeting.

I now request Ankitha, Assistant Company Secretary, to provide general instructions to Members regarding participation in this meeting. Ankitha, over to you.

**Ankitha**

Thank you, Sir.

This 70<sup>th</sup> Annual General Meeting of the Company is being held through video conferencing mode in accordance with applicable provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 read with the circulars issued by MCA. The Company has enabled Members to participate at this meeting through video conferencing facility provided by National Securities Depository Limited (NSDL). The proceedings of this meeting is also being web-casted 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. Please note, as per the requirements, transcript of Annual General Meeting will be available on the Company's website.

As this Annual General Meeting is being held through video conferencing, the facility for appointment of proxies was not applicable, and hence the proxy register for inspection is not available. In accordance with provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, 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, 11 September 2024, during the period commencing from 9 AM on Sunday, 15 September 2024, to 5 PM on Tuesday, 17 September 2024. Remote e-voting has been blocked on 17 September 2024 at 5 PM.

Members joining the meeting through video conferencing facility who have not yet cast their vote by means of 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 the e-voting at 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 stock exchanges as per requirements under SEBI (LODR) Regulations, 2015.

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](mailto:investors@sandurgroup.com).

The Members who wished to express their views at the meeting or having questions were required to register themselves as a speaker by sending e-mail to the Company on or before 5 PM on Monday, 16 September 2024. 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 view/ ask questions during the meeting. We will facilitate this session once the Chairman opens the floor for question and answers.

In case Members face any difficulty, they can reach out to the helpline numbers provided in the Notice. Members may note that this Annual General Meeting is being recorded. Therefore, please do not disclose any sensitive personal information or personally identifiable information belonging to you or any other persons that has no bearing on this meeting. Thank you very much.

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

### **Chairman**

Thank you, Ankitha. 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. I shall now begin my formal address to the Members.

Dear Shareholders,

Fiscal Year 2024 has been a year with many milestones. Fiscal Year 2024 was a transformative period for The Sandur Manganese & Iron Ores Limited. The year began on a high note with us receiving the much-anticipated Environmental Clearance from the Ministry of Environment, Forest and Climate

Change in April 2023. This milestone was followed by the receipt of the enhancement in Maximum Permissible Annual Production (MPAP) from the Monitoring Committee in February 2024, enabling us to operate at enhanced production levels of 0.462 Million Tonnes of manganese ore and 3.81 Million Tonnes of iron ore. However, the pro-rata allocation for FY 24 MPAP was 0.315 MT for manganese ore and 1.9684 MT for iron ore. We will operate at the fully enhanced MPAP limits from Fiscal Year 2025.

In September 2023, SMIORE achieved another significant milestone by getting listed on the National Stock Exchange of India Limited (NSE), in addition to being listed on the BSE Limited (BSE). This dual listing provides us with a wider platform to better access the capital markets.

Subsequently, to reward our shareholders and further the accessibility of the Company's securities to retail shareholders, we announced a Bonus Issue of Equity Shares in the ratio of 5:1. Additionally, our credit rating was also upgraded to A+ (Stable) by ICRA in February 2024, reflecting our strong financial health and operational performance.

Coming to our financial performance for Fiscal Year 2024, it was subdued due to challenges in our coke & energy and ferroalloys segments. The exchange rate fluctuations and volatility in the coking coal market led us to adopt a cautious approach, which resulted in less waste heat recovery-based energy generation. The interdependence of these segments, with power generation from the former being used to run the operations of latter, coupled with volatility in the coking coal market led to subdued results in both segments. The lower energy generation impacting our ferroalloys volumes was further exacerbated by the subdued realisations in the ferroalloys industry throughout Fiscal Year 2024.

Thus, despite higher mining throughput in Q4 on account of MPAP enhancement and robust mineral realisations across the year, the overall financial results bore the impact of our non-mining segments.

As a result, our Total Income for Fiscal Year 2024 declined to ₹1,334 crore from ₹2,185 crore in the previous year, a decrease of 39% year on year. EBITDA for Fiscal Year 2024 stood at ₹402 crore, a lesser decrease of 11% year on year, and PAT for the year was ₹238 crore, registering a decrease of 12%.

