



The Sandur Manganese & Iron Ores Limited

ANNUAL REPORT 2015 - 16

DIRECTORS

S. Y. Ghorpade, Chairman & Managing Director
Nazim Sheikh, Joint Managing Director
R. Subramanian, Director
V. Balasubramanian, Director
P. Vishwanatha Shetty, Director
U. R. Acharya, Director (Commercial)
B. Ananda Kumar, Director
S. S. Rao, Director
Vatsala Watsa, Director
K. V. Ramarathnam, Additional Director
T. R. Raghunandan, Additional Director

COMPANY SECRETARY & COMPLIANCE OFFICER

Md. Abdul Saleem, CS & CGM (Mines)

CHIEF FINANCE OFFICER

K. Raman

AUDITORS

M/s. Deloitte Haskins & Sells, Bangalore

SHARE TRANSFER AGENT

Venture Capital & Corporate Investments Pvt. Ltd., Hyderabad

BANKER

State Bank of Mysore

RISK MANAGEMENT COMMITTEE

(Reconstituted w.e.f 28 May 2016)

S. Y. Ghorpade, Chairman
R. Subramanian, Member
U. R. Acharya, Member
B. Ananda Kumar, Member
Vatsala Watsa, Member
K. V. Ramarathnam, Member

AUDIT COMMITTEE

R. Subramanian, Chairman
V. Balasubramanian, Member
B. Ananda Kumar, Member
S. S. Rao, Member
Vatsala Watsa, Member

NOMINATION & REMUNERATION COMMITTEE

P. Vishwanatha Shetty, Chairman
R. Subramanian, Member
V. Balasubramanian, Member
S. S. Rao, Member
Vatsala Watsa, Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

P. Vishwanatha Shetty, Chairman
S. Y. Ghorpade, Member
Nazim Sheikh, Member
B. Ananda Kumar, Member

ENVIRONMENT COMMITTEE

S. Y. Ghorpade, Chairman
Nazim Sheikh, Member
S. R. Sridhar, Member
V. Balasubramanian, Member
K. Raman, Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

(Reconstituted w.e.f 28 May 2016)

S. Y. Ghorpade, Chairman
Nazim Sheikh, Member
V. Balasubramanian, Member
P. Vishwanatha Shetty, Member
S. S. Rao, Member
T. R. Raghunandan, Member

REGISTERED OFFICE:

LAKSHMIPUR, SANDUR - 583 119. BALLARI DIST., KARNATAKA
CIN:L85110KA1954PLC000759



INDEX

Notice.....	1-6
Directors' Report.....	
Corporate Governance Report	
CEO & CFO Certificate and CMD Certificate	
Auditors' Certificate on Corporate Governance	
Management Discussion and Analysis Report	
Independent Auditors' Report	
Balance Sheet	
Statement of Profit & Loss	
Cash Flow Statement	
Notes forming part of the Financial Statements.....	
Statement under Section 212(1)(e) of the Companies Act, 1956	
Independent Auditors' Report on Consolidated Financial Statements.....	
Consolidated Financial Statements	
Directors' & Independent Auditor's Reports & Financial Statements of SMPPL.....	
Nomination Form	
ECS Mandate Form	
Proxy Form	



The Sandur Manganese & Iron Ores Limited

Registered Office: Lakshmipur, Sandur - 583 119, Ballari Dist., Karnataka
CIN:L85110KA1954PLC000759 Website: www.sandurgroup.com
Telephone: +91 8395 260301 Fax: +91 8395 260473

NOTICE

Notice is hereby given that the Sixty-second Annual General Meeting of the Members of the Company will be held on Wednesday, 14th day of September 2016 at 11:00 A.M. at Golden Jubilee Hall, Sandur Residential School, Palace Road, Shivapur, Palace Road, Sandur - 583 119, to transact the following business:

ORDINARY BUSINESS

1. To consider, approve and adopt:
 - a. Audited Financial Statements of the Company for the financial year ended 31 March 2016 together with the reports of the Auditors and the Directors' thereon.
 - b. Audited Consolidated Financial Statements for the financial year ended 31 March 2016 together with the report of the Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of U. R. Acharya (DIN: 00135676), who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit to pass the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as may be amended from time to time, the Company hereby ratifies the appointment of M/s Deloitte Haskins & Sells, Chartered Accountants, Bangalore (ICAI Registration No. 008072S), as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting at such remuneration as may be mutually agreed between the Board of Directors and the Auditors."

