

# *The Sandur Manganese & Iron Ores Limited*

(An ISO 9001:2015; ISO 14001:2015 and OHSAS 18001:2007 certified company)

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07 July 2021

The Secretary  
BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai - 400 001

Dear Sir / Madam,

***Sub: Transcription of Conference Call with Analyst / Investors***

***Ref: Company Code: 504918***

In continuation to our letter dated 29 June, 2021 on conference call with analysts/ investors we would like to intimate that the Company had organized a conference call with the Investors/ Analysts on Friday, 2 July, 2021 at 16.00 PM (IST). A copy of transcript of conference call held with the analysts/investors is enclosed herewith and the same has also been put up on the Company's website at [www.sandurgroup.com](http://www.sandurgroup.com). Kindly take the same on record.

Thanking You.

Yours Sincerely,

***For The Sandur Manganese & Iron Ores Limited***

***Bijan Kumar Dash***

***Company Secretary & Chief Compliance Officer***



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## The Sandur Manganese & Iron Ores Limited

### **Q4 FY21 Earnings Call**

2<sup>nd</sup> July, 2021

#### **Management Participants**

Bahirji A. Ghorpade – Managing Director  
Md Abdul Saleem – Director (Mines)  
Sachin D. Sanu – Chief Financial Officer  
Bijan Kumar Dash – Company Secretary and Compliance Officer

#### **Investor Relations Consultant**

Diwakar Pingle – Christensen Advisory  
Sayam Pokharna – The Investment Lab  
Abhishek Mehra – The Investment Lab

**Moderator:**

Good evening everyone. I hope you all are well. Welcome to the first earnings conference call of Sandur Manganese and Iron Ores Limited discussing the Q4 and FY21 performance and the strategies of the company hosted by The Investment Lab and Christensen Advisory. Today we have with us from the management team Mr. Bahirji Ghorpade – Managing Director, Mr. Abdul Saleem – Director (Mines), Mr. Sachin Sanu – Chief Financial Officer, Mr. Bijan Kumar Dash – Company Secretary and Compliance Officer.

The investor presentation for Q4 has already been uploaded on the stock exchange and it has already been emailed to you. In case someone does not have a copy, please do write to us and we will be happy to send it over to you.

Before we begin this call, I would like to state and remind you all that everything said on this call that reflects any outlook for the future which can be construed as a forward-looking statement must be viewed in conjunction with the risks and uncertainties that we face. These risks and uncertainties have been mentioned in our annual report.

With that said, I would like to hand over the call to Mr. Bahirji Ghorpade for a brief overview about the history of the company. Post that we can open the floor for question and answer. Over to you sir.

**Bahirji Ghorpade:**

Good evening ladies and gentlemen. It is my pleasure to welcome you all to the first investor conference call of The Sandur Manganese and Iron Ores Limited. Since it is our first call, I would like to give you a brief about the company before we get into discussion of recent performance and open the floor for questions.

Sandur is a historical place in Bellary district of Karnataka state known for its sylvan beauty endowed with mineral wealth. As a company, Sandur was incorporated in 1954, but our history dates back much before it. Manganese ore was discovered in the hills of Sandur as early as 1838 and operations in the current mining lease area dated back to 1907. The idea of incorporating Sandur was sown by my great grandfather, His Highness Yeshwant Rao Hindu Rao Ghorpade, so that these mines could be operated in a systematic and scientific manner and be professionally managed. Later in 1966, we got listed on BSE with the objective of setting up an electro metallurgical unit, which soon became one of the finest metallurgical plants in the country. We have had our fair share of ups and downs, including temporary unviability and closure of ferroalloy operations, or being wrongfully implicated in the mining scam of 2011. But we have only emerged stronger from these adversities.

At present Sandur has three key business segments. The first and foremost is mining. We are presently operating to the tune of 0.28 MTPA for Manganese Ore and 1.6 million tonnes per annum for Iron Ore. Our second business segment is Ferroalloys, where we currently have a capacity of 48,000 tonnes per annum of Silicomanganese.

Lastly, we have recently in January 2021, commissioned a Coke Oven plant with four batteries and a cumulative capacity of 0.4 MTPA, coupled with this are 2 Waste Heat Recovery Boilers with the cumulative capacity of 30-megawatt power generation.

Now I would like to talk about the CAPEX plans of the company. As you all must have read through our exchange filings, we recently commissioned phase 1 of our long-term CAPEX plan on 18<sup>th</sup> January 2021. Before I get into the details of this, let me backup a little and explain to you the thought process behind this entire transformation of the company. We have always been looking for value addition to the ores that we mine. We have set up the Ferroalloy plant in 1968. We had signed the MOU with the Government of Karnataka for setting of power plant, steel plant during 2008, but due to various reasons beyond our control, that is investigations into illegal mining in the region, we could not proceed with them, except for setting up a 32-megawatt thermal power plant in 2010. To mitigate concerns over sustainability of the company's business model, we decided to be completely integrated over the entire value chain. As a merchant miner, Sandur decided to forward integrate into steel making with an envisaged capacity of 1 million tonnes per annum. To set up a completely integrated steel plant, first the company decided to be backward integrated for two of the most important inputs in the value chain, that is iron ore which we already had and are planning to expand and coke, which was set up in the first phase of our CAPEX plan. Coke on a standalone basis isn't the most profitable of business and may not be considered as a wise capital allocation decision given its abundant availability. However, for us coke was set up for attaining two objectives, being backward integrated for steel, and turning around the ferroalloy operations which have been a drag on our financial performance up till FY20. As you must know, ferroalloys are very power intensive operations and we were generating power through a 32-megawatt coal-based power plant, but our cost of generation was not viable. Hence, we witnessed many years of marginal profitability and losses in this business segment.

Now coming back to the Coke facility Coke releases a lot of energy. Coupled with the Waste Heat Recovery Boilers, we can convert this energy into electricity at a marginal additional cost which becomes a very valuable byproduct. Hence, we decided to set up a 0.4 MTPA Coke Oven plant along with 30-megawatt of power generated through Waste Heat Recovery Boilers. With sustainable and more importantly feasible power generation, we can be cost competitive and profitable in our existing ferroalloy operations. This entire exercise began in March 2018 and has already been completed and the company will reap its benefits in FY22 and beyond. Moving ahead, we would be soon announcing Phase 2 of our CAPEX plan on our journey to become an integrated steel player.

With that said, now I would like to open the floor for questions. Thank you.

**Moderator:**

Thanks a lot sir. Our first call would be from the line of Ayush Agarwal.