Having said that, despite the challenges of FY 24, SMIORE continues to maintain a strong balance sheet with a net-debt free status, supported by surplus cash reserves. To that extent, we are pleased to announce a dividend of ₹1 per share post-bonus issue, subject to the shareholders' approval at the ensuing Annual General Meeting. This represents a higher dividend payout compared to Fiscal Year 2023. Our disciplined capital allocation strategy guides that we judiciously redistribute a part of our profits while reinvesting the rest in our business to deliver sustainable value to all stakeholders.

I now come to our Arjas acquisition. The most significant development of the year was the strategic acquisition of Arjas Steel Private Limited (Arjas), a specialty steel company manufacturing high-quality auto-grade Special Bar Quality (SBQ) steel. Arjas is among the top five players in its specialised industry, with robust business operations.

This acquisition, valued at an enterprise value of ₹3,000 crore, marks a pivotal transition for SMIORE. Arjas specialises in a niche product category, which has better realisations and profitability metrics as compared to commodity steel products. This is further complemented by numerous OEM empanelments, strengthening its industry positioning, by catering to the giants of the auto industry.

Arjas has two strategically located manufacturing facilities, each near major OEM clusters in South and North India respectively. An added advantage for us is that Arjas' southern facility is close to Sandur region, which makes it a perfect fit for us. This acquisition will enable backward integration and sourcing of key raw materials for Arjas while accelerating SMIORE's entry into the steel industry.

The Company is well poised for such strategic initiatives as even post- acquisition, SMIORE's capital structure remains robust with a modest debt-to-equity ratio, in line with the industry standards that leaves us with significant headroom to pursue more growth opportunities. We are this well prepared for the future.

In this regard, we are delighted to welcome Mr. Anand Sen to our esteemed Board of Directors. With nearly four decades of extensive experience in the steel industry at Tata Steel and as the former Managing Director of Tata International, his expertise will be invaluable to our Company, especially in the context of our recent acquisition. The entire SMIORE team looks forward to collaborating closely with him.

I am also delighted to welcome our new CEO and COO. Mr. Krishnendu Sanyal a seasoned executive with close to 32 years of global experience, has been appointed as the CEO. His understanding of Indian and overseas steel industry with significant experience in both markets will help us in our strategic bets as we expand. Furthermore, Mr. Manjunath Prabhu, who is our new COO is also a veteran with close to 36 years of experience in metal and mining industry.

This is a strategic initiative to augment our management bandwidth and bolster our leadership as we further solidify SMIORE's legacy by propelling into the steel segment.

Looking ahead, we are optimistic about the future prospects of SMIORE, underpinned by recent developments such as the mining expansion and the Arjas acquisition. We are hopeful for an early turnaround and a more conducive operating environment for our coke & energy and ferroalloys segments.

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 once again for your continued support.

Thank you all.

Ladies and Gentlemen, Notice dated 5 August 2024 of the 70<sup>th</sup> Annual General Meeting, Annual Report containing Audited Standalone and Consolidated Financial Statements for the year ended 31 March 2024 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. We have made available the physical copies of the Annual Report to the Members who have requested for the same. With your permission, I shall take them all 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 2024 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 will now take up the resolutions as set forth in the notice. These are as follows:

**Item No. 1:** To receive, consider and adopt the audited standalone financial statements of the Company for the financial year ended 31 March 2024, 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 2024, together with the Report of the Auditors thereon.

**Item No. 3:** To declare a dividend of Re.1 per Equity Share of face value of ₹10 each for the financial year ended 31 March 2024.

**Item No. 4:** To re-appoint a director in place of Mohammed Abdul Saleem (DIN: 00061497) 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 2024-25.

**Item No. 6:** Approval for payment of ex-gratia amounting to ₹5 crore to Mohammed Abdul Saleem (DIN: 00061497), Director of the Company.

**Item No.7:** Approval for remuneration to be paid to Mohammed Abdul Saleem (DIN: 00061497), Non-Executive Director of the Company for availing services in his professional capacity.

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

After this, we will now invite questions from the Shareholders who have registered themselves as Speakers by asking their queries at the Annual General Meeting. These queries shall be addressed by the Management Team, lead by the Managing Director.

I will now request Ankitha to invite the shareholders who have registered themselves as speakers.

**Ankitha**

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 one at a time.
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 Annual General Meeting.

