



The Sandur Manganese & Iron Ores Limited

TRANSCRIPT OF PROCEEDINGS OF 71ST ANNUAL GENERAL MEETING HELD ON WEDNESDAY, 17 SEPTEMBER 2025 AT 11.00 A.M. THROUGH VIDEO CONFERENCE

Announcement – Neha Thomas, Company Secretary & Compliance Officer

Good Morning. I am Neha Thomas, Company Secretary & Compliance Officer of The Sandur Manganese & Iron Ore Limited.

Welcome to the 71st Annual General Meeting of the Company.

Dear members, kindly note that the participants 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 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

Thank you, Neha.

Good Morning and a warm welcome to the 71st Annual General Meeting of the Company. I am T. R. Raghunandan, Chairman joining from the Corporate Office of the Company at Bengaluru. I hope all of you and your loved ones are safe and in good health.

This meeting is being convened through video conference/audio-visual means in accordance with various circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India. The Company has taken all requisite steps to ensure that Members are able to attend and vote at this meeting in a seamless manner. The Company has availed services of National Securities Depository Limited (NSDL) for conducting this meeting through Video Conferencing and enabling participation of Members at this meeting, remote e-voting and e-voting during the meeting. This meeting shall be deemed to be held at the registered office of the Company.

Members can view the live webcast of this meeting in their login page where EVSN of the Company is displayed. The proceedings of this meeting are being recorded for compliance purposes.

We have the requisite quorum present through video conference to conduct the proceedings of this meeting. The quorum being present, I call this meeting to order.

I now request my colleagues on the Board to introduce themselves.

Mr. S. Y. Ghorpade? Mr. Ghorpade, please unmute yourself and introduce yourself. We can come back to Mr. Ghorpade.

a. Mr. Bahirji Ajai Ghorpade

Good Morning everybody, I am Bahirji Ajai Ghorpade, Managing Director, joining the Meeting from the Registered office of the Company at Sandur. Thank you.

b. Mr. G P Kundargi

Good Morning everybody. 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. Ms. Latha Pillai

Latha Pillai, Independent Director and Chairperson of the Nomination and Remuneration Committee. I am joining this meeting from my hotel room in Portugal. Thank you.

d. Mr. Hemendra Laxmidas Shah

Good Morning everyone. 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. Mr. Mohammed Abdul Saleem

Good morning, everybody. I am Mohammed Abdul Saleem, Non-Executive Director, joining this meeting from my office in Bengaluru. Thank you.

f. Mr. Anand Sen. Mr. Sen, please unmute yourself.

Good Morning. I am Anand Sen, Non-Executive Director and Chairman of the Stakeholders Relationship Committee. I am joining the meeting from my residence in Mumbai. Thank you.

g. Mr. S. Y. Ghorpade. Sir, are you ready?

Yes, I am ready. Good Morning to everybody. I am S. Y. Ghorpade, Chairman Emeritus joining the meeting from my residence at Hosapete.

Thank you.

We have Uttam Kumar Bhageria, Chief Financial Officer & Chief Risk Officer and Neha Thomas, Company Secretary & Compliance Officer joining this meeting. The representatives of the Statutory Auditor, Secretarial Auditor and T. Satya Prasad, Scrutinizer, are also present at the meeting.

I now request Neha, Company Secretary & Compliance Officer to explain the general instructions regarding voting at this meeting. Neha, over to you.

Neha

Thank you, Sir.

As per the provisions of Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Company had provided remote e-voting facility to the members through NSDL platform to cast their votes prior to this meeting. The remote e-voting commenced at 09:00 A.M. IST on Sunday, 14 September 2025 and

ended at 05:00 P.M. IST on Tuesday, 16 September 2025. Members as on the cut-off date, i.e., 10 September 2025 is eligible to cast their vote on the resolutions put forth in the notice of AGM.

Members who haven't casted their votes through remote e-voting and are attending this meeting have the opportunity to cast their votes during the meeting as the e-voting window remains open for all members until 30 minutes after its conclusion. Members can vote at this meeting by following the detailed voting instructions provided in the AGM notice. Members who have already cast their vote through remote e-voting are not eligible to cast their votes again during the meeting.

The statutory registers and documents referred to in the AGM notice will be made available during the meeting for inspection as per request, if any, made by the members.

In case members face any difficulty, then they can reach out to the helpline numbers provided in the notice. Thank you very much.

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

Chairman

Thank you, Neha.

Dear Shareholders,

As we take stock of the financial year 2024-25, I am pleased to report that we have achieved great progress for your Company this year. Guided by our long-term vision and the trust you have placed in us, SMIORE has delivered robust results, met its strategic objectives for the year and set new benchmarks for performance. With each passing year, we renew our commitment to operational excellence and sustainable value creation, ensuring that SMIORE remains resilient, adapting well to changing industry dynamics.

Building on Our Strengths

Our mining operations remain our core strength. This year we significantly expanded both the scale and efficiency of this segment. In FY25, we crossed a milestone by receiving the enhancement of our Maximum Permissible Annual Production (MPAP) limits. Our manganese ore MPAP limit increased to 0.58 Million Tonnes (MT) and then to 0.599 MT, which has reinforced our position as India's second largest manganese ore miner and the leading private-sector miner in the country. In parallel, our MPAP limits for iron ore was enhanced to 4.45 MTPA. These expansions come on the heels of the landmark approvals received in February 2024, the benefits of which are clearly visible in our operational and financial metrics this year.

With all interim mining expansions concluded, SMIORE has, over the last two financial years, broadened its operational footprint. Today, we are the third largest iron ore miner in Karnataka, consolidating our position as one of the country's prominent private-sector merchant miners.

Strong Financial Performance

The impact of our mining expansion is captured in our FY25 financial results. SMIORE reported a Total Income of ₹2,011 crore, up significantly from ₹1,334 crore last year - a 51% increase year-on-year (YOY), driven primarily by higher mining sales volumes, particularly iron ore, due to the enlarged MPAP limits. Coke & Energy revenues held steady, while Ferroalloys saw some decrease. EBITDA for the year surged to ₹729 crore from last year's ₹402 crore, demonstrating an impressive growth of 81%. This reflects the higher contribution from our higher-margin Mining segment, partially offset by the continued challenges posed by the Ferroalloys and Coke & Energy segments. Profit After Tax (PAT) stood at ₹445 crore, registering a significant 87% YOY growth.

At the Consolidated level, following the successful integration of Arjas Steel from November onwards into the SMIORE family, our Total Income grew to ₹3,212 crore from ₹1,335 crore last year - an increase of 141% YOY. Consolidated EBITDA doubled to ₹862 crore from ₹403 crore, supported by a ₹135 crore contribution from Arjas Steel during the consolidation period of November 2024 to March 2025. Consolidated PAT reached ₹471 crore, up 97% YOY.

These results are a strong endorsement of SMIORE's core strategy of disciplined expansion, operational optimization and value-driven decision-making.

Value Creation and Redistribution of Profits

Our financial success is grounded in a philosophy that balances reward and reinvestment. SMIORE believes in creating value not just in terms of growth, but also by strengthening our balance sheet and prudently managing capital allocations. Even after the Arjas acquisition, we have maintained our solid financial position, owing to our disciplined approach to both investing and distributing profits.

Taking into account this year's performance, the Board has recommended a final dividend of ₹1.25 per equity share for FY25, subject to shareholder approval at the upcoming Annual General Meeting. We will continue to strike a careful balance between rewarding our shareholders and reinvesting profits for further growth, always keeping long-term sustainable value at the forefront.

Completion of Arjas Steel Acquisition

We completed the acquisition of Arjas Steel in November 2024 on schedule; an achievement that marks the beginning of a new chapter for SMIORE. Post-acquisition, both management teams have focused on integration, working to maximize synergies between the two companies. Key initiatives include streamlining common functions, strengthening procurement strategies and completion of capital expenditure projects such as the commissioning of a Garret Coiler and a solar energy facility at Arjas' Tadipatri site.

