



### **(A) Owais Metal & Mineral Processing Limited**

The Company's Core Business at "Owais" is an efficient and effective manufacturer and processor of various metals and minerals. Uniquely diversified across the broad spectrum of natural resources with main interests in manufacturing and processing metal and minerals. The company is engaged in the manufacturing and processing of the following products:

1. Manganese Oxide (MNO)
2. MC Ferro Manganese
3. Manufacturing of Wood Charcoal
4. Processing of Minerals such as Ferro Alloy, Quartz and Manganese Ore.

Company's products like Manganese Oxide is used in the fertilizer industry and is also used by the Manganese Sulphate Plants.

Manganese Ore is used in manufacturing of Ferro Manganese, Silico Manganese, Manganese Oxide, Batteries and other Ferro products also it can be directly sellable in the market.

MC Ferro Manganese is used in steel and casting industries, as it assists in removing sulphur from steel and improve properties, like durability, machinability and malleability. It can deoxidize molten metal.

Company's Wood Charcoal is used in furnaces of industries which requires high heat for their manufacturing process such as Steel industry.

Processed Quartz is being used hotel industry, Ferro Alloys industry, tiles & ceramic industry, glass industry and industry of interiors & furniture

## Geographical Revenue

Sr. no	Products	% of Sale in Gujarat	% of Sale in Maharashtra	% of Sale in Madhya Pradesh	% of Sale in Punjab	% of Sale in Delhi
1.	Manganese Oxide (MNO)	34.77	-	63.23	-	-
2.	Medium Carbon (MC)	3.09	0.08	28.70	25.78	41.60
3.	MC Ferro Manganese	18.67	16.30	65.30	-	-
4.	Manufacturing of Wood Charcoal	-	-	100.00	-	-
5.	Processing of Quartz's	-	-	100.00	-	-

## Product wise breakup of Revenue

(In lakhs)

Year	Manganese Oxide	MC Manganese	Quartz*	Wood Charcoal*	Other Products#	Processing Ferro Alloys
FY 2020-2021	427.45	-	-	-	207.81	1,452.83
FY 2021-2022	1,380.04	1,111.63	-	-	7.6	299.95
FY 2022-2023	-	1,045.11	555.22	508.03	60.74	1,776.51
01.04.2023- 31.08.2023	0	380.35	330.28	297.84	37.50	1,096.55

## Research & Development:

1. Company has a dedicated research and development department and is continuously doing research for new types of processes in the field of minerals and metals. Company's recent R&D endeavour is extracting Gold from quartz and we have succeeded in it in the year 2022-23. Company has successfully executed a lab scale project. Now the company is planning to develop a pilot level plant in the coming future. The plan outlines a systematic approach to finding gold in quartz by combining geological knowledge, modern technology, and environmental responsibility throughout the process. Our research and development efforts for gold extraction from quartz focuses on various areas such as conducting detailed characterization of the quartz ore to understand its mineralogy, gold content, and associated impurities. Analyze the particle size distribution, liberation characteristics, and mineral associations to optimize extraction processes.

2. Company's research team is currently developing a plan to automate furnaces of producing wood charcoal. This will benefit to increase the capacity and can manufacture charcoal pollution free, efficiently, less labour dependency. Company is currently producing wood charcoal with the help of Bhatti's which takes almost 6 days to complete. However as per the research if company

switch to automatic furnace the production time will significantly reduce to 36 hours approximately

3. Company is currently planning to introduce Carbon Reduction Furnaces for product Manufacturing of MC Ferro Manganese in the near future. Introduction of such furnaces will increase the rate of production to a great extent. by introducing such measures, company can significantly improve the operational efficiency, and this will in return enhance the capacity.

4. Company's team is continuously striving to improve the quality, performance, and cost-effectiveness of manganese oxide production. Explore innovative synthesis methods, optimize production processes, and develop new product variants or grades to cater to specific customer requirements. Identify potential growth opportunities beyond the existing market. Explore new industries or applications where manganese oxide can be utilized.

**Objects of the issue:**

The net proceeds of the issue are proposed to be used in accordance with the details provided in the following table:

(Rs. in Lakhs)

<b>Particulars</b>	<b>Amount</b>
Purchase of Plant & Machinery for manufacturing	1977.49
Working capital requirement	1800

**Internal Risks:**

1. Company has been formed specifically for the purpose of acquisition of the business of M/s Owais Ali Overseas (Proprietorship firm of our Promoter) thus have limited operating history as a Company which may make it difficult for investors to evaluate historical performance or prospects.
2. The Company has undertaken business activities not contained into the Main Object clause of the MOA. Although due rectification of the MOA non-compliance has been made, and are not sure if the Company may be subjected to penalties for any of past actions in this respect.

3. The Company is yet to place orders for 100% of the plant & machinery for the proposed object, as specified in the Objects of the Issue. Any delay in placing orders, procurement of plant & machineries may delay the implementation schedule and may also lead to increase in price of these plant & machineries, further affecting revenue and profitability.
4. Too much Geographical concentration of the Business in one location can impact the Business.
5. Majority of company revenue is dependent on two products i.e.,MC Manganese and Processing of Ferro Alloys inability to anticipate or adapt to evolving upgradation of products or inability to ensure product quality or reduction in the demand for such products may adversely impact our revenue from operations and growth prospects.

#### B) Company's Financials:

Particulars	For the year ended 31.12.2023	FY 2023( M/s. Owais Ali Overseas)	FY 2022( M/s. Owais Ali Overseas)	FY 2021( M/s. Owais Ali Overseas)
Revenue	3952.02	3,950.68	2,831.36	2,107.22
Net Profit	765.47	845.97	151.37	111.95
<b>NP Margin</b>	<b>19.37%</b>	<b>20.65%</b>	<b>5.19%</b>	<b>5.12%</b>
EBITDA	1220.84	1028.05	298.11	233.09
<b>EBITDA Margin</b>	<b>30.89%</b>	<b>26.02%</b>	<b>10.53%</b>	<b>11.06%</b>
EBIT	1135.82	988.93	256.2	185.81
Interest Cost	112.90	143.03	104.83	73.86
<b>Interest Coverage Ratio</b>	<b>10.06</b>	<b>6.91</b>	<b>2.44</b>	<b>2.52</b>
Debt	1350.59	2320.33	1760.36	1249.51
Equity	2122.77	1395	518.08	420.36
<b>D/E Ratio</b>	<b>0.64</b>	<b>1.66</b>	<b>3.40</b>	<b>2.97</b>
Current Assets	4354.16	2480.13	1881.79	1631.54
Current Liabilities	2503.46	966	1210.75	1049.69

<b>Current Ratio</b>	<b>1.74</b>	<b>2.57</b>	<b>1.55</b>	<b>1.55</b>
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**C) Comparison with listed Industry peer:**

<b>Company</b>	<b>P/E Ratio</b>	<b>EBITDA Margin</b>	<b>D/E Ratio</b>	<b>EV/EBITDA</b>	<b>Interest Coverage Ratio</b>
<b>Owais Metals and Minerals Processing Limited</b>	15.54	30.89	0.64	2.08	10.06
<b>Impex Ferro Tech Limited</b>	In Loss	-27.20 %	Equity Negative	-53.40	-1,234
<b>Indian Metals &amp; Ferro Alloys Ltd</b>	9.31	18.90%	0.18	5.78	14.50

**D) Conclusion:**

Company ratios are looking better as compared to peers but D/E ratio is on a higher side. One concern is the company is incorporated in FY 22-23 by conversion and earlier it was an proprietorship firm and have limited operating history as a Company which may make it difficult for investors to evaluate historical performance or prospects.