1. With that, I request the 1<sup>st</sup> Speaker Mr. Praful Chavda to unmute yourself and speak.

**Ankitha:** Yes Mr. Praful Chavda.

**Praful:** Hello am I audible?

**Ankitha:** Yes, we can hear you Sir. You may continue.

**Praful:** Thank you. Thank you, Sir, Chairman Sir and Board of Directors. I am Praful Chavda from Hyderabad. The Chairman's speech has provided detailed information including hiring of new Directors and CEO and I welcome all of them, this would result in benefiting the Company. In page No. 4 of the Annual Report, it is mentioned that the Company is India's 3<sup>rd</sup> largest manganese ore. I hope and wish that the Company soon reaches to the 1<sup>st</sup> or 2<sup>nd</sup> position in India. Further, Saleem Sir has completed his 1<sup>st</sup> term and has entered into the 2<sup>nd</sup> term. I support this and wish you all the best. In your 1<sup>st</sup> term, the Company provided us Bonus shares, which increased the wealth of the shareholders, and I wonder what plans you have during your 2<sup>nd</sup> term of association with the Company.

We know you from a very long time and today your remuneration is being approved for which we are very happy, and I would not be surprised to see you as a Managing Director of the Company in the upcoming future. Venture Capital And Corporate Investments Private Limited's services are very good, and they provide all necessary information.

Apart from this, the Company's CSR projects are going well and focus on education in rural area is benefitting a lot of students. However, I would like to suggest the Company to provide technical knowledge along with education. Today if a light or fuse goes off, then people at house will have to wait for 2 to 3 days to get the same repaired and in addition to which they charge fair amount for such repair. Also, students have be taught to aid elderly persons by including nursing as a part of the education curriculum, since in case of any emergency, it will be of help as they will know how to handle emergencies. You may consider including religious education as well in this regard. Currently, I am happy with the Company and its Annual Report has been prepared very well through hard work by the Secretarial Department. One thing that I would like to point out is previous 10 years' highlights of the Company which is either not available in the Annual Report or I have not found the same, I am not sure. All in all, I am happy with the Company. Request you to conduct the next Annual General Meeting through VC so that we can meet and attend online. Thank you, Sir.

**Bahirji:** Thank you, thank you Praful Chavda, you have given us a good feedback. Similar to the Board of Directors and Company executives, the shareholders also think not only about the business but also about the society. Thank you for your valuable feedback.

**Praful:** Thank you, Sir.

**Ankitha:** Thank you, Mr. Praful Chavda.

2. I now request 2<sup>nd</sup> Speaker Mr. Kanwar Singh Sahni to unmute yourself and speak.

**Ankitha:** Mr. Kanwar Singh Sahni?

**Moderator:** Ankitha, the said shareholder has not participated and you can go to the next.

3. **Ankitha:** Okay. So, moving on to the 3<sup>rd</sup> speaker, Mr. Kamal Kishore Jhavar, to unmute yourself and speak. Okay, so looks like Mr. Kamal Kishore Jhavar is also not there.

**Kamal:** Hello am I audible?

**Ankitha:** Yes Sir, we can hear you.

**Kamal:** Thank you Ankithaji.

**Bahirji:** Your voice is not clear.

**Kamal:** Hello?

**Ankitha:** Yes Sir we can hear you. Go ahead Sir.

**Kamal:** Chairman Sir, Board of Directors and Management. Attending Annual General Meeting through Video Conferencing is the best thing, and it enables shareholders to attend Annual General Meetings from anywhere. I am associated with Venture Capital and Corporate Investments Private Limited for more than 30 years.

**Ankitha:** Sir your voice is getting cut. It is not clear.

**Kamal:** Hello, now can you hear me? Can you hear me?

**Ankitha:** Yes Sir, yes Sir. I think there is a connectivity issue from your end, Sir. Hello?

**Kamal:** Can you hear me now? Everything went well, is also going well. The Company's Share price has also gone up. Earlier I attended physical AGM of the Company along with Mr. Damani, a shareholder who came from Bombay to attend the AGM and then I expected that the Company would do well and it turned out right. Mohammed Abdul Saleem promised last year that the Company would do well during the financial year and Secretarial Team is also very good and coordinates well. Venture Capital and Corporate Investments Private Limited's services is good and I thank them.

These days there are various frauds that are happening in the market by siphoning funds in the name of CSR activities. Considering such frauds happening around, the Company shall take all precautionary cautions and do the good work for the society. Thank you, Sir.

**Saleem:** Bahirji I would like to respond to this. Kamalji, whatever you mentioned is right. Further, I would like to add that in case of our Company we carry out all the CSR activities in-house.