We are also leveraging SMIORE's operational experience to provide strategic direction as Arjas pursues new growth opportunities and efficiency improvements. The integration is progressing well, and we expect to see increasing benefits from this consolidation going forward.

Greater Access to Capital Markets

Another important development in FY25 was our successful entry into the debt capital markets. SMIORE completed its maiden issuance of Non-Convertible Debentures (NCDs), raising ₹450 crore at

favourable terms through a private placement. This achievement demonstrates market confidence in our financial fundamentals and provides us flexibility for future growth.

In tandem, we were pleased to receive a credit rating upgrade from CRISIL in March 2025. Our long-term rating improved to 'CRISIL A+/Stable' from 'CRISIL A,' which highlights the Company's strong balance sheet, prudent financial management and resilience, even post the Arjas acquisition.

Strong Foundation for the Future

The favourable operating environment we are now entering promises additional opportunities. With the mining expansions now fully operational, FY26 is set to benefit from enhanced capacity right from the start - giving a strong platform for further growth in iron ore and manganese ore volumes.

Our ancillary segments, Coke & Energy and Ferroalloys, which faced headwinds in recent years, are showing signs of revival thanks to targeted strategies and market stabilization. The timely completion of key expansion and efficiency projects at Arjas Steel ensures we begin FY26 with new capabilities and momentum.

With all these factors at play, we remain confident in maintaining our leadership position, while capturing new opportunities in India's metals and mining industry.

Commitment and Gratitude

Everything we have achieved and all that we aspire to become, is rooted in the trust, dedication, and resilience of our stakeholders - employees, investors, customers, regulators, and communities. Your continued support is the bedrock on which SMIORE stands.

As we look forward to FY26 and beyond, we reaffirm our commitment to creating value through growth, integration, and sustainable business practices. Together, let us shape a future that is brighter, more responsible, and inclusive for all stakeholders.

Thank you once again for your continued support.

Thank you all.

Ladies and Gentlemen, as you are aware, the 71st Annual Report of the Company is designed with the theme, "Scaling New Heights Through Integrated Excellence" which aptly reflects the Company's journey from merchant mining to an integrated metal ecosystem through ambitious expansion guided by strategic foresight, while always staying true to the Company's core values. The Annual Report has been sent through electronic mode to those Members whose e-mail addresses are registered with the Company, RTA or Depositories. Furthermore, a letter providing the web-link, including the exact path, where complete details of the Annual Report is available was sent to shareholders whose email address was not available. The Annual Report is also made available on the Company's website. The physical copy of Annual Report was made available to those Members who have requested for the same. With your permission, I shall take them as read. I hope that this year's Annual Report has been an enjoyable reading experience.

The Statutory Auditors' report on standalone and consolidated financial statements for the financial year 2024-25 forms part of the Annual Report. The report by the Secretarial Auditor is enclosed to the

Board's Report. As none of these reports contain any qualifications, observations or remarks which may have an adverse effect on the functioning of the Company, the Auditors' Reports are taken as read.

As the Notice convening the meeting is already circulated to the Members, I take the Notice as read.

Now, we will open the floor for questions from the Members who have registered as Speakers for asking their queries at the Annual General Meeting. The queries shall be addressed by our Management Team, led by the Managing Director.

I now request Ms. Neha Thomas to take it forward. Over to you Neha.

Neha

Thank you, Sir. We will now commence the Q&A session.

In order to ensure smooth interaction and participation, I will call upon the pre-registered Speakers, one at a time. Speakers may turn their video on while asking questions or seeking clarifications. In case any Speaker is facing a technical problem with the video transmission, they can ask their questions through audio mode. Speakers are requested to mention their name, folio number and location.

Speakers are requested to restrict their questions to the matters being transacted at this meeting and to keep their comments brief and avoid repetition of questions. Speakers are requested not to disclose any sensitive personal information or personally identifiable information belonging to you or any other persons that has no bearing on this meeting.

With that,

1. I request the 1st Speaker Mr. Praful Chavda to unmute and go ahead.

Praful: Hello, am I audible?

Neha: Yes sir, you are audible.

Praful: Thank you, Sir, Chairman Sir and Board of Directors and my fellow shareholders. I am Praful Chavda from Hyderabad. The Chairman's speech was very informative, pertaining to the growth of the Company and I would like to thank the Board of Directors for the same. The Company has achieved more than ₹2,000 crore total income, EBITDA of ₹729 crore, Profit After Tax at ₹445 crore because of the directions of the Board of Directors, employees and marketing team which in turn is fetching us good returns. On behalf of all shareholders, I would like to thank for the good work you all are doing. Apart from this, you have provided the history of the Company on Pg. Nos. 24-27 which is a very good presentation. Secretarial department has presented well and provided the complete history of the Company for which I would like to convey my thanks. Also, on Pg. Nos. 34-37, there are images of stones and information on mining which I could not understand. So please explain on this. And I request you to arrange for a unit visit for the Speaker shareholders who support you.

Sir, I have read in the Newspaper that the production level materials coming from China has reduced. So, are the Company's products getting sold adequately or are we importing from China, whether the Company is dependent on China, please mention. CSR is very good Sir. Education is being provided through CSR. What are you doing for water storage? As there is water storage in

the world, what measures is the Company taking to conserve and store water? Venture Capital provides very good service. I wish happy festivities to all and thank you Sir.

Bahirji: Thank you, thank you Praful ji, you have given us good feedback about the Company, we as a team is making efforts in taking the Company forward and you had enquired about mining limits, our production has increased when compared to last year and as per our maximum permissible annual production limits that we received for iron ore and manganese ore are the basis of our production. Further, we are not involved in any business with China and our mine products are being manufactured and sold in India and there are no projects that are going on currently. Earlier there were projects where we used to get products from China like machineries for Coke oven and currently, we do not have projects that has any dependency on China and so there is no risk or anything there.

Neha: Thank you.

2. I now request 2nd Speaker Mr. Kamal Kishore Jhawar to unmute and speak.

Moderator: He/ she has not joined the meeting.

3. **Neha:** Okay. So, we'll move on to the next speaker. I request the 3rd Speaker Mr. Ayush Mittal to unmute and speak.

Ayush: Hello, Good morning. Am I audible?

Bahirji: Yes Ayush.

Ayush: Good morning, everyone, all the Board members and the present members, its pleasure to be part of the AGM yet again. We have been long standing shareholders of the Company, and I really appreciate the way the Company has grown and built upon strengths over the years. We always had so much of value and finally it's great to see that the mining approvals came in and we have quickly expanded our production in very quick time. So, congratulations to the management on a very good performance this year. I've already sent my questions to the management. If you have it, I will not repeat them for the interest of time, and I would appreciate if you can answer them in detail so that all the shareholders get some insight on how the operations are going to be for the coming year.

Bahirji: Thank you, thank you.

Ayush: And also from your perspective, as how do you see the Company evolve?

Bahirji: First of all, thank you, thank you for the kind words and appreciation about the performance of the Company and how we have structured ourselves. I have your questions with me. So, I would like to take everybody through the questions and answers to them, and I think you have quite comprehensively covered various aspects which I think will give a lot of understanding to everybody and bring in a lot of clarity. So, first you have asked about the iron ore production and operations. So you have asked what can be the total volumes that we will do in FY 26. So, as you know from our past experiences, we have been always successful in achieving our maximum permissible annual production approval limits and even though the approvals were received towards the end of the previous year, we were able to ramp up and achieve the production. And for the

current year also we are confident of achieving the maximum permissible annual production limit of about 4.45 million tons for iron ore and it also is clearly visible from our Q1 numbers which we have published through our investor presentation and shared the information to the shareholders.