**Ayush Agarwal:** Thank you for the opportunity and congratulations on a good set of numbers despite a challenging year. I am Ayush Agarwal from Mittal Analytics. I have two questions, first is on iron ore EC approval. The company has been trying to get the EC for quite some time now. So, if you could help us understand the journey and major roadblocks that we hit, first is that. And another part of the question is what are the key risks for getting this EC and if you can tell us about where we stand today and what is the expected timeline to receive these?

**Bahirji Ghorpade:** See, I would like to tell you that we have progressed to a large extent now and are in the final stages of getting the EC approval. Yes, it has taken about 10 years' time. There were many roadblocks that we faced starting with the Hon'ble Supreme Court's binding suspension because of investigations into the mining activities that had taken place earlier. But now presently we have moved ahead, and we are looking at a timeline of by the end of this calendar year we should get the EC enhancement.

**Ayush Agarwal:** That's really good to know. Just a follow up on this question, once we have the EC what is the time frame that we are looking at to expand the capacity to say 2.5 or 3 million tonnes from here and what would be the CAPEX needed?

**Bahirji Ghorpade:** See that will not take much time for us to expand the capacity because we have an asset light model, and we use some of the contractors for earth moving equipment and we have the setup available. We envisage some challenges because of the grades that may come out after we start mining at an expanded capacity, and we expect lower grades of production. We are planning the CAPEX for the next phase where we are looking for some kind of beneficiation facility and value addition, maybe in terms of producing pellets or some value-added products that will help us keep our long-term perspective and viability in mind.

**Ayush Agarwal:** So, we already have plans in place for that?

**Bahirji Ghorpade:** Yes.

**Moderator:** We will take our next question from the line of Mr. Shubham Agarwal.

**Shubham Agarwal:** I am Shubham Agarwal from Equitas Investments. First of all, I like to congratulate the entire team for commissioning the first phase of the project, the larger project. And I would also like to appreciate the efforts that have been put in making the presentation. My first question is related to the ferroalloy business, given that on the base of 48 MTA the total tonnage comes to around 78,000, but we are operating at 48,000 right now. I would like to know the key reasons why? And given that current or realization are all time high, can we expect an increase in utilization of our plant currently?

**Bahirji Ghorpade:** Currently as you are aware I think we have three furnaces out of which we are operating two furnaces because the power generated from the waste heat recovery boilers is

sufficient to run the two furnaces at about 90%-95% of the capacity. So, we are working, going forward, on trying to source power through various different sources so that we can meet the requirement of producing 70,000 TPA plus of ferroalloys. So, we are working on that. But at our current capacity we are trying to ramp up and meet the 100% requirement. Yes, I know the prices are at their peak. That's where we are trying to get additional power to run these two furnaces at full capacity.

**Shubham Agarwal:** So, what are the key challenges and any internal timeline that you have set to completely ramp up all the furnaces?

**Bahirji Ghorpade:** See the internal timeline is challenging, but maybe it may take another year is what we are looking at.

**Shubham Agarwal:** Got it. And what would be our current capacity utilization of Coke Oven given the prices there have also risen sharply in the last two months?

**Bahirji Ghorpade:** Coke Oven capacity utilization is 100% or sometimes a bit more than 100% I can say.

**Shubham Agarwal:** Lastly, on the bigger CAPEX of 1 million tonne, so you said that you will be soon announcing, but is there any update on that, like when we can expect a formal announcement about the timeline and total investment?

**Bahirji Ghorpade:** See, during this calendar year itself we will try to make the announcement, but as you are aware we have the two most important raw materials required, that is iron ore and coke with us now, but these are general raw materials, but while planning a steel capacity what we are looking at is first deciding on the end product and then working back and arriving at the type of project that we should put because the product that we decide to produce should do well in the market and we should identify the market space that we will enter. So, we are working on that, and I think in due course we will be able to give a complete update on it.

**Moderator:** Next question we will take from the line of Mr. Abhay Lodha.

**Abhay Lodha:** The company is planning to increase this ferroalloys capacity from 48,000 TPA to 72,000 TPA as mentioned in the presentation. I just wanted to know what will be the cost of this expansion, estimated cost?

**Bahirji Ghorpade:** Currently we have the facility to expand up to 70,000. The required inputs, that is the main two inputs are power and the raw material of manganese ore, that is what is required. Manganese ore can also be sourced, but we are working on various sourcing of various power options based on which we will be able to ramp up. So, we look to increase it to 100%, but it will take some time.

**Abhay Lodha:** I just wanted to know the estimated cost of expanding this furnace capacity to 72,000. What cost do we have to incur for expanding it?

**Bahirji Ghorpade:** The cost of expansion will be maybe about Rs. 15-16 crores for refurbishment of the furnace, one furnace that is idle. And apart from that it will be the power sourcing cost. So that will vary. That will depend upon the model that we chose whether we would like to set up our own unit or would we like to source from a different source. So, at this point it will be difficult to tell because we are working out on that.

**Abhay Lodha:** But 30-megawatt waste heat recovery will not be sufficient for this project?

**Bahirji Ghorpade:** No, that is not sufficient because the entire output is being used for the present 2 furnace operations.

**Abhay Lodha:** We had 32-megawatt thermal power?

**Bahirji Ghorpade:** Yes, we had that. We have disconnected that. But the turbine and generator which was available in that unit has been connected to the waste heat recovery boilers. So, we cannot use that.

**Abhay Lodha:** You use that machinery to waste heat recovery?

**Bahirji Ghorpade:** Yes. That's where we optimized on the previous CAPEX.

**Abhay Lodha:** Second thing is I just wanted to know regarding iron ore prices. In your presentation average iron ore prices is Rs. 2,319 per metric tonne, but presently iron ore prices are going very high. Can you tell us at what rate we are selling right now in iron ore?

**Bahirji Ghorpade:** If you look at last year, the first two quarters the prices were very low and the price started recovering in the third quarter and fourth quarter, we opted the best prices and ever since the prices have been rising. So that's how looking at the average, last year's average is coming on the lower side because of the first two quarters during the pandemic when the initial first lockdown and all that was there, the prices were really low.

**Moderator:** We will take the next question from the line of Mr. Abhishek Maheshwari.

**Abhishek Maheshwari:** Thank you for the opportunity and congratulations on such good performance. My first question is regarding your current Silicomanganese realizations. Are we over 90,000 still or are we starting to see it coming down a little?

**Bahirji Ghorpade:** The price has sustained over the last 1-1 ½ months. So, current realizations are around the similar number.