Whenever the Company applies for 5 Star Awards which the Company has been getting year on year, is received after various verifications at 3 levels i.e., regional level, Zonal Level and Ministry Level. They verify whether spendings are for CSR or business purpose or for social causes. It is only after the thorough verification we get these awards. However, your suggestion is good and we are working in line with it.

**Ankitha:** Thank you, Mr. Kamal Kishore Jhavar.

4. I now invite the 4<sup>th</sup> Speaker Mr. Hardik Indramal Jain to unmute yourself and speak.

**Hardik:** Yeah, can you hear me? Yes.

**Ankitha:** Yes Sir, we can hear you, go ahead.

**Hardik:** So, thanks for the opportunity. Actually, I have emailed my list of questions, so you want me to repeat that, or you have it handy?

**Bahirji:** Mr. Hardik, we have your questions handy and we have the replies to that also. So I would like to quickly take everybody through that and then your questions are also quite detailed, so I think subsequently also many speaker shareholders may have their answers with these questions I am answering. I think the 1<sup>st</sup> question that you asked was with regard to the Company has received the MPAP limit approval to produce manganese ore of 0.46 MTPA and 3.81 MTPA of iron ore. So, you had asked whether we need any further approval to do this volume or have already started working on these enhanced output. So we received these approvals during the last quarter February 2024 and we already have ramped up to these production limits. We are also happy to update you that with all the proactive measures in place, we have successfully achieved the pro-rata production of MPAP targets, that is 0.31 Million Tonnes of manganese ore and 1.968 Million Tonnes of iron ore during the last financial year itself. And we have continued the same run rate during the first quarter, which you can see from the financial results.

Your 2<sup>nd</sup> question was with regard to if we can mine manganese and iron ore to the tune of MPAP in FY 25 or will it increase gradually over the years and by when will we reach the MPAP? So answer to this would be, we should be able to mine at the MPAP limits available. Historically, we've always been able to achieve the MPAP production targets. If you look at our quarter one results, our quarterly run rate, is in line to achieve the annual production as per the MPAP limit.

You had asked another question with regard to Iron Ore, in case of iron ore, are we pursuing further increase of MPAP to 4.36 Million Tonne from 3.81 Million Tonne of iron ore and how much time will it take for approvals? Yes, we are actively pursuing the revision of our MPAP to the tune of our EC limits. The process has been good and we are hopeful that soon our efforts will crystallize. We will share a positive update on this subject as it happens in the next few months.

Then you had asked a question with regard to Arjas Steel Private Limited. We are acquiring 80% of the enterprise value of ₹3,000 crore. Who will be owning the remaining 20% stake and any plans to buy a hundred percent? SMIORE is acquiring 80% and the balance 19.12% is

being acquired by an entity in which the promoter is interested. The rationale was to keep the reasonable debt equity ratio in SMIORE.

Then you had asked regarding how much rough debt that the Company has as of FY 24 ? The Company is net cash positive or net cash surplus. As at FY 24 end the net cash balance was ₹819 crore. We have strengthened that further during the 1<sup>st</sup> Quarter.

Then you asked regarding how much cash will we be required to pay for this equity? How are we planning to fund? How much from internal accruals, QIP and debt? Rough estimates will be alright is what you had mentioned. So I'd like to answer this. We would need around ₹1,800 crore of funds. The funds will be raised by a mix of minimum 25% through internal accruals and balance through borrowings.

You had also asked with regard to key numbers of Arjas Steel for FY 24. Okay, with regard to that, FY 24 revenue for Arjas was about ₹2,700 crore plus , EBITDA margin was at about ₹300 crores and a moderate debt to equity ratio which is in line with the industry. The capacity utilization, considering the ongoing capex which would result in significant incremental capacity utilization for FY 2024 was in the tune of about 60% to 70% because there were certain shutdowns taken to implement the capacity expansion.

You had also asked that currently we are a net cash Company. In case we use the cash for acquisition and take more debt, what kind of peak net debt are we looking at approximately? At this point of time, it is difficult to quote a debt number but to answer your question, out of the total fund requirement, we intend to raise debt maximum to the tune of 75% of the fund requirement. We also are looking at new initiatives to ensure how we can lower our debt. We have already taken some initiatives towards this objective as you may know. It is difficult to quote an expected debt number for FY 25. However, it would be a modest number as compared to the industry.