So second question was with regard to the quality of ore, which we are getting in the expanded operations. How is the quality compared to the output in the past? Will we need beneficiation? This is a very important question you have asked. The average grade of iron ore is quite consistent with the grades of last year, even with the up increased production limits, we don't foresee setting up a full-fledged beneficial plant in the future. However, we are exploring different strategic possibilities, like we are setting up a washing plant to support some small variations in the grade, especially in case of iron ore lumps so that we could enhance certain quality and also certain properties which will make our customers buy and suit their operations. We are also exploring operational efficiencies and opening up of new pits and sections to minimize grade variations and planning our operations carefully so that we keep up the grades and also optimize on our overall production.

The third question you asked is with regard to iron ore pricing trend for us. For the current financial year, the iron ore price has seen a positive trend as compared to the previous period. Of course, last few months since June have had certain external challenges. However, the price has held up and it's quite robust. And this is also reflected in the price hikes as announced by the leading iron ore producers. Our realizations are also in line with the industry. The Company publishes its quarterly realizations in the investor presentation for the shareholders to assess the Company's performance and bring the transparency in its disclosures.

The fourth question you asked was with regard to iron ore, how much of iron ore will be used internally? One of the key benefits that we have already realized of our strategic business investment in Arjas was to ensure seamless supply of one of the most important and major raw materials iron ore, which Arjas procured from the Sandur region. To action this plant, we have started supplying iron ore to Arjas. Currently, the supply is in the range of 25-30% of the Arjas requirements.

So, the fifth question that you asked is with regard to what's next for our iron ore businesses. The iron ore business has been the core of our operations. We have been strategically building a roadmap to explore all possible ways to maximize the same. Strategic business acquisition of Arjas was a step towards it. In the coming period apart from such inorganic opportunities, we are also pursuing opportunities of horizontal expansion by way of increasing the current capacities in line with the overall approved permissible production for the Karnataka region including the three districts, Ballari, Chitradurga and Tumkur in line with the rising demand and available resources. We will share the update and detail soon to crystalize it. However, you may have observed, even in the second lease where we used to operate only Manganese ore and now, we have got approval environment clearance even to mine iron ore. So, these are all the additions we are doing and we are also working how could we increase our iron ore limits from the current leases. So, which details we will provide in due course of time.

Next, you have asked questions regarding our manganese ore segment. The first question you have asked is that we have done a lot of production, but sales has not happened yet with regard to manganese ore. How do we plan to realize the inventory?

While production has been robust sales have progressed at a slow base. However, with healthy inventory levels in place, we are focusing on accelerating market route reach and aligning sales with anticipated demand to ensure smoother offtake. As on that we have been able to have a double-digit growth from our new customer base. For the current period around 10% to 12 % of our sales is from our new customers and we are already observing in Q1 and Q2 this year the Manganese ore sales numbers have gradually picked up. Last year there was a challenge because of market factors. However, there seems to be stabilization, and the market again is getting back, and we are seeing increased sales numbers during this financial year.

Ayush: Sir, on this can you share what is the realistic absolute quantum of a sale that we can do in manganese ore? For example, the kind of approval we have got, this is a multi-fold jump versus what we sell in the market. So, can you give a tentative aim like can we do, 2 Lakh tonnes sale or something like that number or something on your mind, what you're looking at?

Bahirji: We keep doing our internal studies and we have been in the past, historically sold about 2.8 to 3 Lakh tonnes including supplies to our plant annually. However, we see there is a good possibility going upwards of 4 Lakh tonnes per annum and we are working towards it. And we are also trying to see how we could enhance our captive consumption, at the same time as some of us may be aware here, our manganese ore is special because we have ultra low phosphorus content in it. So, even if there is high grade imported or which the customers buy from imported sources, our ore gives a lot of properties, which is very important and this is how our customer base has developed, over decades. So, definitely we are positive and we are working towards it and we see good increase in numbers, and it will be gradual but I'm sure we will be able to do well there.

With regard to your second question in the manganese segment, given that we have unique kind of manganese ore in our mines and the demand for that ore is not much in India. How do we plan to sell our production without Ferroalloy scale up?

As I just now mentioned that we are seeing slow progress and growth, which I think in due course of time we will see those results.

Third question with regard to the manganese ore segment, going ahead, what sale volume can we expect in FY 26-27?

What will be the internal consumption? I think I have answered that with regard to the ramp up. So, we are positive and we are positive of possibly selling upwards of 4 Lakh tonnes and we are trying to maximize it.

Ayush: Sir, just a clarification, 4 lakh you mean external sale?

Bahirji: Yes, right.

Ayush: Thank you.

Bahirji: And we are also trying to maximize internal consumption.

Ayush: Yeah, because our Ferroalloy production was subdued so as it will increase, we'll get to use a lot of it internally, I believe.

Bahirji: Correct, correct. And our internal consumption also is expected to be robust because.. of your questions with regard to the Coke and Ferroalloy segment which you have asked the next question.

Ayush: The overall production of manganese ore what can it be including the internal consumption, will it be full limit that we have got?

Bahirji: We are operating at full limits. Yes.

Ayush: Wow, that is fantastic. Great.

Bahirji: So now coming to the Coke and Ferroalloy segment these have gone through a bad cycle where are we currently in the cycle? That is a very interesting question you have asked. Yeah, last year and prior to that we definitely faced tough challenge in terms of the Coke market, especially the imported coke coming into the market at very low prices. But then the Government I think also realised. We are interacting with the Government, and we keep getting the inputs and there is a quantitative restriction that is in place now. Initially, it was put for six months and that has been extended up to end of this year up to December. So, in a way happy that the Government is cognizant of the hardships that the industry faced and is facing and proactively taking the measures. The quantitative restriction and its extension are example of the same. We however feel that coal and coke have and will see fluctuations. We however feel that there was a period when we had exceptional numbers in the past, as you are aware. But yeah, we see that there will be challenges that we have to face and right away, we would be able to manage these fluctuations with the right kind of strategies, and one such strategy is, we have entered into a conversion agreement with the customer with the Company who is converting coal and supplying to various industries. So that brings in lot of stability in the operations. We have implemented that, and you could see the loss coming down from the coke operations significantly as compared to the last financial year and this consistency in the coke operations also means that we will get continuous power for our Ferroalloy operations. So, we have progressed quite a bit. So, and this power coupled with the renewable energy, we are aiming to maximize the ferroalloy productions which is happening.

Now coming to Arjas, you have covered quite a bit of... quite a lot of interesting questions that you've asked.

First question is with regard to where are we in terms of integrating the expansion and turning around Modern steel. So, first of all, giving a broad overview of the alloy steel market in India. It is a 6 Million Tonne market on a yearly basis. It is projected to grow in the range of 6-7% year on year. The alloy steel required is across various business segments, across automotive industries, including electric vehicles, the railways, including metro and other projects, wind energy, agricultural equipment, tractors, defence and machinery manufacturing industries. So, Arjas steel which is in the business of alloy steel production with the capacity about of about half Million Metric Tonnes of manufacturing long steel in the size ranges of 16 mm to up to 85 mm dia, is having a market share of about 20% to address alloy steel market. Arjas steel during the current year has commissioned a Garrett coiler project and it is in the progress of commissioning the ingot casting facility too. This will expand the market reach and broaden the product portfolio. We are also looking at increasing the share of value added products, which will also carve out a niche for us and make us different from the larger commodity steel manufacturers. So, Arjas steel manufacturer, alloy steel through its two plants through the blast furnace and the electric arc furnace route and is generating an EBITDA in the range of about 12-14%. So, Arjas steel also has its advantages having

both the routes. With the blast furnace route, Arjas steel is able to manufacture about 3.5 plus Lakh Tonnes of alloy steel in its Tadipatri plant. And then the electric arc plant up north in Punjab is again an important part of Arjas Steel because it is a steel which qualifies for the green steel. And also, there is a huge amount of push where customers are looking towards steel which is manufactured through a greener route. Going forward, Arjas should maintain its EBITDA margin with the potential upside of 200 basis points. This will be supported by modernization of equipment, continuous cost optimization initiatives, focused on value added products and process improvements.

Given where we are today, what is our aspiration of the Company for the next two years?