**Abhishek Maheshwari:** Secondly, I wanted to understand the dynamics of coke. In your introduction you said that coke can sometimes be an unviable product. But as I understand it's still an import substitute in India. We import a lot of metallurgical coke steel companies, so we will not face a situation anytime in future where we will not be able to sell our product, right?

**Bahirji Ghorpade:** But if you look at the last 10 or 15 years of merchant coke operations, there have been a lot of ups and downs and we are heavily dependent on the import of coking coal. Yes, the last one year has been really good, I can say last year, from August-September the market started recovering. So that has been good. But then there is a lot of fluctuation in the market where the coal prices also vary, and the coke prices also vary. But yes, as you said there is import substitution and we have been able to cater to many of the end users, the steel consumers. So, that's how we have been able to get a fair market share in the region and also different regions in the country and we have been able to expand our footprint.

**Abhishek Maheshwari:** My last question is we are also setting up a second coke unit 0.4 MTPA. So, when can we expect that to be commissioned and where are we sourcing our coking coal from?

**Bahirji Ghorpade:** We are not setting up another coke oven. See this 0.4 MTPA coke oven capacity is the entire requirement for 1 million tonne integrated steel plant. And answering your second question, where are we sourcing our coal from, we source it mostly from imported sources from Australia, Canada, and other countries like Indonesia.

**Moderator:** We will take the next question from the line of Mr. Rahul Jain.

**Rahul Jain:** Congratulations on a good set of numbers. I have one question about your reserves. What is the mine life of the assets we have? Because there is this auction regime also, so do you see any potential to increase your reserves?

**Bahirji Ghorpade:** Currently we have established reserves of 110 million tonnes of iron ore and 14 million tonnes of manganese ore. And our mining lease is valid till 2033. Based on our current expansion of environmental clearance we will be operating at plus 3.5 million tonnes of iron ore production. And currently we operate at 0.28 million tonnes of manganese ore production per annum and there is scope for that also to go up. So, it will be ascertained in due course.

**Rahul Jain:** Currently our sales mechanism is through the monitoring committee. Is it that prices are set on an auction basis? Is that correct?

**Bahirji Ghorpade:** Yes. Entire sales are through e-auction systems.

**Moderator:** We will move to Mr. Kamal Gupta.

**Kamal Gupta:** If we export iron ore to China, we can get a much better price. Why are we selling it only in Karnataka? Why don't we think of exporting to China where we understand the prices have gone up to Rs. 15,000 per tonne?

**Bahirji Ghorpade:** As of now, there is a sort of ban on the export of iron ore from Karnataka. We don't have a scope to do that. And also, there is enough domestic demand for the ores.



**Kamal Gupta:** But prices declared by NMGC are nearly Rs. 7,000 per tonne, are we getting the similar price?

**Bahirji Ghorpade:** Yeah. Partially we get the similar price because the specification of our ore is different in terms of grades, they produce higher grades of ore and what similar grades we get we get similar realizations, but for the lower grade that we produce our realizations are lower.

**Moderator:** We will move to Mr. Ramesh Kumar Jain.

**Ramesh Kumar Jain:** I am Ramesh Jain, Chartered Accountant here from Bangalore. At the outset I congratulate the Sandur team for the excellent result and starting the investor's conference to ask the questions. There were newspaper attachments some 3-4 months back that there is some price cap on the iron ore produced in Karnataka. So, whether there is any price cap on the iron ore companies producing? This is the first question.

**Bahirji Ghorpade:** There is no price cap. It is regulated by the monitoring committee and the sales happen through the e-auction.

**Ramesh Kumar Jain:** Second question is that the company is having very high reserves and it's very difficult for investors to buy the Sandur Manganese shares from the open market at Rs. 2000. So whether the company is having any plan to declare bonus and split in this thing, so that common investors can also benefit from Sandur Manganese good results.

**Bahirji Ghorpade:** See, we would like to keep all our shareholders happy. In due course we will see what we will consider and based on that we will see and announce.

**Ramesh Kumar Jain:** Dividend policy also there is hardly Rs. 10 dividend whereas company is earning Rs. 170 per share, I feel at least the 15% to 20% of the PAT should be declared as dividend and there should be some amount to be transferred to Dividend Equalization Fund. So, every year there should be some equalizations of the dividend declared by the company because the dividend is on a very lower side.

**Bahirji Ghorpade:** See, with regard to the dividend, we have at this time announced the highest dividend in history which is 100%. Also, as we said that we have the plans for expanding and having the next CAPEX and to strengthen the company we need to do that so in the next few years we are looking at strengthening our organization for long-term sustainability.

**Ramesh Kumar Jain:** I understand that the company is doing very good work for social welfare, and they are doing a lot of efforts to maximize laborers' lifestyles. Same time I request company to just have their shareholders in mind, they are also one of the parts of the company. I request management to declare liberal bonus and dividend so shareholders will also be happy. Just any comment on your side, sir?

**Bahirji Ghorpade:** Yeah. We want to keep all our stakeholders including shareholders happy. So, in due course we will do our best. Already we are thinking on those lines. That's how we have introduced the conference call. We have given the presentation so that the shareholders get complete clear information about what the company is thinking.

**Moderator:** We will take our next question from the line of Mr. Amit Gupta. Your line is unmuted. Mr. Gupta? Okay we will move to Mr. Ayush Mittal.

**Ayush Mittal:** There are a couple of questions that I have. First, as we understand that this coke oven waste heat recovery plan expansion that we had done over the last couple of years, it was like unlocking the power saving and growing the business. Can you help us share the breakup as to what kind of margins are you making on the coke side and what kind of savings are we getting on the waste heat recovery plan which might be a more sustainable profitability for us, and more on the coke side, like what are the expectations going forward?

**Bahirji Ghorpade:** As I mentioned earlier, there has been a lot of volatility in the coal prices that we obtained. If you look at it last year, from June-July the coke prices were trading around \$ 255 to \$ 260 and the coal prices were around \$ 180. The coal prices subsequently went down, and we used to get coal at around \$ 120 - \$ 130. And now again there has been a cycle and the coal prices are (+) \$200. So, there is a lot of volatility. We cannot really ascertain the fixed margins. But then yes, looking at the recent time the coke plant has done really well, and we have also ensured that we utilize the 100% capacity and also plan our raw material in such a way that we have the required raw material that optimizes costs for the next three months, six months. So, that's how we are managing, and we are getting good margins.

**Ayush Mittal:** Any quantification that we can get on the savings on the waste heat recovery that would be recognized in this quarter?