SPECIAL BUSINESS

5. To consider and if thought fit to pass the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as may be amended from time to time, remuneration of ₹1,25,000/- and applicable taxes thereon apart from reimbursement of out of pocket expenses towards travelling, conveyance etc., payable to M/s. Kamalakara & Co., Cost Accountants (Firm Registration No. 000296), for conducting Cost Audit of the Cost Accounting Records for the financial year 2016-17, as recommended by the Audit Committee and approved by the Board of Directors, be and is hereby ratified."

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. IN ORDER TO BE EFFECTIVE THE PROXIES SHOULD BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING. PROXIES SUBMITTED ON BEHALF OF CORPORATES INCLUDING COMPANIES, SOCIETIES ETC., MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION OF THE BOARD OF DIRECTORS OR OTHER GOVERNING BODY.
2. Pursuant to the provisions of Section 91 of the Companies Act, 2013 and Regulation 42 of the SEBI (Listing Obligation & Disclosure Requirements) Regulation 2015, the Register of Members and shares Transfer Books of the Company will be closed from Wednesday, 7th September 2016 to Wednesday, 14th September 2016 (Both days inclusive).



3. Members holding shares in physical form and desirous of availing Electronic Clearance Services (ECS) for direct credit of dividend to their bank account are requested to provide their bank details in the Electronic Clearing Service (ECS) Mandate. In respect of shareholders holding shares in dematerialised form, bank details as furnished by their Depositories will be used for distribution of dividend through ECS.
4. Members are requested to quote their Folio Number / Client ID, in all correspondence and intimate any change in their address to the Share Transfer Agent / Depository Participant promptly.
5. Pursuant to the provisions of Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014, the Company is sending the Annual Report electronically on email addresses registered with the Depositories / the Company's Share Transfer Agent. For others, the Company will continue to send the printed Annual Reports as usual. Shareholders wishing to receive the Annual Report in electronic mode are requested to provide their email address to the Company's Share Transfer Agent.
6. Pursuant to the provisions of Sections 205A and 205C of the Companies Act, 1956, the dividend which remains unclaimed/unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investors' Education and Protection Fund (IEPF) established by the Central Government. The unclaimed dividends and the relevant due dates for transfer of such amounts are as under:

Financial Year	Unclaimed Dividend as on 30 April 2016 (in ₹)	Date of declaration	Due date for transfer to IEPF
2008-09 (Final dividend)	1,41,955.50	25 September 2009	24 October 2016
2009-10 (Final dividend)	1,40,730.00	29 September 2010	28 October 2017
2010-11 (Final dividend)	2,91,000.00	10 September 2011	09 October 2018
2013-14 (Final dividend)	2,10,318.00	27 September 2014	27 October 2021
2014-15 (Final dividend)	2,49,069.00	19 September 2015	20 October 2022

Pursuant to the provisions of Section 205A and Section 205C of the Companies Act, 1956, the Company is required to transfer to the Investor Education and Protection Fund (IEPF), dividend remaining un-paid or un-claimed for a period of seven years from the date it became due for payment.

The Board had in its meeting held on 29 January 2009 declared an Interim Dividend for financial year 2008-09. The dividend remaining un-paid/un-claimed for 30 days from the date of declaration was transferred to un-paid dividend account.

In this context, seven years having lapsed from the date of transfer, the Company has transferred the amount of ₹1,33,331/- lying in the Unpaid Dividend Account to Investor Education and Protection Fund on 28 March 2016.

7. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its members facility to exercise their right to vote on resolutions proposed to be considered at the 62nd Annual General Meeting (AGM) through e-Voting Services provided by National Securities Depository Limited (NSDL).

The voting period begins on 10 September 2016 at 10:00 AM and ends on 13 September 2016 at 5:00 PM. During this period, members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of 7 September 2016, may cast their vote electronically.