So, we, as I told you, we are looking at first of all, I think the last ten months this journey has been quite good integration and has happened quite quickly I must say. First of all, from the point of view of the raw material sourcing and supplies and integration from the point of view of optimizing the alloy steel production. So, we are quite confident that I think our ten months experience has been that this is the right kind of industry that we have got into and we are confident that we are able to carve out a niche and also focus on lot of value added products and Arjas should and has and is proving to be a very strong thing that we have done for us to go for us to go forward in the future. I think broadly I have covered all your questions.

Ayush: Yes Sir. Thank you so much. A couple of more questions on this, like Arjas, I think when we acquired it was at this broadly this turnover what we are doing today and we were doing some expansions so quantitatively can you give us some kind of number like once those expansions are done, where what kind of numbers can Arjas do in this current year and in two years? On the operating side you mentioned about 200 basis point which is about 12-13%. Is this what we are aiming for?

Bahirji: Yeah, I think we should be able to do that. We are trying to maximize that further and Arjas Steel - our experience is that, I've been also trying to understand the market well, meeting a lot of customers and getting the feedback. It has its very good name and reputation and coming from the background of Geltron steel, who had established the plant, the processes, the way it has been done I think is quite good and it is on a good platform for us to scale it up further. We are working very actively to take this forward and hopefully we will come out with a further announcement soon. How do we plan further expansions and further increase in the market share. How can we try to increase the kind of products we cater to such as increase in the type of products we manufacture such as increasing the dia of the products or increasing the grade of the products, the capability of Arjas could expand to manufacture furthermore grades which I think will be a very good upside to the Company and we are well on our way and the team is very good there. That is another big positive which I am observing.

Ayush: Okay, and what about the debt reduction plans for both the Arjas and Sandur on a standalone basis? What are we doing on that front?

Bahirji: We are working towards it, Ayush. We will come back with the details in future. We are, as you know, we are also working towards the QIP so there are various options that we are evaluating. We will give the details in the upcoming times.

Ayush: Okay, thank you.

Bahirji: Thank you.

Neha: Thank you. I now invite the 5th speaker Mr. Vijay Kumar Saraf to unmute and speak. Mr. Vijay Kumar. Yeah, we can hear you Sir.

Vijay: Sir I have also sent you a mail for the list of questions. Have you received it? So, I don't have to repeat the same.

Neha: Vijay Sir you can actually repeat the questions because we haven't received those.

Vijay: Okay. So Sir, some of the questions are kind of follow up questions from the previous Speaker. So, on the manganese ore side, like you have mentioned that the inventory has gone up, But, there's also some captive consumption and we are unable to understand how much would be the captive consumption from this. So, if you can just highlight, you know, between the difference in production and sales, is there some amount which has gone for captive consumptions in the federal segment and what would be the inventory currently?

Vijay: Sir, can you hear us?

Neha: I can hear you Sir.

TR Raghunandan: Bahirji?

Neha: Bahirji Sir?

TR Raghunandan: Has he dropped off?

Neha: Yes Sir.

Uttam Kumar Bhageria: Yeah, just checking.

Neha: There might be some. Yeah.

TR Raghunandan: Yeah, he's back.

Bahirji: Yeah, there was a technical challenge, I've got back. Can you hear me?

Neha: Yes. Yeah, Vijay sir, can you just repeat your question once?

Bahirji: Neha, I heard his question but then I could not speak, so that's okay.

Neha: Sure, Sir.

Bahirji: Yeah, I think he asked about Manganese ore inventories that have gone up. So, as I answered even when the previous speaker asked about the same. So, we have worked on acquisition of new customers. At the same time, we are also experiencing increase in the sales volume in the Q1 and now in the Q2. So, we are looking at a market revival. At the same time Mr. Vijay also asked regarding our captive consumption. So now this year, we are experiencing increased production in ferroalloys too because we are operating both our two furnaces because of which our coke oven operations also being stabilized and the power from renewable energy. So, with two

furnace operations, we expect about 55,000-60,000 Tonnes of captive consumption of manganese ore in this year.

Vijay: Okay and sir last year how much would have been the captive consumption?

Bahirji: See last year, most of the year we operated just one furnace because, only using the renewable power and we had to operate coke oven at very low volumes because of the challenging situations we faced. So last year the captive consumption would be half of what we are doing now. So last year was a challenging year for coke and ferroalloy operations.

Vijay: And sir, just continuing the same points while you have already addressed some of them in the previous one. So, on the coke side, you have mentioned the production numbers which look very low, but also you do some amount of contract work last year. So, we are unable to figure out what would have been the actual effective production from the plant either for own or for under contract agreement and what would have been the capacity utilization last year. So, if you can just help us understand that.

Bahirji: See last year we were operating coke oven at a lower capacity mainly to take care of the asset and also meet the market requirements. However, this year we are operating our coke oven at half our capacity, and it is mainly through the contract manufacturing that we are doing. So, this has provided stability in terms of coke operations and also stability in terms of power generation, which we use it for the ferroalloy production.

Vijay: Okay, so even this year sir, coke oven is only at 50% utilization, so beyond the conversion agreement we are not operating it at all, is it?

Bahirji: We are not operating it. In future we will explore options, and we are continuously doing that - how could we ramp up. However, one good thing that I mentioned is that the quantitative restriction that has been imposed by the Government of India since January this year and this has been extended up to December, so that has definitely provided a certain stability and also there is a good amount of demand. So, we are assessing our options, so I think in the next few months we will come up with what would be the best way forward.

Vijay: Sir, sorry to again you know ask on this but you know with the quantitative restrictions already in place and we anyway have the benefit of both own waste based power plant associated with it as well as the renewable energy power. So, then I wonder we should be one of the most efficient producers of coke in India and then why we are unable to produce and sell.. (inaudible)

Bahirji: You know regarding this in coke oven operation, the most important cost is the cost of coal that goes into it. And currently the situation is almost hundred percent of the raw material is the imported raw material. So, using that raw material and then producing coke, there will be definitely a challenge as compared to the coke coming from Indonesia and other countries. They are supplying it at extremely low prices. So, competing at those prices is definitely a challenge. So that's where we are working towards it how to optimize on that but there is a challenge there.

Vijay: Ok and sir, with this conversion agreement, how's the profitability? Will it cover all our costs and can you give some revenue number? What will be the revenues or profits from this we can expect this year?

Bahirji: The conversion agreement is it gives lot of stability, definitely covers our cost of operations and also definitely there is some margin which is available. But other than that, we get insulated from the fluctuations of the market with regard to the coal prices. So, the party converting with us, they supply the coal to our plant, and we convert it back and then they have various ways to either consume or supply to different customers. So, but the most important benefit that we get is the power also that gets generated and that gives stability to our ferroalloys.

Vijay: So, I think the first quarter presentation mentions around Rs.10 crores of revenue from contract agreement. Plus, you have mentioned about issues in the first quarter in terms of some production issues in June and contract itself starting sometime later in April. So, should we see like Rs.70-80 crores revenue or EBITDA from this segment this year?

Bahirji: See, ferroalloys and coke combined we will be able to do well, and first quarter was a stabilizing quarter. However, second quarter onwards we should do well there.

Vijay: Okay okay. Sir, just one point on Arjas Steel, so we are currently doing a quarterly run rate of around just below 1 Lakh whereas we have a capacity of around 1.5 Lakh on a quarterly basis broadly around 6 Lakh per annum. So, is this already an optimum utilization given the product mix or you think we can do much higher production there?

Bahirji: So, with the current facilities we are unlocking whatever headroom is there. Arjas Steel plus Modern Steel, we should be around 4.5 Lakh Tonnes per annum. Oh, we are doing that.

Vijay: Okay, so no incremental production possible at least in the current scheme of things, is it?