**Bahirji Ghorpade:** Quantification, see again, it is like we are generating power at a very nominal cost in terms of waste heat recovery because all the cost is being taken by the coke. So, that's how there is a huge saving in the power cost. Unlike when we used to produce power through thermal power plant, the cost used to be very high and mainly the fuel cost used to be high, the cost of generation through thermal coal. But now the complete waste heat is being used. So, the cost is nominal.

**Ayush Mittal:** Second question which I have is that historically when we look at your mining segment, we see that the profit margins have been very healthy for us. We do at least 40%-45% margins even when the iron ore prices were subdued earlier. Now that the prices have risen very sharply, in this quarter because of which like the margins look a bit lower than what we could have done. Any thoughts or insights on that? Also, is it that our cost of operations are very low because of which we need to do these margins and we can sustain on it?

**Bahirji Ghorpade:** See, our cost of operations are very, I can say, standardized on par with the best mining companies or maybe better sometimes. But if you look at the whole of last year, the first half of the year was not that great because of the pandemic and various issues that were being faced by the industry. But subsequently Quarter 3 and Quarter 4 have been good, and prices have risen and the beginning of this financial year is also good.

**Ayush Mittal:** If I may slip in a last question, it's great to see that the company is now investing money and is on a growth path and given the cash flows we generate, I am sure we can do much more. Can you share something about what your vision is for the company? What do you want to do over a longer term and create value or what kind of other projects we may take up apart from the steel projects over a longer term to unlock more value for the company?

**Ayush Mittal:** Firstly, we are looking to strengthen our core businesses. As we expand our capacity or production of ores, we would like to ensure that we get the best value out of it and that becomes an integration or in the value chain it will be the next thing which will be added in the plant. And we are looking towards a forward integration where we are looking at producing the right products for the market where we will do well in terms of margins and long-term sustainability. Yes, we are also looking for various diversified opportunities, but firstly we would like to strengthen our core and then look at other options.

**Moderator:** We will take the next question from Mr. Ashok Kumar. Sir, please state your organization and go ahead.

**Ashok Kumar:** Congratulations on a good set of numbers and initiating the presentation in the concall. Just wanted to know the current realization of the iron ore.

**Bahirji Ghorpade:** Realization in average terms will be about plus 3000.

**Ashok Kumar:** Currently, right?

**Bahirji Ghorpade:** Yeah.

**Moderator:** We will take the next question from Yachna Bhatia.

**Yachna Bhatia:** Congratulations on a good set of numbers. I just had a follow on from a previous participant regarding the iron ore approval which we are expecting by the end of this calendar year. Can you elaborate on the CAPEX plans around this? How much capital will be required for this and by when do you expect this to be operational? And second, once this CAPEX is done do you expect the realizations that you get for this iron ore to be in line with what you are currently getting, or do you expect a premium because the quality improves? Just want to understand that.

**Bahirji Ghorpade:** See, enhancing the capacity will not take much time for us to ramp up. But then based on our estimation and looking at the grade that will come out, we expect a drop in the quality of the ore. So, that's where the CAPEX we are planning where we would like to add some value addition facilities to improve the quality of the ore so that we ensure that we completely use our production capacity at the same time we also add value and produce products which will do well in the market.

**Yachna Bhatia:** So, how much would the CAPEX amount be?

**Bahirji Ghorpade:** See, at this point of time it is difficult to tell, but then we are working on it and soon in due course we will announce that. We will work on it, but it will not be a very major thing like the plant. Plant will be a different thing. It can't be on par with the plant.

**Yachna Bhatia:** Any ballpark numbers you can give, is it around 150-200 crores? Is it significantly off?

**Bahirji Ghorpade:** You can assume similar numbers, but it would be plus or minus. We cannot really conclude at this stage. So, I am not giving you a number.

**Moderator:** We will take the next question from Mr. Sahil Sanghvi.

**Sahil Sanghvi:** My name is Sahil Sanghvi, and I am a research analyst from Monarch Network Capital. First of all, congratulations to the whole team for an excellent execution and the financial results. I have two questions. The first question is, could you please tell me the offtake of coke in tonnes for FY21? The dispatches basically.

**Bahirji Ghorpade:** See, the offtake of coke has been about 45,000 tonnes, but then we operate in different ways. One is direct sales, and we also work on a job work basis. So, you can take it as about 1 lakh tonnes because we declared commercial production in January. So, it is only for one quarter less than a quarter, 2 ½ months.

**Sahil Sanghvi:** So, the revenues split that has been given in the financial result which is about 110 crores or so. That is on the basis of 1 lakh tonnes or is it on the basis of 45,000- 50,000 tonnes?

**Bahirji Ghorpade:** That is on the basis of 45,000-50,000 tonnes. But the other income which will include this job work revenue.

**Sahil Sanghvi:** Just a follow-up question on that. Currently what kind of offtake are we looking at because I understand 50% is what we are selling to a pig iron producer in the south. But the other which is in the open market, how are we placed over there? Are we 50% over there, 60% over there?

**Bahirji Ghorpade:** We are looking at selling everything and that is happening. About 45% we are doing the job work and balance everything whatever we are producing is being sold.

- Sahil Sanghvi:** My last question would be regarding your Phase 2 of CAPEX. I understand what is the vision that you have for the company and what do you aim for the company and utilizing your iron ore and coke is the best way to utilize your capital. But considering your balance sheet size the plan of your steel plant which is about a 0.5 to 1 million tonne would definitely incur about Rs. 2000 to 3000 of CAPEX and plus you have maybe the iron ore beneficiation plant or the power plants that you want to put up. So, I am just trying to understand what kind of capital structure would you be following, would it be debt or equity and when would this come up, starting FY23?
- Bahirji Ghorpade:** See, we have already initiated work on it and the announcement will happen soon. But it will happen in a phased manner. But as I said earlier, we would like to strengthen our core first. So, we would like to ensure our current operations should be viable and we should get the best value in the long term. So, we would like to do that. And then we will divide the CAPEX in phases, and it will be a mix of both debt and equity.
- Sahil Sanghvi:** Just the last follow-up question, any guidance on the FY23 CAPEX number? FY22 would be nothing, only maintenance, right?
- Bahirji Ghorpade:** Maybe at the end of FY22, there may be some CAPEX. But as of now we are not in a position to give the numbers, but in due course we will make the announcement.
- Moderator:** We will take the next question from Mr. Mayur Shah. Please state your organization and go ahead.
- Mayur Shah:** Hi, I am Mayur Shah, I am part of Anand Rathi Portfolio Management team. Most of the questions are already answered. One, like any plan to list on NSE?
- Bahirji Ghorpade:** We are considering that in due course, we will.
- Mayur Shah:** Another question I have, what is the peak debt level that you are looking at considering maybe in Phase 2 also if you go, what kind of a debt level you are looking at to go on a higher side max?
- Bahirji Ghorpade:** See, we are looking at maybe maximum 50% debt, 50% equity, D/E of one is to one. But that will again depend. But we will keep a safe number because earlier years we have remained debt free, now we have some debt, but we will plan it so that it is not too much of a burden on the financials, but it is just right.
- Mayur Shah:** One last question, can you help me out, any specific reason for this pledge share or is it just for the CAPEX that we have done already, the pledge that you have kept?
- Bahirji Ghorpade:** See, that was done previously, but then we are now with the strength of the balance sheet and also our performance, we are looking to get that released soon, hopefully that should happen.