You had also asked that Arjas Steel at capacity of 0.5 Million Tonnes per annum of specialty Steel production at our Arjas steel, how much iron ore it will require and full capacity utilization and are we planning to source it entirely from our Company or will Arjas buy from outside as well? And currently how much iron ore are we giving to them, if any? So to answer this question, we are not supplying any iron ore to Arjas currently. However, once the acquisition is completed, we will build some synergies around the same. Our long-term mining experience and presence in iron ore rich belt of the state will certainly help us to bridge the raw material concerns of Arjas either from SMIORE mines or mines in the Sandur region.

You had also asked another question with regard to production of Coke was only at 0.6 lakh Tonne against 2.44 lakh Tonne. What was the main reason for the sharp fall and what kind of production are we looking at in FY 25? What are the key parameters based on which we decide to ramp up or scale down the coke production. If it is only price, then above what level will generally ramp up the production? To answer this question, we are observing volatility in Coke business since last year, which is the main reason for lowering the production. We are closely monitoring the macro situation around the business. As soon as there are indicators showing a revival of business economics, we will ramp up the production.

You had also asked regarding ferroalloy. In case of ferroalloys also production has come down from 57,000 tonnes per annum to 28,000 Tonnes per annum. What were the main reasons for

scaling down the production? Here also, based on which parameters we decide to ramp up or scale down the production? To answer this question, I think during the last year, our strategic initiative to set up a renewable energy plant to the tune of 42.9 megawatt, which is 33 megawatt of solar and 9.9 megawatt of wind is helping us to be competitive in the business. However, as the ferroalloy business is closely integrated with the coke business, for its energy requirements and the coke business has been volatile and ramping up the production using traditional grid energy is not viable. So currently we are using our renewable energy completely for our ferroalloy production. We await the revival of coke business to ramp up our ferroalloy production.

So, you had also asked if coke production is lower in any year, can we buy power from outside and keep producing ferroalloys? Or one cannot make profits in ferroalloy if we use the power from any other source than renewable or waste heat recovery? To answer this, manufacturing using traditional grid energy is unviable for ferroalloys.

You had also asked regarding other expenses, royalties and taxes has gone up sharply from ₹154 crore in FY 23 to ₹276 crore in FY 24. The volume growth was not high. So, what led to such high growth in royalty expense? Has there been any increase in royalty by the government? So, to answer this, royalty is higher in FY 24 due to two reasons i.e., higher royalty, as we have moved some iron ore quantity to the port after paying royalty for exporting of iron ore. This is again a new initiative, after more than a decade we started exporting during January this year. other than that, higher royalty is observed because of increased volumes.

You had also asked how much is the current realization of each product, manganese ore, iron ore, ferroalloy and coke? As all these commodities are linked to international index and they are very dynamic, which we have been observing. Our realizations have always been similar or better as compared to our peers. I think I have covered all your questions and answered them.

**Hardik:** Yeah, thanks for answering in such a detailed way, just one last question regarding the recent Supreme Court order of taxes on mines from retrospectively since 2005, will there be any impact on our Company?

**Bahirji:** See this ruling of the Supreme Court of retrospectively levying taxes is limited to few states and state of Karnataka has not been a party to this., In fact, after the order, Central Government has filed a review petition in the Supreme Court along with the states to review the order. But generally, we don't see any retrospective impact on our Company.

**Hardik:** Okay, thank you for the opportunity.

**Ankitha:** Thank you Mr. Hardik Indramal Jain.

5. I now invite the 5<sup>th</sup> speaker, Mr. Manjit Singh to unmute yourself and speak. Mr. Manjit Singh?

**Moderator:** The said Shareholder is not attending, you can proceed to the next shareholder.

6. Okay, so, I now invite 6<sup>th</sup> speaker Mr. Anandu Vithal Nayak to unmute yourself and speak. I think he is also not available.

7. I now move on to the 7<sup>th</sup> Speaker Mr. Rohinton Batiwala to unmute yourself and speak.

**Moderator:** Same case, you can proceed further.

8. I now move on to our 8<sup>th</sup> Speaker Mr. Ayush Mittal to unmute yourself and speak please.

**Ayush:** Good morning, everyone. Wonderful to see you all again and it's great to participate at the AGM again. I've been a long-standing shareholder, and it's a pleasure to see the way Sandur has been growing from strength to strength. So, I think 7 to 8 years back when I started investing into the company or looked upon it, there was a huge legacy and resources which were available and finally we are seeing how our core team has been able to build upon those assets and skills the business up and now it's very exciting to see that with the acquisition what we have done. With the great talent we are able to attract to the Company, I think it's a very exciting journey that we are looking ahead. Also, first time I think we are going to raise equity after a long period of 10 to 15 years. So, I've already sent my detailed questions and maybe many points have been covered, so if something is skipped, maybe you can address them. Beyond that, can you please share some of your thoughts, like, I have seen that we have always held the equity at a very high level and not diluted it. Now that we are going to raise equity funds, your thoughts behind this decision and how will we create value from here and your vision for the Company for the next 3 to 5 years, if those things can keep at the centre, that will be great. And thank you for the Board of Directors. Saleem Sir, Uttam Sir and Everyone, thank you so much.