Bahirji: See, there are certain projects which we have implemented, and which are getting commissioned and have got commissioned now in the last this month and previously. With that our volumes from blast furnace are expected to go up and we are also implementing facilities like ingot casting, where we will consume some of the hot metal and produce additional volumes and ingots also is an interesting market to be in. Other than that, we have commissioned our Garret coiler, and we are also commissioning our acid pickling line which will also help us in producing value added coils which will come up in the subsequent months and which will also help us enter sectors like the CHQ market. We are working towards it. So, and also, we are working towards the next wave of growth. What should we be doing there, which we will come up with the announcements in due course of time.

Vijay: Okay, and sir so can you highlight something more about this Garrett coiler capacity you have spoken about? So, any revenue or incremental revenue, how much would be possible or how much profitability can this add to in existing of our business?

Bahirji: In terms of volumes, we should be able to do 2,000-3,000 Tonnes, but it will take some time to ramp up as you know, the automotive industry and the alloy steel industry takes some time for the OEM approvals which we will be getting and doing and I'm sure we will be able to add different kinds of grades and lots of possible grades and value addition options which we are working on, which should happen in due course of time.

Vijay: Okay. This is monthly 2,000-3,000, right?

Bahirji: Monthly 2,000-3,000 Tonnes, we are working towards it. Out of the present say 27,000-28,000 Tonnes that we are doing.

Vijay: Okay, and, and how much is the Capex we have done for this?

Bahirji: Capex, Uttam you can give the numbers.

Uttam: Garret coiler?

Bahirji: Yeah.

Uttam: It was in the range of Rs.70-80 crores, which has got implemented from last 1.5 years. 18 months this project was running, and we were successfully commissioned in the February and March this year.

Vijay: Okay okay. So, that's reasonably significant, so this will have a high ROE or low payback period, is it? Any numbers you can share on that side?

Bahirji: So, we expect that see along with that we also did the KOCKS block which again is definitely helping us and a lot of customers have been asking for steel which are coming out of the KOCKS block. So, KOCKS block plus Garrett coiler and the other value addition that we are doing should definitely give us good upside in terms of revenue and payback also should be good.

Vijay: Sir, just last point on the pellet plant and the Iron ore beneficial plants, so as of now we are not going ahead with either of them, is it?

Bahirji: See as of now, as I mentioned earlier, we are putting up a washing plant mainly to do some minimum beneficiation and mainly wash certain kind of ores to get the benefit of grade increase for iron ore, but we are going slow on the decision with regard to the beneficiation plant because even with certain possible drop in the grade, we see that the market for iron ore is definitely stable and is going to do well. So, we are mainly working on enhancing our volumes and keeping up the grade, which is happening. So, if we are able to do that, then we will be able to do the direct sell sales in a better way.

Vijay: Okay, okay, that's all from my side. Thank you very much sir.

Bahirji: Thank you. Thank you.

Vijay: I'm wishing you all the best sir.

Bahirji: Thank you, Mr. Vijay, thank you.

Neha: Thank you, sir. I now invite the 5th speaker Mr. Karthik Bhat representing Mrs. Jayalaxmi K Bhat to unmute and put forth his questions.

Kartik: Yeah, I hope I'm audible.

Neha: Yes sir, you are.

Karthik: Thank you, thank you for giving me this opportunity. Good noon to all the gentlemen all board members present. Most of my questions have been answered. They have been covered by other previous participants, so just one quick follow up on Arjas actually, so I think what kind of numbers can we look at for FY 2026, I mean on a full year basis, can we look to exceed the top line posted in FY 24 for full year FY 26? Is that something that we can look at or if you can just share some thoughts?

Bahirji: Karthik, thank you for your question. We can look at say Q1 numbers possibly extrapolated for the entire year. So that is what we should look towards for the performance.

Kartik: Okay, sure. Thank you so much and best wishes for the coming years.

Bahirji: Thank you, thank you.

Neha: Thank you, sir. Now I invite the 6th speaker Mr. Himanshu Anilbhai Trivedi to unmute and speak.

Neha: Yeah Mr. Himanshu, can you unmute yourself?

Himanshu: I am audible?

Bahirji: Yes, you are audible Mr. Himanshu.

Himanshu: Good afternoon, respective chairman, TR Raghunandan and other Board of Directors. Myself Himanshu Trivedi (inaudible). First of all, thank you to our Company Secretary Neha Thomas, who is sending us the hard copy of the Annual report which is easy to follow easy to understand. So, I am thankful to you and entire secretarial team. Report is nicely prepared all the components are covered in the Annual Report. I don't have much question because I have full faith on the Board and they're working. Sir I support all the resolution items. Sir, I have sent all my questions well in advance to save the time and give the opportunity to the other speakers, Sir still I have a few questions. What is the market share we have in domestic and international market? What would be the profit selling ratio coming financial and how many new products are coming in current financial. I wish good luck and bright future for coming financial year. Thank you. Sir, I request the Chairman sir to please call gathering after all question give the answer in the last there are so many companies doing this type of business, so I request you sir. Because simultaneously so many meetings coming up. So I'm very (inaudible). Thank you, sir.

Bahirji: Thank you Himanshu for your questions. You have shared your questions well in advance. So, I would like to answer your question with regard to what is the market share in the national and international market. Our Company is the second largest manganese ore miner in India and the third largest iron ore miner in Karnataka. The Company predominantly sells its products in Indian market catering to the steel manufacturing companies. The Company has, approximately 14-15% market share of manganese ore while iron ore is in the range of, about 1.5-2% of the total production of iron ore that happens in the country which is about 290 Billion Tonnes. In case of specialty steel with regard to Arjas, it is capturing approximately about 20% of the addressable domestic alloyed steel market and minimal sales to international market are happening. Anything else you wanted to know Himanshu?

Neha: Sir, Himanshu Sir, is there anything else that you would like to ask?

Himanshu: No, No. Thank you, everyone.

Bahirji: Thank you, thank you.

Neha: Thanks a lot. I now invite the 7th speaker Mr. Manjit Singh, to unmute and proceed with your questions.

Moderator: Ma'am, he or she has not joined the meeting.

Neha: Okay. Sure. We'll move ahead. I request the 8th speaker Mr. Prabhjoth Singh Sahni representing Mr. Kanwar Singh Sahni to unmute and speak

Moderator: He or she has not joined the meeting.

Neha: Sure, I now invite the 9th speaker Mr. Hardik Indramal Jain to unmute and speak.

Neha: Sir, could you unmute yourself?

Hardik: Am I audible?

Neha: Yeah Sir.

Hardik: Good afternoon. I am from Mumbai. Congratulations for good set of number and my special congratulations to Mr. Bahirji for making this great turnaround and integration of the Company. So, our Company has got great mining resources and for quite long period of time our balance sheet never showed this valuable asset in market cap. So, I'm sure our strategies are paying out and monetization of our assets in right way is taking place. I have few questions in my mind.

Bahirji: Okay.

Hardik: So, what is our integration in future. So we have to expand in Arjas steel over a period of time. I'm sure management has considered these factors and taken (inaudible). So how, and what would be the next level of Capex for Arjas steel over a period of time? Say today our EBITDA on consol level would be in the range of say 1,000 crores and then we have to leverage the manufacturing to monetize our resources as far as mining is concerned and we have to get full integration kind of thing. So post these 5 Lakh Tonnes manufacturing in alloy steel, we need to invest more money to bring a scale in this Company. And then probably we will move to next EBITDA level also next EBITDA zone. So what would be the landmark Capex for that? If you can give us some highlight on this.

That's one thing. Secondly, our manganese ore products are quite old. Again, there also we need expansion over a period of time because if we, we are like 4 Lakh tonnes 4.5 Lakh Tonnes right now we are selling, but there is hardly backward integration kind of thing because 50,000 to 60,000 Tonnes is going into manufacturing. So what are the plans? I mean long term plans, not right now, but after two years or so. So today our balance sheet is generating say 1000 crores kind of EBITDA so this is first time in our history and obviously then we have to scale our manufacturing. So, if you could have some, if you could share some of your broader plans, say in five-year terms or seven-year terms, that would be great. Thank you so much and once again congratulations to the Board and thank you.