**Moderator:** We will take the next question from Mr. Rajesh Agarwal.

**Rajesh Agarwal:** My question is on the new royalty which MD sir said which was passed on 28<sup>th</sup> March MMDR Act. So, our mines were eligible for iron ore already, which is 22.5% over and above the old royalty for iron ore?

**Bahirji Ghorpade:** I request Saleem to answer this question.

**Abdul Saleem:** In this amendment to the royalty will not be applicable for us. Basically, the provision is applicable for the public sector undertaking so opt for renewal of mining leases without going through the auction road. After the MMDR Act has been amended now all the mining leases on the expiry of their present validity have to go through the auction so the royalty and all those things will be determined through the auction itself. Only for PSUs this option has been made available.

**Rajesh Agarwal:** So, for no private sector it is applicable.

**Abdul Saleem:** No, it will not be applicable for the private sector.

**Moderator:** We will move to Mr. Ayush Agarwal.

**Ayush Agarwal:** Thank you for the follow-up opportunity. This is Ayush again from Mittal Analytics. I have one question on the conversion contract that we have in place. You mentioned that around 45% has been taken by that partner that we have. So, in a scenario that the partner is not able to fulfill the contract, what plans do we have in place to sell that quantity? Because if we don't then the heat won't be generated, and ferroalloy might have to go for higher power cost or may not be able to produce.

**Bahirji Ghorpade:** See, as of now there is adequate demand. But then in the interest of having safety and also having a long-term perspective we did that. And we are in a position in case there is any issue but there is enough market demand that is there. But then as you said, generating heat and getting the power for the ferroalloys is the most important thing for us. So, in the interest of ensuring that we have done it.

**Ayush Agarwal:** If our understanding is correct, the partner is probably expanding their coke oven capacity and that may happen in a year or two's time. So, what are our plans to offset this additional capacity that we have vacant when the partner has its own capacity?

**Bahirji Ghorpade:** See, we are working on it and there is enough buffer demand and there are many other industries which require coke. So, we have that understanding. At the same time, we are working on the expansion plan where we would look to set up something where we consume partial capacity at least so that to that extent we have some captive consumption and the balance we sell it in the market.

**Ayush Agarwal:** Just one quick question on previous participants' observations like the Q4 numbers when we look at the mining revenues, you had mentioned that the H1 wasn't good as we can see the Q1-Q2 realizations were probably not as good. But Q4 realizations were really high as can be seen in the presentation. Yet when we look at the mining margins, we had 52% margins in Q2 as well as Q4. So, what we are trying to understand is, have we taken some one-off or why similar margins despite higher realization in Q4?

**Bahirji Ghorpade:** I think that the margins are better in Q4. Would you like to elaborate?

**Sachin Sanu:** Yeah, the margins are similar, as you told its 52%. I think small input cost has gone up but more or less the cost of mining has remained the same, as you know the diesel has gone up, but it's a marginal impact and small provision we have done which is a very-very nominal number to start affecting the margins.

**Ayush Agarwal:** So, we should have expected some sort of margin increase given the realizations increase?

**Abdul Saleem:** I would like to clarify this aspect of it. If you look at it, we are known to be one of the very few organizations where scientific mining is carried out and also in a very-very proper manner that has been done. And the stripping ratio changes over a period of time because this is a natural mineral that occurs in pockets in the case of manganese ore and also in the case of small **(Inaudible) (46.27)** in the iron ore. And we are a company where we have already surrendered large areas of iron ore. So, that is the reason we have to make a planning of our operations based on the realizations that we have so that we maintain the margins.

**Moderator:** We will move to Mr. Abhay Lodha.

**Abhay Lodha:** We are very glad to know that the company is considering the NSE listing. Simultaneously, one more request is there, because our price has gone to Rs. 2000 and our equity is very small so one option is there to increase the liquidity in the stock on the capital market for the mine investors. Kindly speed the equity Re. 1 or Rs. 2, whatever you decide in future time so that NSE listing, it is liquidity in the stock also so you can easily buy invest in the stock or mutual funds domestic institution anybody wants to invest the money liquidity should be available to get them into this and get out of the **(Inaudible) (49.03)** this is our request.

**Bahirji Ghorpade:** We will look at your suggestion and consider it in future.

**Moderator:** We will take the next question from Mr. Manoj Dua.

**Manoj Dua:** Congratulations on a good set of results. What was the realization in Q4 for iron ore?

**Bahirji Ghorpade:** The realization was Rs. 3000 plus per tonne.

**Manoj Dua:** Around 3,000 we can say, not 4,000. I don't know exactly the rates. Can we take 3,000 as the calculation for going forward as the price doesn't go down? This is the current rate also?

**Bahirji Ghorpade:** Current rate is slightly better. But yeah, around that was the average realization for us in Q4.

**Manoj Dua:** And if ferroalloys prices remain the same as they were at Q4, what would be the amount of revenue we can release from ferroalloys at the present capacity?

**Bahirji Ghorpade:** Present capacity the revenues you can comfortably maybe plus 300 crores.

**Manoj Dua:** And we can take a 20% or 25% EBITDA margin on this, what will be the EBITDA margin if the prices remain the same?

**Bahirji Ghorpade:** Yeah. 20% I think can be assumed if not better, but I am just giving a conservative number.

**Moderator:** We will take the next question from Mr. Bach Raj Nahar.

**Bach Raj Nahar:** Congratulations on a good set of numbers. I have a few questions. First is whether we have any possibility to put up the pellet plant and I think pellet export from Karnataka is not restricted and that can also help ultimately in your steel plant. So that would be my first question.