**Bahirji:** Thank you, Ayush for good feedback regarding our journey and how we have evolved over a period of time and specifically answering your question with regard to raising funds, yes we are raising funds for the first time like many other first-time initiatives that we have done in the last few years as you are observing. So, this is definitely a first time initiative for us and this is mainly with the intent to support and fuel our growth in the upcoming years to come. These funds will be utilised for the purpose of supporting our growth, maybe also managing our debt in a better way and also ensuring organic and inorganic growth opportunities which will support the Company to take the performance to another level altogether. Anything else you have specifically to be asked? because I think other questions were answered earlier.

**Ayush:** Most of points have been covered. So, coming to our iron ore scale up that we are doing, in the industry what we observed is that there was very good pricing till few months back and now the pricing has started falling very rapidly due to China issues and Indian issues also and then the Supreme Court order confusion, all those things came. Can you please tell us as to how the industry scenario is currently, what kind of average realizations are we getting? And, also as we are scaling up our volumes substantially, is the quality falling or are we able to Maintain quality, something around this will be very helpful.

**Bahirji:** Currently we have already scaled our operations, definitely we do expect slight variation in the quality. There will be, because of the volume increase, a marginal drop in the quality. However, from the marketing perspective and say the realizations and keeping a healthy margin, we should not face a challenge. Higher volumes will definitely help, as you would have seen even the performance of the first quarter has been quite good, but post that we know that we've been observing even internationally the prices have been coming down. However, this should recover in the time to come and we believe especially for India, the growth story is beginning to unfold and we expect a good amount of growth of the economy especially infrastructure requirement and with that, also our customers are scaling up to

significantly high levels. So, we expect that our products especially the ores to do well in the time to come.

**Ayush:** Any idea about the average realization that we are getting now in the market?

**Bahirji:** There is a marginal drop, no doubt it is in line with the international trend and also in line with the industry trend. However, we are on par or maybe better than our peers. But then with increased volumes by the end of the year, say Q3 & Q4, we expect hopefully better realizations to come so we should end this as a good year by the end of the financial year.

**Ayush:** And Sir, what about the something some commentary and insight about the other segments which have not been doing well for us? By when do you expect them to recover or re-come back to some kind of normal because they have been a huge drag like coke and ferroalloy, in both of these the productions are quite low and the market was bad, but what are the expectation on these segments as of now?

**Bahirji:** With regard to these segments, we are observing the market very carefully and this is again an industry wide trend that generally, similar producers are facing. But I think with the strategic initiative that we did last year of commissioning our renewable energy facility at least consistent volume of ferroalloy is being ensured. However, with regard to coke, we are taking a very cautious approach not to make losses or try to minimize that. Coke if it runs well then we get the power and we can also ramp up the ferroalloys. So, we are very carefully keeping a watch and hopefully in the times to come situations should become better.

**Ayush:** Okay, and Sir finally on the Arjas, by when will we start seeing it in our financials? By when will the consolidation start happening?

**Bahirji:** During Quarter 3, we expect to move in there. So, from then on we expect the consolidation to happen.

**Ayush:** Thank you.

**Bahirji:** Thank you.

**Ankitha:** Thank you, Mr. Ayush Mittal.

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

### **Closing remarks by Chairman**

Thank you, Ankitha. 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 this meeting.

Furthermore, I hereby authorize Bahirji Ajai Ghorpade, Managing Director, 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 52 Members participating in today's 70<sup>th</sup> Annual General Meeting. Thank you all for attending the meeting. I hereby declare the proceedings of the 70<sup>th</sup> Annual General Meeting of The Sandur Manganese & Iron Ores Limited closed. On behalf of the Board of Directors and Management, I thank each one of you. We will see you at the next Annual General Meeting. Please stay safe, healthy and happy. Jai Hind.

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