Bahirji: Mr. Hardik, first of all, thank you for your best wishes. I would like to talk firstly about Arjas Steel and the question that you have asked. So now it's been about ten months since we have completed the acquisition and worked on integration and there were also certain projects that were ongoing mainly to unlock certain opportunities and process improvements that add value addition opportunities that were available which have been ongoing and which are nearing completion and the benefits of which we will see in the in the next days or months to come.

So, you asked regarding how do we go with Arjas further? We are definitely working towards it. We are evaluating what are the options we have. One thing I can confidently tell you is that it is the right kind of Company which has got integrated into our group and we are in the right kind of products also because we are into a niche segment not competing with the larger commodity sort of a setup. So, our focus will be value addition getting into and being in specialty kind of products, which we will work towards and we are working also towards scaling up but what would be the volumes and what would be the Capex, I think will take some time for us to come back on that because we also need to parallelly evaluate the kind of technologies to use considering the future, mainly in terms of things like looking at greener steel or factors with regard to avoiding the.. keeping the pollutions and this thing within the control. So those are certain factors and apart from that value adding. So, we will come back on that.

And second question you asked is with regard to manganese ore and our manufacturing facilities. Our ferroalloy furnace we refurbished only about 4-5 years ago. So, though our assets are almost 50 years old however, they have undergone refurbishment and they are in a decent shape. So, we may not we do not envisage any major Capex on that front, and we only want to maximize and continuously operate our units and supply manganese ore on consistent basis to get the benefit of the operations.

Hardik: Fair enough. Thank you so much.

Bahirji: Thank you. Thank you, Mr. Hardik

Neha: Thank you. I now request the 10th speaker, Mr. Ratanben Ambalal to unmute and speak.

Neha: Sir, could you unmute yourself and speak?

Ratanban: Hello sir, Am I audible.

Neha: Yes sir.

Ratanban: Sir first of all I would like to thank our young and dynamic Managing Director, who is answering all the queries of the shareholders with patience and has taken the Company to the next level with his dynamic vision and I feel the Company will definitely take next level growth with the young and dynamic leader who is willing to take up risks and take our Company to the next level.

Sir, my question is that the manganese ore, iron ore, and in value added ferroalloys and in steel because of the world level situations the metal prices are increasing, China issues and even after US imposed taxes, and what I feel is that when China gets strong, the entire metal industry is affected and what is your view on our manganese and iron ore's possibilities in future and

ferroalloys production requires huge power cost and what is our thought on it? And sir our dividend policy is very less and please consider making some improvements and increase shareholder's value, you have declared bonus but please consider dividend also, I wish we get huge investments and our growth is improved and wish you all the best for future. Thank you.

Bahirji: First of all, thank you for your best wishes and you mainly spoke on iron ore, manganese ore and also on global situations.

One is the global situation, second is the Indian situation which is something unique. See, we are a country which is developing and looking towards developing quite fast, and we also have a good push from the Government increasing steel production. There is a vision of the Government to reach 300 Million Tonnes of steel by 2030. Now we are also seeing the push towards mainly manufacturing and core manufacturing. So with this, we feel that the situation in India, its inherent inbuilt demand is going to be strong and we are looking at development in all various sectors, be it infrastructure or railways or other core sectors. So, we require the production of steel and be it alloyed steel for defence, etc., automotive also is expected to grow, and we are also seeing growth in renewables and which is which is very evident, looking at the announcements of the Governments and what is happening in the industry. So, we are quite positive on this front.

Ratanban: Sir at the world level the price is increasing, but our raw material costs are fixed, if our price are increased then it can lead to huge profits.

Bahirji: Correct and we are looking to as much as possible to use our own raw material, produce and go into downstream manufacturing. So, the benefit also will be furthermore. So that is the vision with which we are working and that's how acquisition of Arjas Steel has taken place and it has integrated quite well with our group.

Ratanban: Sir what is the plant capacity of Arjas Steel?

Bahirji: Arjas has two plants, one is in Tadipatri, Andhra Pradesh which is about 3.5 Lakh Tonnes and other one is in Punjab which can do about 1 Lakh Tonne. Say half a Million Tonnes of production when we add both the production plants.

Ratanban: Sir, dividend policies.

Bahirji: See last few years you know we have been taking you know various actions from the time we have done Rights issue, we did also a Bonus issue. We have listed ourselves on National Stock Exchange. We are now again doing the Bonus issue. We are also working towards QIP where we should get in well-known institutional investors. So, we are quite well aware and we definitely want to maximize the value for our shareholders which we are on the path and I take your point and we will work towards it and I'm sure you will see the benefits for the shareholders. And I'm sure in the last 4-5 years how we have done, definitely is evident in the industry.

Ratanban: Sir, last I want to thank the Secretarial team, they have coordinated well by sharing the links and other necessary documents. I thank the entire team for their support.

Bahirji: Thank you.

Neha: Thank you, Sir. I now invite the next speaker, 11th speaker Mr. Gaurav representative of Gaurav SUD HUF to unmute and go ahead.

Moderator: Ma'am, he or she has not joined the meeting.

Neha: Okay let us move ahead. I request the 12th speaker Mr. Anandu Vithal Nayak to unmute and speak.

Anandu: Am I audible and visible? Am I audible and visible?

Bahirji: Yes. Yes.

Neha: Yes Sir.

Anandu: My client ID is INXXXXXX and DPID is XXXXXXXX. I'm attending this AGM from Goa. Before I venture into the questions, you know, let me appreciate few things. Sorry, one second. Yeah, let me appreciate few things. One is the fantastic numbers for the 31st March, really to appreciate and cheer. Second is continuously rewarding the shareholders in the last three years, when I see that two bonus issues and one right issue at the face value. Third is your secretarial team which is really good, you know, when I requested for the hard copy, they ensured, you know, they sent it by the speed post and since it has not reached to me yesterday, they ensured to give the hard copy in Bangalore. So I really appreciate and very important thing Sir, you answer the shareholders queries on a one to one basis, which is very very rare. It is hardly few Companies which follow this practice which is really to appreciate. Normally people combine and sometime whatever they think is required to answer that only they will answer which is not the case with us. Thank you so much for this tradition.

Coming back to the queries sir, most of the queries got answered, you know, because earlier shareholders have raised a lot of queries on operational part and all so I will not go into that. Sir, when I see the page number 237 of the Annual Report which is basically capital work in progress. Sir, there is around ₹21 crore with a period of 2-3 years and I think some ₹23 Crores with a period of three years. Almost, ₹44 crore is sitting in the CWIP, which is quite a significant period, so I just want to understand will the capitalization will happen or ultimately it will end with the capital WIP write off in the books. Maybe I can understand when I read the report somewhere it says the downhill project. I think that it's taking a little bit more time. Just to understand.

And sir, when I see the page number 240 of the Annual report which talks about some investment in Sandur Pellets Private Limited, I think, which is under liquidation. I was trying to search Sir. Is there any provision for diminution in the value of this investment? Because nothing is taken as a hit in the Profit and Loss account, correct?

And, fourth question sir, when I see the auditor's report, which is you know there is something called a KAM which is a key audit matter, why litigation is not coming there is a reference because when I see the page number 257 of the contingent liability, the quantum of litigation is quite significant. So just more out of academic interest, why the reference is not coming in the KAM?

Sir, when I see this acquisition of Arjas Steel, page number 341 of the Annual Report, which basically says that an excess payment is around ₹340 crores, when I say excess payment, basically the one which is sitting in the goodwill. Sir, just out of an academic interest, what is the rationale

of paying, you know, ₹340 crore in excess? No doubt that this particular acquisition has contributed quite significantly both to the top and bottom line, but just out of an academic interest of, you know, ₹340 core goodwill because every year now you have to do the impairment testing. From that perspective, I just want to understand. And sir what is the quantum of acquisition cost? Because nowhere it is mentioned. There is a note given that you know the quantum acquisition cost is accounted in the consolidated system.