The instructions for remote e-voting are as under:

- a. Log on to the e-voting website: www.evoting.nsdl.com and Click on 'Shareholder-login'.
- b. Enter following details in the appropriate boxes and click "SUBMIT":



	Details
User ID	For NSDL - 8 characters DP ID + 8 digits demat Client ID. For CDSL - 16 digits Beneficial Owner ID. For Physical - Registered Folio Number with the Company.
Password	Your unique password is either pasted as a sticker in the Annual Report or will be sent by email by NSDL/STA

- c. After logging in the aforesaid details, the shareholders holding shares in physical form will be directed to the voting screen immediately. However, shareholders holding shares in demat logging in for the first time, will be required to mandatorily change their password in the new password field and may choose to enter their demographic details i.e date of birth, mobile number and email id. Change the password with new password of your choice with minimum 8 digits/ characters or combinations thereof. The shareholders are advised to remember the new password. The new password can be used for voting on future e-voting resolution(s) for 'The Sandur Manganese & Iron Ores Limited' or any other company in India.
 - d. Home page of "e-voting" opens. Click on "e-voting":- Active Voting Cycles. Select the "Electronic Voting Event Number" (EVEN) of the 'The Sandur Manganese & Iron Ores Limited'.
 - e. Now you are ready for "e-voting" as "Cast Vote" page opens. Cast your vote by selecting the appropriate option and click on "Submit" and also "Confirm" when prompted.
 - f. You can log in for any number of times till you have voted on all resolutions during the e-voting period. Once you have voted on a resolution, you will not be allowed to modify your vote.
 - g. Those persons who have acquired the shares of the Company after the dispatch of the Notice and become members of the Company as on the cut-off date i.e. 7 September 2016 may obtain their login ID and password by sending their requests by email at evoting@nsdl.co.in with a copy marked to investors@sandurgroup.com.
 - h. Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF / JPG Format) of the relevant board resolution / authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorised to vote, to the scrutinizer through e-mail at postalballot@sandurgroup.com with a copy marked to evoting@nsdl.co.in and investors@sandurgroup.com. File name of the scanned image should be "Corporate Name_EVEN". The documents can be sent before/immediately after casting the vote. However, in case the same do not reach before closure of voting, the vote so exercised will be rejected in the system.
 - i. In case of queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for shareholders available at "downloads" section for www.evoting.nsdl.com or call on 022-2499 4600.
 - j. E-voting period starts from 10 September 2016 at 10:00 am and ends on 13 September 2016 at 5:00 pm.
 - k. The results shall be declared on or before 16 September 2016. The results declared along with the Scrutinizer's Report shall be placed on the Company's website and on the website of NSDL immediately after the result is declared by the Chairman and communicated to the stock exchange.
8. In addition to the facility of remote e-voting, the Company shall also be providing the facility for voting at the venue of the Annual General Meeting, either through ballot or polling paper and shareholders attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
9. A Member may participate in the Annual General Meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the meeting. However, in case a shareholder exercises his voting right by casting his vote at the general meeting in addition to remote e-voting, then voting done through remote e-voting shall prevail and voting done at the general meeting will be treated as invalid. The Scrutinizer's decision on the validity of a voting at the general meeting/ e-voting shall be final.

By order of the Board
for The Sandur Manganese & Iron Ores Limited

Place : Bangalore
Date : 28 May 2016

Md. Abdul Saleem
CS & CGM (Mines)



EXPLANATORY STATEMENT

In terms of Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to the special business mentioned in the accompanying Notice.

Item no. 5

In terms of the Companies (Cost Records and Audit) Rules, 2014, the Company is required to get its cost accounting records, audited by a cost auditor who shall be either a cost accountant or a firm of cost accountants, holding a valid certificate of practice under the provisions of Cost and Works Accountants Act, 1959.

Based on Audit Committee's recommendation to appoint M/s. Kamalakara & Co. as Cost Auditor for the financial year 2016-17, the Board of Directors has approved their appointment as the Cost Auditors of the Company to conduct audit of cost records maintained by the Company at a remuneration of ₹1,25,000/- plus service tax and actual out-of-pocket expenses.

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration as recommended by the Audit Committee and approved by the Board of Directors is required to be subsequently ratified by the shareholders.

M/s. Kamalakara & Co, have vast experience in the field of cost audit and have conducted the audit of the cost records of the Company for the previous two years.

The Ordinary Resolution at Item 5 for ratification of their remuneration is proposed and accordingly commended for approval.

Interest of Directors, Key Managerial Personnel and their relatives

None of the Directors, Key Managerial Personnel or their relatives is/are, in any way, concerned or interested in this item.