**Bahirji Ghorpade:** Currently we are examining that as we are looking for enhancing the iron ore production. In due course we will announce based on what we plan. So, we are examining putting up a pellet plant.

**Abbdul Saleem:** As of now there is restriction on export.

**Bach Raj Nahar:** For pellet also? Because ferroalloys is exporting, so should not be. On pellet whether it is restricted or not?

**Abdul Saleem:** Actually, if at all a pellet manufacturer purchases the iron ore in the auction then he can export. If the iron ore has not hit the e-auction then they cannot export.

**Bach Raj Nahar:** The second question is that you might be getting from the coke oven in the coal tar and recently the price of coal tar has gone up. So, is it a significant revenue which we can get?

**Bahirji Ghorpade:** We don't get coal tar because our plant is a non-recovery type. So, whatever gases we generate, we use the heat to produce the power out of it. So, we don't have any byproducts. Power is our byproduct.



**Bach Raj Nahar:** Another coke oven plant of Kirloskar ferro they are generating more gases and they were explaining on the concall that they have some improved equipment or design so that they get more gases and from the same I think 4 lakh tonnes they generate more power. So, are we in a position to examine that kind of a situation that we can overcome without much investment?

**Bahirji Ghorpade:** See, we are examining that. At the moment we are producing the best possible power that can be generated, but we are looking at it.

**Moderator:** We will take the next question from Mr. Shubham Agarwal.

**Shubham Agarwal:** Thank you again for the follow-up. My question is regarding the ferroalloy business. In the March quarter our average realization was around 61,000 as per the presentation. But what I want to understand is given the silicomanganese prices have sustained over 90,000 since the last four months. What kind of realization can Sundur achieve in Q1?

**Bahirji Ghorpade:** Q1 it is good I can say, and we have also optimized on our production, and we have produced at 90%-95% utilization. So, we can expect very good realizations.

**Shubham Agarwal:** Would you like to put any number to that?

**Bahirji Ghorpade:** As of now, I would not like to put that because in due course we will be letting you know. But we are yet to arrive at that.

**Moderator:** We will take the next question from Mr. Rahul Jain.

**Rahul Jain:** Rahul Jain here from Systematix. Just want to check on your coke. So, you just had one quarter of coke earnings, and do you think for this financial year we will have a similar run rate what we had in the fourth quarter, or can we do better than that?

**Bahirji Ghorpade:** First quarter should be good, and the second quarter also looks to be good, but then the coal prices are again shooting up and they are more than \$ 200. So, there is some uncertainty with regard to the third and fourth quarter of this year. But then we don't know, things change very dynamically. So, we will have to keep our fingers crossed and look at it during August-September and see how we perform.

**Rahul Jain:** Do we have an end-to-end tie-up in terms of locking the price or do we take the price risk on ourselves?

**Bahirji Ghorpade:** We do somewhat longer-term purchases instead of just-in-time or something like that, we try to purchase it for the next four months or five months requirement. So that we lock in that price, and we are safe in case there is any volatility.

(56.00)

**Rahul Jain:** In terms of your bigger plan, so it is all going to be a blast furnace kind of an expansion, and have you identified the location and other things for this huge project which you are planning to take?

**Bahirji Ghorpade:** Currently in the existing plant area we have land available, so we are trying to expand in the current available space. That is what we are looking at most probably,

**Rahul Jain:** That is going to be a blast furnace kind of thing?

**Bahirji Ghorpade:** Most probably, but we are yet to finalize on the technology.

**Rahul Jain:** With the expansion of iron ore that we're doing we are planning to take the number of 3.8, the right number from 1.6, we plan to go?

**Bahirji Ghorpade:** Yeah, we have applied for the 3.85 million tonnes EC.

**Rahul Jain:** And once you get the approval it will take 6 months to 1 year to reach that number?

**Bahirji Ghorpade:** No, it will not take much time, it can be done fairly immediately.

**Moderator:** The next follow up question from Mr. Abhishek Maheshwari.

**Abhishek Maheshwari:** My question is regarding what you just said to the previous parts and that you are planning to expand forward integration into your expansion, the land is already available with you. I wanted to know the entirety of 1 million tonne per annum steel capacity, can you put it in the land available or do you have to buy some more land?

**Bahirji Ghorpade:** That we are trying to ascertain that. But yeah, it looks likely but, we are not going for 1 million tonne in one phase itself. We are planning to further expand in the phased manner, but we will keep the future next phases in our planning and then plan the plant layout.

**Abhishek Maheshwari:** For the Phase 2 you have enough land available?

**Bahirji Ghorpade:** Yeah.

**Moderator:** We will take the next question from Mr. Arpit Ranka.

**Arpit Ranka:** I am Arpit Ranka from (inaudible) Investments. Early in the call you mentioned that you will possibly use a contractor MDO to go for a CAPEX. How does the economics of that work, typically how much do they charge and what is the right way to think about that?

**Bahirji Ghorpade:** Regarding the earth moving equipment you are referring to?

**Arpit Ranka:** Yes. Generally, you use the term MDO right? Mine developer and operator, right?

**Bahirji Ghorpade:** Yeah, that is also a term used, but yeah the earth moving equipment provider. Okay. It is basically on a tonnage basis that they help in the excavation and also processing of the material produced.

**Arpit Ranka:** How does economics work, how much would they charge typically Rs. 800 a tonne, 1,000 a tonne, 500 a tonne?

**Bahirji Ghorpade:** That again depends, because the nature of operations and the development required in the mines to take out the overburden and take out the over. We can't really attach a number to it. It keeps varying.

**Arpit Ranka:** Not even a broad range used in the industry?

**Bahirji Ghorpade:** I can only say that our expenditure amounts are on par or better than the industry.

**Arpit Ranka:** Secondly, the EC requires a public hearing to be done, for the last year or so conducting public hearing has been an issue for industry as a whole? How do you see the situation evolve as things stand today? Any thoughts on that? And this is specific to us or the industry as a whole?

**Bahirji Ghorpade:** See previously the public hearing was conducted for us, it was a long back and we have sought for that exemption and, looking at the current situation that should not be a roadblock we should be able to get through,

**Arpit Ranka:** But public hearings are not allowed to be held as of now on the ground or what is the situation?

**Bahirji Ghorpade:** It depends now the situation is better, and things are opening up so that should not be a problem.

**Arpit Ranka:** What happened in March, MMDR, mining act amendments are being hailed as a historic event. Can you share your thoughts because you have been involved in this industry for decades now, how do you see those amendments and the good, the bad, both, if you could just spend a few minutes highlighting given the importance of that?