And sir last one question. You know, accounts got approved somewhere on 28th May 2025 and both and AGM is on 17th of September, so why to, you know, keep such a delay because normal perception, I'm saying people who keep the AGM in the month of September are not considered as a good governance Company, which is not a fact at least with us. I do appreciate beautiful numbers, rewarding on a consistent basis to the shareholders. So my only request why we should not conduct AGM somewhere in the month of August or you know why to take it in the month of September. I just said about the normal perception, but, you know, ultimately, it's the Company's call. So, my only request let us have it in August or you know July. Thank you so much, nothing else from my side, sir.

Bahirji: Yeah, thank you Anandu for your first of all kind words. I would like to answer your first question with regard to CWIP. There are certain items which are pending to be capitalized. That is mainly on account of, we have implemented certain projects, but however, project like downhill conveyor, there are certain delays in approvals, which we are expecting any time soon. And once that is done, we would be capitalizing that. And with regard to your other questions, those are much more with regard to the accounting which our CFO can answer you either now or maybe later we could connect if you're fine.

Anandu: I'm perfectly fine with that Sir. Whatever maybe, fine if he connects at a later point or if he can answer now I'm ok with any option.

Uttam: Mr. Anandu, I will connect with you separately, but one or two points just want to clarify just for all the shareholder's perspectives. About the goodwill, because that was a new item in our Balance sheet about the acquisition. So you will appreciate when we acquire any entity there is a calculation of how much amount you pay. And when you do the accounting, there are certain aspects of the prudence and other things which kicks in. For example, Arjas you know very well from the past balance sheet they have carried forward losses which calls for deferred tax assets. But the year when you acquire, that particular year, based on the accounting prudence we don't do the accounting of that, that particular assets, so that goes in a differences of good will. When we acquire any entity, again, you have a huge land of thousand acres in Arjas, you will appreciate that. So when you do the acquisition it is on the fair value, but when you do the accounting, even though it is in the fair value, you value at the replacement cost rather than the fair market value. So there are lots of accounting intricacies are there, which you'll appreciate. That is the reason what we have paid as compared to what the accounting finally demands and finally that has been accounted in that manner, I can share this separately, I can take you through the calculations also.

Anandu: Yeah perfectly fine Uttam. So, my only understanding, my only limited thing which I just want to understand when recording done in the books, it is done at a fair value, correct? Not at a historical cost of the Arjas correct?

Uttam: Absolutely. It's at the fair value, but couple of items what you consider while you pay out to the outgoing shareholders as compared to what you account, you don't account initially. Like

example I've given for deferred tax. Just linking that there's another aspect which you ask, how much the cost of acquisition, the charges which are paid. We have disclosed in the Balance Sheet around ₹9.83 crore what we have paid for all the charges, consultancy and other things put together.

Anandu: Sorry, it missed my attention, sorry.

Uttam: No problem. Other things I might separately cover. Very quickly one aspect because that's also important which you asked that even many of them discussed. About the Key Audit Matter, in the contingent liability, definitely, if you see from the earlier years in our KAM the contingent liability matter was there, the legal cases were there, but over the years as a Company, the legal cases which is various in nature has come down significantly because we have positively close those cases. There's only one matter, that's why you see the amount is significant is about forest development tax. So it is one of the matter which is significant from the amount perspective. It is not that there's so many legal cases. Keeping that factor in mind, in the Auditor's evaluation of the factor that has not been disclosed. Again I can share in detail point by point the rest with you.

Anandu: Perfectly fine and yeah and thank you Uttam. And Bahirji you have got the best CFO and the best Company Secretary in your organization, which is very critical. These are the key management personnel. Thank you so much and thank you Uttam, thank you Neha. Bye.

Uttam: Thank you. Thank you very much.

Neha: Thank you Sir. I now invite the 13th speaker, Mr. Madhur G Chaturvedi, representative of MAIQ growth scheme to unmute and speak.

Madhur: Hi. Am I audible and visible?

Neha: Yes, sir.

Madhur: Hi, Good morning, Good afternoon, everyone. Thank you so much. I'm Madhur Chaturvedi, Fund Manager of MAIQ Capital. It is a Cat-3 AIF based out of Mumbai. Thank you for giving me the opportunity to participate and interact with members of our great Company. And I would like to congratulate you on a strong year and a successful acquisition as well. Like other speakers, I also want to commend you on your interaction with shareholders Bahirji bhai and thank you so much Neha for setting this up and for your general communication.

We're proud shareholders of the Company, and we believe greatly in the vision, the capabilities and the future of this promoter group, the management team and the Company. I have a few questions, among many which were asked by Ayush bhai, so I won't repeat those. But before that, I would also like to make one request. Can you please let me know how we can organize a visit to Ballari with our team to spend time with the management? And a visit so we can deep dive into the prospects and even more deeply understand the wonderful journey ahead for the Company.

I'll now get into some questions. With our recent significant acquisition in Arjas, which is a very savvy forward integration. Can you please shed some light on the specific examples you have of, you know, we've gone into a lot of technical and quantitatives, but Bahirji I'd love to understand what are some of the things on a specific level that would make a practical consideration for someone on a day to day running of such a project, the practicalities of let's say managing raw materials for an EAF plant in Punjab versus a BOF plant in Andhra. The allocation of mine materials for captive

versus merchant versus keeping an inventory. Managing new geographies, new plants, new teams, managing nuances like freight and railway sidings. I would just like to understand some of these things from your perspective. If it's easier I can go one by one of my questions or I could list all of them out. I think we can do one by one and then we can make this more interactive I think that would be better to get some light on this.

Bahirji: Yes, so first of all, thank you for your kind words, I would like to answer your first question regard to Arjas Steel I think I have covered various aspects in my previous answers.

Madhur: Absolutely.

Bahirji: So, first of all, looking at the Company Arjas Steel, which is one of the leading producers of SBQ steel in the country. And it has two plants, one in Tadipatri which is the blast furnace one is BOF route plant and then the other one in Punjab which is the EAF plant. So it is first of all a plant or a Company which has been in existence for quite some time. And it has also sustained and come along various challenges. And the most important thing being in the past say decade, decade and a half, it was Gerdau who came and set up various facilities and ran it for some time and then it exchanged hands. However, now it has come to us where, you know, last few years apart from our mining and mining expansion, we were looking at various opportunities, be it organic or inorganic. I find that it is the ideal fit for us and especially after, experience of now ten months, the way Company is structured, the way it is run, the base of customers, the appreciation that the customers have with regard to its products and the long-standing supplies that the Company has been doing to various different segments in the industry. So definitely this is the ideal fit for us.

And it also in a way carves out a niche for us why it is very suitable for a Company like Sandur where we have been looking out for such a thing either we could do it in Greenfield or we could do it in this way. But this way has helped us gain a lot of time and get into it quite fast. And when it comes to the raw material part of it, see, this is mainly the iron ore supplies that were happening to Arjas Steel from the Sandur region and Sandur region being one of the largest producers of iron ore mainly companies like NMDC, SMIOR and others having its presence in the region were supplying the ore to that Company, so we, with this knowledge of raw materials and the connect that we have in the region, I think it gives us, gives Arjas the best way forward. And we can see in the last couple of quarters, we have been able to increase the supplies from Sandur itself to about 25-30%, which gives a lot of stability to the Company.

Madhur: So, by the way, just to drill down that further, how much of Arjas' capacity is from the Tadipatri BOF versus the Punjab EAF? Just so we can understand, because the processes are different, the raw material mixes are different. So just to understand how much (inaudible)?

Bahirji: 3.5 Lakh Tonnes is from Tadipatri, Andhra Pradesh and about 1 Lakh Tonne is from Punjab.

Madhur: Got it, got it, got it. And by the way, this is more of a, I guess a softer question or a more, you know, a more qualitative question. How has the experience been in managing an acquisition, managing a new team, managing new geographies, managing an all-new, all the very logical product mix? How is that experience managing freight, managing all of this, how has that experience been with the acquisition?