By order of the Board
for The Sandur Manganese & Iron Ores Limited

Place : Bangalore
Date : 28 May 2016

Md. Abdul Saleem
CS & CGM (Mines)



The Sandur Manganese & Iron Ores Limited

Registered Office: Lakshmipur, Sandur - 583 119, Ballari Dist., Karnataka

Addendum to the Notice dated 28 May 2016, convening 62nd Annual General Meeting of the Company to be held on Wednesday, the 14th day of September 2016 at 11:00 am at Golden Jubilee Hall, Sandur Residential School Campus, Palace Road, Sandur-583 119.

Attention of the members is invited to the Notice dated 28 May 2016 of 62nd Annual General Meeting of the Company, sent to all the shareholders. Notice is further given that the following items shall be included in the aforesaid notice as Item Nos. 6 & 7, which shall be read in tandem with the notice dated 28 May 2016:

SPECIAL BUSINESS:

ITEM No.6

To consider and if thought fit to pass the following resolution as an **ORDINARY RESOLUTION:**

“RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, K. V. Ramarathnam, (DIN – 00097892), who was appointed as an Additional Director of the Company with effect from 28 May 2016 and in respect of whom, the Company has received a special notice in writing, along with a deposit of Rupees One lakh, pursuant to the provisions of Section 160 of the said Act, from a member proposing the candidature of K. V. Ramarathnam for the office of Director, be and is hereby elected and appointed as a Non-Executive Director of the Company liable to retire by rotation.”

ITEM No.7

To consider and if thought fit to pass the following resolution as an **ORDINARY RESOLUTION:**

“RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, T. R. Raghunandan, (DIN - 03637265), who was appointed as an Additional Director of the Company with effect from 28 May 2016 and in respect of whom, the Company has received a special notice in writing, along with a deposit of Rupees One lakh, pursuant to the provisions of Section 160 of the said Act, from a member proposing the candidature of T. R. Raghunandan for the office of Director, be and is hereby elected and appointed as a Non-Executive Director of the Company liable to retire by rotation.”

By order of the Board
for The Sandur Manganese & Iron Ores Limited

Place : Bangalore
Date : 6 August 2016

Md. Abdul Saleem
CS & CGM (Mines)



EXPLANATORY STATEMENT

In terms of Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to the special business mentioned in the accompanying addendum to the Notice. Further, particulars of the director seeking appointment are also provided hereunder:

ITEM No.6

K. V. Ramarathnam, (DIN – 00097892), is a 1969 batch Mechanical Engineering Graduate from University of Madras. He was associated as a Key Personnel for more than 21 years with Kalyani Steels Limited and Kalyani Seamless Tubes Limited wherein he handled all areas of operations including Production, Marketing, Process & equipment selection, Project appraisal & implementation, Cost Control, Recruitment & Training, Review of all MIS & action plans, Funds Flow management etc. He was the Chief Executive Officer (CEO) with WelspunStahlrohren at Bharuch. He served as SBU Head (Steel Division) of Perkasa Indobaja, Subang, Indonesia, (Texmaco Group) for more than 7 years heading Seamless Tubes, Hot Rolling Mill and Steel Melting shop. He served as Managing Director of Mahindra Ugine Steel Company Limited for about 8 years. Thereafter, Ramarathnam was Advisor / CEO for Innoventive Industries Limited, a proposed steel manufacturing unit for an year and CEO / President of a Precision Welded Tube Manufacturing Unit for another two years. Ramarathnam has rich experience of more than 40 years in Steel and related industries, during which he has widely travelled on different assignments and has performed as an effective team leader apart from being a strategist.

He is an Independent Director on the Board of Marmagoa Steel Limited and Mysore Steels Limited.

In pursuance of Section 161 of the Companies Act, 2013, K. V. Ramarathnam was co-opted as an Additional Director on the Board with effect from 28 May 2016, and he holds office upto the date of ensuing 62nd Annual General Meeting of the Company.

A member proposing appointment of K. V. Ramarathnam, as a Director on the Board of the Company, has in accordance with Section 160 read with Section 115 of the Companies Act, 2013, left a notice signifying such intention at the registered office of the Company along with requisite deposit of ₹1 lakh.

K. V. Ramarathnam does not hold any shares in the Company.

The Board recommends the Ordinary Resolution at Item No. 6 for approval of the Members.

Interest of Directors, Key Managerial Personnel and their relatives

None of the Directors, Key Managerial Personnel or their relatives is/are, in any way, concerned or interested in this item except K. V. Ramarathnam.