**Bahirji Ghorpade:** Let's see. Yes. I would like Saleem to answer this question.

**Abdul Saleem:** Definitely the market feels, and the industry also feels that the amendments are good because some of the issues which were lingering over the years are getting addressed in this. For example, if you look at it, the previous question was also about the royalty. One of the mining leases, which has expired, and it was due for renewal was not considered by the state because the auction regime has already started. Then the view that was taken was the PSUs should be allowed to go for renewal. There have been couple of amendments that have been issued, over a of time to solve those issues and then make it a smooth transition, at least for the PSUs is to continue the renewal

process or even some of the mining leases to be identified and reserved and provided to the PSUs without the auction process. But in the case of a private entities, no such a relaxation has been given and it is open for auction for all the mining leases.

**Arpit Ranka:** Okay so if I understood you correctly you are saying that they seem to be helping more the public sector directly as of now, and private it continues as usual.

**Abdul Saleem:** Correct, public sector at least the smooth transition can take place in the case of private any how the system has been put in place for the mining leases which are expiring, should be put up for auction so that it is an open offer available for anybody to bid and get into that because the benefit of higher auction price is the royalty that the government will get. This is a better facility or option for the government to generate more revenues.

**Moderator:** We will take the next question from Mr. Ayush Mittal.

**Ayush Mittal:** I am Ayush Mittal from Mittal Analytics. I just would like to hear your thoughts like one of the trends that we have seen in this industry is that when we have to put up a steel plant, it's a very large CAPEX outlay that one has to do. Though the plans are not finalized, but can you give some kind of ballpark number that we would need to spend on this steel plant and by what timeframe do we need to do? Is it like something that a large part you want to do from the internal accruals or there is some mix in your mind to keep it healthy?

**Bahirji Ghorpade:** With regard to the funding of it yes, we would like to use the internal accruals to as much possible extent because yes, the financials have been good looking forward, the projections are also good. But as of now I cannot give you a finalized number, because we are working as I said earlier, we are looking at the end product and what is the product that we would like to, be, get into the market? Because we are a new entrant in the market we would like to have that safety or that comfort to us that we will be able to do well. From there worked back on the technology and the plant required to produce that.

**Ayush Mittal:** Actually, the question comes from the side that when we do some searches we get to see very wide numbers, like 1 million in a steel plant can even cost \$1 billion. While on the lower side, I don't know what that number would be. So, I am trying to get some idea around that number because of the expansion that we are doing today. Is there an estimate that we have in mind to fund it?

**Bahirji Ghorpade:** To generally give you some numbers as you said, yeah 1 million tonne can cost \$ 1 billion, but then we will not be going for 1 million tonnes in the first phase itself. It will be divided in maybe two phases or maybe three phases with that will depend. If it is divided in two phases, then it will be like maybe 0.4, 0.5 or 0.6 also. But then whatever hot metal that is produced that will have to produce the end product. But then what we are looking

at is we should have a diversified portfolio of different products, so that the risk is again diversified and we have presence in different markets. It can range anywhere between, (+) 1,000 to 2,000 - 2,500 crores.

**Ayush Mittal:** You are talking about this number as the overall CAPEX?

**Bahirji Ghorpade:** Not the overall CAPEX the phased CAPEX.

**Ayush Mittal:** So, for .5 million tonne if we have to do, it can even be done in 2000 crore kind of number?

**Bahirji Ghorpade:** That is possible but that again will depend on the end product.

**Ayush Mittal:** Second like you mentioned that you want to do it from internal accrual, so is it right to assume that once we are able to scale up the iron ore output, to the EC enhanced limit that we are looking at that will be sufficient to generate maybe 300-400 crores kind of cash flows or PAT to do this funding or the the expansion.

**Bahirji Ghorpade:** Correct, that should be sufficient, but then we will have to look at the market factors because that keeps changing.

**Ayush Mittal:** Any update on this EC thing that has been pending? Any recent developments wherein there was a meeting to take a call on them?

**Bahirji Ghorpade:** Regarding EC there is a positive development, I think by the end of the calendar year we should be able to get through that and enhance our APAP.

**Moderator:** The next question is from Mr. Jitendra Anchalia.

**Jitendra Anchalia:** I don't have much questions, I have got some suggestions 3, 4. Two suggestions I am endorsing, one is for the NSE listing and another is for the split of shares. My suggestion is that since the company is going for steelmaking, it should, keeping the logo, they should change the name of the company from ore or manganese ore or something like that, it can be Sandur Resources or something like that. Another thing is, just I am listening that, and you might be going for capital expansion of 2,000-3,000 crores. Since the resources will not be that much by diluting some shareholding, the management can have some private equity because once share are split and once the market go for the proper valuation, the price of the shares can go up and then you can rope in the private equity fund and by some dilution and some, say bond issue or some, that way. That will be the better option instead of going for internal accrual and that. Because recently there is one company in America, USA, they were simply making pellets, 19 million pellets. Their name was Cleveland Cliff Resources Limited, natural resources. They changed the name of the company and immediately thereafter, they acquired two large companies in the USA, and they have transformed themselves from a mining company to a steel company. They acquired an ArcelorMittal manufacturing

unit and one AK Steel. The future is in steel, but you have to move fast, and you have to rope in the private equity fund or something like that, because that is the way the people are ramping up their sources. So that is my suggestion, any view by the management on this?

**Bahirji Ghorpade:** Thank you for the suggestions, as you said we need to move faster and ensure we enter the right market at the right time. We will consider various options looking at the requirement in due course of time.

**Jitendra Anchalia:** Another just a small suggestion because the way the things are happening in China, I am of the view that China will simply stop at least 200 million tonnes of their steel production because they want that the world get scarcity of all the metals, whether it is a steel, zinc, aluminum, so that all over the world there is a crisis. They are simply saying that they are curtailing, they are scrapping the production of the manufacturing plants only for environmental angle, but it is just an eyewash because they don't have any..... The management should move very fast for steel, steel has got a tremendous opportunity. Once China is off the scene people have to come to India because we have got iron ore. You can go for, because the risk is there, but that is a calculated risk in the steel plant.