Bahirji: It has been a very interesting one and it has had its challenges, but I feel there have been a lot of synergy. See first of all, last couple of years, our thought process also had been running on

those lines. What can we do? So we had our research in place, and when we did this, we did a lot of background work and due diligence to assess what and how could we synergize? And all that we did post-acquisition I think is coming along quite. Well and as I told you again, first of all, with regard to customers, there have been long standing customers and approvals in place and with regard to employees and the team there, there are people who have been with that organization for the last 10-15 years, which I see has a lot of similarity with the Sandur culture, where there is a good sense of belongingness and I think the integration has been that much more simpler. And coming with the raw material background, I think the main problem to solve for that industry was that, so that we have given a lot of comfort. So I think we are, we are well on our way and we are now confident and certain projects that were ongoing also are nearing completion which are, which we will, which we are seeing the good results and we will see that in the days to come.

Madhur: Awesome, Perfect. And Bahirji bhai, just on Arjas, so we, I know you've touched upon this before, but just in case of any further capacity expansion, let's say half million tone, what would a budget for that be and what would a roll-out period for that look like? Would it be around 18-24 months and what would the sort of Capex requirement in rupee terms be?

Bahirji: See we are exploring it. There are different ways to do it. As you know, there are different technologies that are available and with the technologies also the raw materials will vary. There could be a complete scrap router facility that could be set up, which would be much lower on capex, however, we have to plan on procurement of scrap for a longer period of time. However, there could be also a possibility of setting up again a blast furnace route project. However, that will be very high on capex, but then that also has its benefit but then sourcing of iron ore other raw materials have to be planned. But anyways, we are, we should look at, next, 2-3 years timeline, to do something substantial, which we will, we are working on and I think we would give a lot more better clarity in the next, say months, few months to come possibly.

Madhur: Perfect. And just one technical clarification or a comment you made on Arjas. So, 25% of Sandur's capacity is fulfilled by Arjas' needs or 25% of Arjas' needs are fulfilled by.

Bahirji: 25% of Arjas' needs are fulfilled by Sandur.

Madhur: Um, and this, we expect that number to go up, given the acquisition or this was, this is a pre-acquisition or a post-acquisition number?

Bahirji: I think

Madhur: (inaudible) backward integrations just wanted to get the.

Bahirji: We expect that number hopefully to be consistent and maybe marginally go up because we definitely have to achieve a good blend of the requirement of raw material and also have different sources for Arjas. So, but then 25-30%, within a timeline of 2-3 months which we have replaced is I think a very good.

Madhur: Absolutely, absolutely, absolutely. Bahirji bhai, just transitioning to the federal business, what is the general thought process there? We've already seen a ramp up in production and sales in Q1 according to the most recent deck. We've addressed, maybe diversifying into new products or just generally, what is the thought process for the Ferroalloy business in the near future?

Bahirji: First of all, we like to aim at consistency. See, we took the decision of setting up the renewable energy facilities with the aim of consistent power supply. Additionally, coke market went through its tough time, as I explained earlier, still going through, but then we are finding ways how to keep the coke plant running consistently and of course we have brought down the losses that occurred last year to this year significantly down. So mainly bring in consistency. And with regard to power supplies and of course, manganese ore which is the most important raw material, there is no challenge there. So, if we are able to do that then we would be able to perform better.

Madhur: So we can expect ferroalloys to contribute to the bottom line this year in whatever capacity.

Bahirji: Yes, it will.

Madhur: Absolutely. Bahirji bhai, moving on to the sort of manganese universe, you know, when I study a global peer of yours, like a Jupiter mines, a lot of the commentary longer term, but a lot of the commentaries focused on the potential of manganese, as a critical metal in the batteries and EV space. Just with your experience, talking to other people in the sort of manganese universe potential buyers and customers. What is that scuttlebut? Have you noticed that, there is, maybe given the cost of manganese, you know, maybe cobalt, lithium, nickel, these are much better in terms of a pure scientific purpose, but given the cost restrictions and the resource restrictions there versus the sort of availability and relative cheapness of manganese. Do you find that to be having some traction, whether it's something like a manganese sulphate which is used in NMC batteries or anything going forward? Just because that's what some of the global players are saying, would just love to get your perspective on that.

Bahirji: This is a very interesting subject which is ongoing in the industry and lot of talks are going on. See first of all, with these, these are all very specialty products and there are different processes that are required and definitely there is a huge push towards EV and the requirement of very high grade manganese and different applications, but in, if I have to bring that in our context, it would be challenging because see the way our manganese is it occurs along with iron ore and our manganese has been mainly used towards manufacturing of alloys, ferroalloys which gives the different properties to steel and all these other products that we are talking about and their usages are very limited and the industry is evolving. We are definitely keeping a watch. Anything interesting, we would definitely try to see how, how would it benefit us and would we like to venture into? But at this stage I would say in our context, we have to look at the volumes and mainly the volumes come from the ferroalloy and ferroalloy is going into the steel industry.

Madhur: Understood, understood. That makes sense and that's very helpful. And Bahirji bhai, just on the, on the balance sheet transformation that we've seen with the acquisition with the NCDs, just how do you see that balance sheet evolving over the next few years? I know you've already said that, you will let us know about the (inaudible) plan and of course the QIPs in the offering, but not to commit you to anything, but just generally if you could provide a timeline or a thought process about just when we can see some of these things happen in a just a range, not, not anything specific?

Bahirji: As you know, from the balance sheet perspective, there is a substantial growth that we have witnessed year on year and we have taken active steps from the capacity enhancements to acquisition. So, we are working quite swiftly, of course towards stabilizing of acquisitions and all also in our current businesses that we have, be it the mining or now the speciality steel, how do we unblock the opportunities and potentially grow? We are exploring that and we would definitely like

to unblock that possibilities that are there, opportunities that are there as quickly as possible. However, we also don't want to lose sight on possible growth opportunities from the organic and inorganic perspective what could be there for us, so that we could further consolidate and further even possibly diversify and strengthen our businesses and the overall basket in which we are, where we would like to be. So we are very actively thinking about it, strategizing, and we definitely are well on our way and trying to transform our organization and the group.

Madhur: Perfect. Awesome. Bahirji bhai, just one last question from my end. I want to reiterate my first my opening request, to plan a visit and spend time with the team so we can, you know, really deep dive and deepen our appreciation, our understanding, get some more of the technical details especially ahead of the QIP. So please let me know who the contact person for that is, who we should talk to for that, so we can plan a trip down from Mumbai and spend some days with you guys.

Bahirji: Sure, our secretarial team will coordinate it and definitely in the days to come, we will, our team will work out certain plans and they'll coordinate in discussion with you.

Madhur: Amazing, thank you. Thank you so much Bahirji bhai. Thank you for the time. Thank you for giving us the opportunity to participate and best of luck for the future and thank you so much. Have a lovely day.

Bahirji: Thank you.

Neha: Thank you, Sir. There being no other requests from Speakers, I kindly request the Chairman to continue with the proceedings.

Closing remarks by Chairman

Thank you, Neha. I hereby authorize, Neha Thomas, Company Secretary and Compliance Officer to declare the results of the e-voting in accordance with 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 have had 69 members participating in today's 71st Annual General Meeting.

I thank you all for attending the meeting. I thank our Chairman Emeritus and all and Mr. Bahirji, Managing Director and all my Board Member colleagues for attending the meeting. Thank you, Neha, for flawlessly conducting the meeting and for all the background work that you have undertaken. Thank you to you and your team. I thank Uttam for putting together and working so hard and all everybody in the SMIORE secretarial for producing a stellar Annual Report. I thank the representatives of the Statutory Auditor, the Secretarial Auditor and Mr. Sathya Prasad, our Scrutinizer who are present in the meeting, for all the work that they have put in. Last but not the least, I thank NSDL and their team for co-hosting the meeting and for flawlessly conducting this online AGM.

I hereby declare the proceedings of the 71st Annual General Meeting of the Sandur Manganese and 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. Stay safe, healthy and happy. Jai Hind.