ITEM No.7

T. R. Raghunandan (DIN - 03637265) is a science graduate and he also holds a bachelor's degree in law from Delhi University. He is a former IAS officer of 1983 batch. He had served as Rural Development and Panchayat Raj secretary in Karnataka and as Joint Secretary of Ministry of Panchayati Raj, Government of India, before he resigned in March 2013.

He has more than twenty-six years of experience as a high ranking civil servant holding executive, corporate management and policy making positions in state (provincial) and national government. A Specialist in formulating policy with respect to local governments, decentralisation and anti-corruption with a special interest in training and mentoring on the above aspects of governance. He is also a consultant and advisor to international development agencies, governments and non-profit institutions on anti-corruption and decentralised public governance. He has worked with Janagraha to start ipaidabrike.com

Currently, T. R. Raghunandan is based in Bangalore and works as a freelance development consultant with the UNDP, the Swiss Development Corporation and an NGO. He is a Director and co-founder of Avantika Foundation, a non-profit organization engaged in building the Museum of Movement, an effort to showcase India's romance with transport. He is also a director of Cardiac Design Labs Private Limited.



In pursuance of Section 161 of the Companies Act, 2013, T. R. Raghunandan was co-opted as an Additional Director on the Board with effect from 28 May 2016, and he holds office upto the date of ensuing 62nd Annual General Meeting of the Company.

A member proposing appointment of T. R. Raghunandan, as a Director on the Board of the Company, has in accordance with Section 160 read with Section 115 of the Companies Act, 2013, left a notice signifying such intention at the registered office of the Company along with requisite deposit of ₹1 Lakh.

T. R. Raghunandan does not hold any shares in the Company.

The Board recommends the Ordinary Resolution at Item No. 7 for approval of the Members.

Interest of Directors, Key Managerial Personnel and their relatives

None of the Directors, Key Managerial Personnel or their relatives is/are, in any way, concerned or interested in this item except T. R. Raghunandan.

By order of the Board
for The Sandur Manganese & Iron Ores Limited

Place : Bangalore
Date : 6 August 2016

Md. Abdul Saleem
CS & CGM (Mines)



REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2016

Dear Shareholders,

The Directors are pleased to present their Report and Audited Statement of Accounts for the year ended 31 March 2016:

FINANCIAL RESULTS

(Amount in ₹ lakh)

Sl. No.	Particulars	Current Year 2015-16	Previous Year 2014-15
a)	Net Sales / Income	22,241.22	29,469.93
b)	Other Income	488.17	402.37
	Total	22,729.39	29,872.30
c)	Expenditure		
	(i) Variable	14,130.38	18,200.24
	(ii) Fixed	8,075.72	8,830.29
	(iii) Depreciation / Amortization	437.55	489.41
	(iv) Interest	1.24	235.24
	Total	22,644.89	27,755.19
d)	Profit before taxes	84.51	2,117.11
e)	Exceptional Items (Net)	577.00	-
e)	Less:		
	(i) Current Tax	390.00	1,000.00
	(ii) Deferred Tax	540.43	(318.52)
	(iii) Earlier Years	-	-
f)	Net Profit/(Loss)	(1,422.93)	1,435.63
g)	Add: Balance brought forward from the previous year	33,046.82	31,950.37
h)	Profit before appropriation	31,623.89	33,362.76
i)	Less: Appropriations		
	(i) Proposed Dividend on Equity Shares	262.50	262.50
	(ii) Tax on Dividend	47.71	53.44
	(iii) Transfer to General Reserve	-	-
	Total	310.21	315.94
j)	Profit carried to Balance Sheet	31,313.68	33,046.82

The Company earned profit before tax of ₹84.51 lakh after charging ₹437.55 lakh towards depreciation on fixed assets and ₹1.24 lakh towards interest. After taking into account the exceptional items of ₹577 lakh and charging of income tax of ₹390 lakh and deferred tax of ₹540.43 lakh, the loss for the current year of ₹1422.93 lakh along with brought forward profits of ₹31,623.89 lakh aggregating to ₹31,313.68 lakh is carried to the Balance Sheet.