**Moderator:** Thank you. We will take the next question from Mr. Sanjay Jain.

**Sanjay Jain:** There are two questions. One is that I want to understand the status of our mining lease, you tried to explain something, but I didn't really get what stage we are in terms of expanding our capacity of iron ore mining from 1.6 to 3.5 million tonnes. What are the milestones which are pending, and secondly, on your CAPEX plan, I really liked the idea that you want to phase-out your CAPEX plan and that's really the right way, because rather than putting in huge CAPEX in one go and then suddenly when the plant comes in, then you are in a down cycle, and the interest starts mounting on the balance sheet? So that is really why I like the idea. Are you trying to say that we will first put up an iron ore beneficiation plant, pellet plant, and subsequently we will put up blast furnace and then you will put a castor and then a rolling mill, is that the path that you are looking at? Is that the path you are looking at in your mind so that you can phase out your CAPEX?

**Bahirji Ghorpade:** Answering your first question regarding enhancement of our iron ore production, we are in the final stages of getting the approval, and as said by this calendar year we should get it tentatively. At the same time, as I said, we have some challenges with grades dropping. We are looking at some kind of beneficial facility and also evaluating putting up a pilot plant. At the plant in terms of forward integration, we are looking at the end product first, what we need to manufacture, which will do well in the market and then work back on the plant required facility.

**Sanjay Jain:** I am just trying to understand why not go ahead with the pilot plant right away, maybe this beneficiation can come, because setting up a pilot plant itself will take some time, maybe a year or more. And by that time, you can have your mining leases expanded, or do you see significant risk that you may not get that expansion, and if you don't get an expansion it might not be worth putting up a pilot plant. So, is that the way or putting up the steel plant is more to do with it, more supply of iron ore expansion, is it contingent on one another or both are independent?

**Bahirji Ghorpade:** Both are integrated and independent because some amount of pellet or, the beneficiated ore will be required at the plant. Also, that will give us different products in the market. We are considering that and in due course we will announce, we are trying to ascertain the size of the plants and various things, which in due course we will do the announcement.

**Sanjay Jain:** You are in a state of Karnataka where you are restricted to sell your iron ore to the steel producer within the state, or who have been sourcing historically, iron ore from the state as per the Supreme Court order. In a way your pricing power is curtailed, you are not able to realize the full value of your ore you would have realized otherwise. At the same time, the steel mills are able to buy iron ore from wherever they like, from within the state, from outside the state. Some of your customers, the large customers, have been playing that game. They have been ensuring that there is no shortage. So, wherever they see the market tightening they import and to some extent, erode your pricing power for your ore. That is a game which is not very fair to the mining companies in my view. If you are able to put up a pilot plant, then won't you be able to export pellets and then you get more pricing power and realize better value for the ore that we are producing.

**Bahirji Ghorpade:** We are considering that option, so we will make the announcement in due course.

**Moderator:** We will take the next question from Mr. Hardik Jain.

**Hardik Jain:** As you said that we might get the EC approval by the end of this calendar year. You also said that the grade of that ore, and we can enhance the capacity immediately and the grade of the ore will be a little lower. But the beneficiation plant and the pellet capacity will take some time to come. So meanwhile we will sell the low-grade ore in the market right?

**Bahirji Ghorpade:** That really depends. Once we enhance the capacity, we have both higher grades and lower grade ores. Simultaneously we will be planning other required capacities to enhance quality or add some value-added products. We will try to align it in such a way that maximum value is achieved.

**Hardik Jain:** My second question is, right now what kind of royalty per tonne we pay on the iron ore? And will the royalty be the same for the enhanced capacity?

**Bahirji Ghorpade:** Yes, that will remain the same.

**Hardik Jain:** What do we pay per tonne today as the royalty?

**Abdul Saleem:** 15%.

**Moderator:** We will take the next question from Mr. Prashanth Shah.

**Prashanth Shah:** I am a long-term investor for your company. I wanted to know if you can give us guidance for FY- 22. For FY-22 can we assume that we will be probably having revenue of 1,700-2,000 crores?

**Bahirji Ghorpade:** That is as of now difficult to tell but then we can assume a much better revenue, more than plus 1,200 – plus 1,300 crores.

**Moderator:** Mr. **(Inaudible) 1:20:23** please go ahead.

**Participant:** My question is basically even after getting the additional capacity of mining 2.8 million tonnes, and your mining is expiring by 2033. After 2033 you will have to auction the mine again. Are you planning to apply for an increment for that, because 2033 you will be able to extract only about 50 million tonnes? You will be leftover with 60 million tonnes of the reserves. Are you applying for additional capacity of mining or is there any consideration? And the second thing we have seen in the industry is whoever produces the best quality gets a very high premium, and you also said that you are getting 7,000-8,000 for the best quality. So, the beneficiation plant will not take much time and you can use your reserve which you might be having, this is my second suggestion.

**Abdul Saleem:** With reference to the enhancement of production it is not because the mining lease is expiring in 2033 that we are seeking enhancement. Our application for enhancement is under consideration for the last 10 years. For reasons beyond our control, including the suspension of operations, that application has been delayed and we are pursuing it. As MD mentioned that we are at the last stages of it, and we expect to get it before the end of this calendar year.

**Participant:** No, but my thinking is that even at that enhanced opportunity you will not be able to exhaust, you will be left with 60 million tonnes by 2033. Are we applying for a substantially higher capacity that is my question?

**Abdul Saleem:** No mining lessee can exhaust the minerals because the Supreme Court itself has passed an order that it should be inter-generational equity. There should be something left for the next batch of people also, to do mining.

**Moderator:** We'll take the last question for the day from Mr. Satish Kumar.



**Satish Kumar:** My question is how are we going to continue this con calls? I mean is it quarterly frequency, what is the outlook for that?

**Bahirji Ghorpade:** We will keep you posted in due time, and we will definitely take your suggestions, but it will be announced. Thanks a lot.

**Moderator:** I believe all the questions have been answered, if there are still pending queries you can write to me, Mr. Diwakar, or Mr. Bijan, our emails are at the end of the investor presentation. We would be more than happy to chat with you. Thanks a lot once again for joining in on the call and making it a success, look forward to talking with you again. Mr. Bahirji or Mr. Saleem, would you like to give some closing remarks?

**Bahirji Ghorpade:** It was really good to interact with the investors and understand their queries and give them an understanding about the future and the current operations. We will try to maintain a good frequency of our interactions and also communicate on a regular basis, so that the complete understanding is there, and it was good. Thank you for the conference call.

**Abdul Saleem:** I would like to only add that we are happy to note that our thought process is synchronized and matching with the thought process and the suggestions that are coming from the shareholders. Since the wavelength is good, we hope to move forward quite progressively. Thank you.

**Moderator:** Thanks a lot for joining everyone. You may now disconnect your lines.