MINING OPERATIONS

In Tonnes

		Current Year 2015-16	Previous Year 2014-15
Manganese Ore:	Production	1,51,289	1,60,909
	Internal Consumption	13,000	30,344
	Sales	1,12,277	99,113
Iron Ore:	Production	7,39,744	5,16,285
	Salvaged from dumps	-	4,05,856
	Sales	8,84,292	6,50,176



Production of manganese ore and iron ore during the financial year 2015-16 was 1,51,289 tonnes and 7,39,744 tonnes respectively as against 1,60,909 tonnes and 5,16,285 tonnes produced during the previous year. Excluding the ores salvaged from dumps, the Company sold 1,12,277 tonnes of manganese ore and 8,84,292 tonnes of iron ore during the year under review.

RESTORATION OF PRODUCTION LIMIT

Hon'ble Supreme Court had vide order dated 13 April 2012 ~~had~~ stipulated the parameters for prescribing Maximum Permissible Production Limits on the basis of (a) availability of mineral reserves; (b) area available for over burden dumps; (c) evacuation capacity; and (d) overall ceiling on the annual production from all the mining leases in the district; Based on the aforementioned parameters, the Central Empowered Committee (CEC) while approving the Supplementary Environment Management Plan, had permitted the Company to produce 0.18 Million Tonnes Per Annum (MTPA) of manganese ore and 0.74 MTPA of iron ore in Mining Lease No.2678 (~~Old No.2580~~) and 0.0074 MTPA of manganese ore in Mining Lease No.2679 (~~Old No.2581~~).

The estimation of reserves as per United Nations Framework Classification (UNFC) system has progressed satisfactorily and the modified Mining Plan duly approved by the Indian Bureau of Mines (IBM) on 1 September 2015 indicates a confirmed manganese ore reserve of 7.83 Million Tonnes and Iron Ore reserve of 75.71 Million Tonnes, in the areas covered under the Company's aforementioned mining lease.

The reserves established in the current Mining Plan, duly approved by the IBM, entitles the Company to have Maximum Permissible Production of 0.39 MTPA of manganese ore and 3.78 MTPA of iron ore and the conceptual plan, duly approved by the IBM, confirms the availability of adequate space for dumping the overburden within the Mining Lease area.

Considering the representation made by the Company, the CEC has, while stating that based on the evacuation capacity (which is least of the aforesaid parameters), the Company would be entitled to a Maximum Permissible Production capacity of 3.39 MTPA of iron ore, since the Environmental Clearance (EC) granted by the Ministry of Environment, Forests and Climate Change is for production of 1.6 MTPA of iron ore, vide letter dated 18 March 2016, permitted ~~enhancement~~ restoration of iron ore production ~~from 0.74 to~~ 1.6 MTPA. Further, the CEC ~~has~~ is in the process of considering enhancement of manganese ore production from 0.18 MTPA to about 0.25 MTPA. ~~requested the Indian Council of Forestry Research & Education (ICFRE) to submit its observations pertaining to enhancement of Company's manganese ore production.~~

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY

No significant and material orders were passed by any Regulator(s) or Court(s) or Tribunal(s) which would impact the going concern status of the Company.

MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitment affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate and the date of this report.

DIVIDEND

Directors are pleased to recommend a dividend of ₹3.00 (Rupees Three) per share for the current financial year out of the accumulated profits of the Company. The dividend if approved and declared in the forthcoming Annual General meeting would result in a cash outflow of ₹262.50 lakh (including excluding tax).

SUBSIDIARY

Star Metalics and Power Private Limited (SMPPL), a subsidiary of the Company, has two ferroalloy furnaces and a 32 MW thermal power plant which is used as a captive unit for its ferroalloy operations. In pursuance of lease agreement executed on 1 February 2016 with its subsidiary, the Company has taken both the ferroalloy plant and thermal power plant on lease.



Further, a statement containing the salient features of the financial statement of SMPPL in the prescribed format is appended as **Annexure- 'A'** to this Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in this Annual Report.

The details of the loans and guarantees given and investments made by the Company are in Note Nos.9 and 10 of the audited financial statements. There are no changes in these figures from the date of audited financials to the date of this report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

In terms of clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the Company is required to furnish particulars of the contract entered into by the Company with its related parties in the Board's Report.

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. All Related Party Transactions are placed before the Audit Committee and also the Board for approval. The policy on Related Party Transactions can be accessed on the Company's website at www.sandurgroup.com.

Details of the contracts or arrangements made with related parties are given in the prescribed format as **Annexure – 'B'**.

DEPOSITS

The Company has not accepted fixed deposits from the public during the financial year under review. The Company did not have any deposits at the beginning of the financial year. Thus, provisions of Section 73 of the Companies Act 2013 are not applicable to the Company.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements and in terms of provisions of Section 129(3) of the Companies Act, 2013, consolidated financial statements of the Company and its subsidiary are forming part of the Annual Report.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements including consolidated financial statements along with the Auditors Report and Directors' Report thereon are available on the Company's website, www.sandurgroup.com. Further, separate audited accounts in respect of the subsidiary are also placed on the website.

These documents will also be available for inspection during business hours at the registered office of the Company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board has an Executive Chairman and it is constituted of two Managing Directors, one Whole-Time Director and six Independent Directors including a Woman Director. .

During the year under review, S. H. Mohan, Executive Director (Projects) and S. R. Sridhar, Executive Director (Mines), have resigned from their office w. e. f., 7 September 2015 and 8 September 2015 respectively.

K. Raman, Director (Finance) & Chief Financial Officer, retired from his office of Director (Finance) at the 61st Annual General Meeting, held on 19 September 2015, as he chose not to offer himself for re-appointment. He continues to hold the office of Chief Financial Officer of the Company.

The Key Managerial Personnel of the Company constitute two Managing Directors, one Whole Time Director, Company Secretary and a Chief Financial Officer.



APPOINTMENT/RE-APPOINTMENTS

K. V. Ramarathnam and T. R. Raghunandan, have been co-opted as Additional Directors on the Board of the Company with effect from 28 May 2016.

U. R. Acharya, is liable to retire by rotation at the ensuing meeting and being eligible has offered himself for re-appointment. He is not disqualified from being appointed as a director as specified under Section 164 of the Companies Act, 2013. The Board recommends his re-appointment.

NUMBER OF MEETINGS OF THE BOARD

The Board met 7 (seven) times during the financial year, the details of which are given in the Corporate Governance Report forming part of this report.

The intervening gap between any two consecutive meetings of the Board did not exceed one hundred and twenty days as prescribed under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Board is committed to maintain its independence and accordingly, two third of the Board is constituted by Independent Directors; thereby, ensuring separation of governance and management.

The policy of the Company on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178 of the Companies Act, 2013, adopted by the Board is appended as **Annexure-'C'** to the Report.

DECLARATION BY INDEPENDENT DIRECTORS

All six independent directors of the Company meet the criteria of independence as provided under sub-section (6) of Section 149 of the Companies Act, 2013. Declarations to this effect have also been received from them.

BOARD EVALUATION

As mandated by the statutory provisions of Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a mechanism for formal annual evaluation has been devised by the Company. Evaluation of the Board, its Committees and the directors for the year 2015-16 has been done based on this mechanism. The mechanism provides for annual evaluation at the end of each year on the basis of feedback received by each director. The performance of the Board as a whole and of individual directors was evaluated by the Nomination and Remuneration Committee (NRC). NRC's report on performance evaluation of the Board and of individual directors was taken on record by the Board. The performance of the Board and its Committees were evaluated by the Board.

TRAINING OF INDEPENDENT DIRECTORS

On induction, the new independent directors on Board are familiarized with the nature of Industry and the Company's business operations. They are updated on a frequent basis with regard to operations of the Company. Any material development is intimated promptly. The Management encourages participation by the independent directors' and accordingly, any clarification sought by the Independent Directors with regard to the Company's operations is duly addressed.

Presently, no formal training programme exists. Until now, learning for the Independent Directors has been a pervasive ongoing phenomenon via participation.

Further, at the time of appointment of a director, the company issues a formal letter of appointment entailing his/her role, function, duties and responsibilities as a director. The terms and conditions of appointment of independent director are available on the Company's website.

COMMITTEES OF THE BOARD

Currently, the Board has six committees – namely, Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Environment Committee, Corporate Social Responsibility Committee and Risk Management Committee.



DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM

The Audit Committee is constituted of five Independent Directors namely, R. Subramanian as its Chairman and V. Balasubramanian, B. Ananda Kumar, S. S. Rao and Vatsala Watsa as its members.

The Company believes in conduct of its affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. The Company has established a vigil mechanism towards this end.

In accordance with sub-section (9) of Section 177 read with Rule 7(2) of the Companies (Meetings of Board and its Powers) Rules, 2014, the Company's Audit Committee is required to oversee the vigil mechanism.

The Committee oversees the vigil mechanism which has been established to address genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics expressed by the employees and other Directors.

The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the Chairman of the Audit Committee in matters concerning financial/accounting and concerns relating to personnel belonging to levels above Senior General Manager.

The Whistleblower Policy along with other Policies of the Company is available on the Company's website.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(3)(c) of the Companies Act, 2013, your directors state that:

- (a) in the preparation of the accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March 2016 and of the profit and loss of the Company for the year ended 31 March 2016;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts for the financial year ended 31 March 2016 on a 'going concern' basis;
- (e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

Auditors have not reported any frauds during the year under review.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company, in order to ensure that the policies and procedures adopted for conducting its business orderly and efficiently, has aligned its internal financial control systems in lines of globally accepted risk based framework as issued by the committee of sponsoring organisations of the treadway commission (COSO) internal control - integrated framework (2013).

Internal financial control systems adopted by the Company are commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorised use, executing transactions with proper authorisation and ensuring compliance of corporate policies.



The Company has a well-defined delegation of power with authority limits for approving revenue as well as expenditure. The Company, during the Financial Year 2015-16, has implemented the uses a state-of-the-art ERP system to record data for accounting, consolidation and management information purposes and connects to different locations for efficient exchange of information. It has continued its efforts to align all its processes and controls with global best practices.

The audit committee deliberated with the members of the management, considered the systems as laid down and met the statutory auditors to ascertain, inter alia, their views on the internal financial control systems. The audit committee satisfied itself of the adequacy and effectiveness of the internal financial control system as laid down and kept the board of directors informed.

M/s P. Chandrasekar, Chartered Accountants, have been appointed to oversee and carry out internal audit of its activities. The audit is based on an internal audit plan, which is reviewed each year in consultation with the statutory auditors and the audit committee. In line with international practice, the internal audit plan aims at reviewing internal controls and risks in operations. The audit committee reviews audit reports submitted by the internal auditors. Suggestions for improvement are considered and the audit committee follows up on them.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return pursuant to the provisions of Section 92(3) read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished as **Annexure – 'D'** attached to this Report.

AUDITORS

M/s. Deloitte Haskins & Sells, Chartered Accountants, Bangalore (ICAI Registration No.008072S) are the Statutory Auditors of the Company.

M/s. Deloitte Haskins & Sells have already completed the maximum tenure of two terms of five consecutive years as stipulated in Section 139 of the Companies Act, 2013. However, in terms of proviso to sub-section (2) of Section 139 of the Companies Act, 2013, three years time has been granted from the commencement of the Act i.e. 1 April 2014, for complying with the aforesaid requirement.

Accordingly, M/s Deloitte Haskins & Sells were appointed as statutory auditors at the 60th Annual General Meeting held on 27 September 2014 in terms of the said proviso, to hold office until the conclusion of 63rd Annual General Meeting, subject to ratification at each Annual General Meeting. As per provisions of Section 139(1) of the Act, their appointment as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting is subject to ratification by members.

AUDITORS' REPORT

Auditors' Report on the financial statements of the Company is forming part of this Annual Report and there are no qualifications in the said report. No qualifications, reservations or adverse remarks have been made by the Statutory Auditors in the said Report.

SECRETARIAL AUDIT

Pursuant to provisions of sub-section (1) of Section 204 of the Companies Act 2013, the Company is required to annex with its Board's Report a secretarial audit report, given by a company secretary in practice.

Sathya Prasad Yadav, Practicing Company Secretary (ICSI Membership No.18755 and Certificate of Practice No.6775) has been appointed as Secretarial Auditor of the Company for the financial year 2015-16. The Secretarial Audit Report is forming part of this Annual Report as **Annexure- 'E'**.

The Secretarial Auditor has in his Report stated that there has been a delay in filing of returns with the Registrar of Companies in few circumstances and also observed that in one instance there has been a delay of one day in intimation of board meeting to the Stock Exchange. In this regard, the Board hereby states that the said delays were inadvertent and unintentional.

Further, the Secretarial Auditor had opined that prior approval of the shareholders should have been sought for leasing of assets of Star Metalics and Power Private Limited, the same being a material subsidiary. However, the management views the said regulation differently. The word 'leasing' should be construed to mean as 'lease-



out' since the words 'selling' and 'disposing' used in conjunction in the Regulation refers to disposing off the material subsidiary. In this particular instance, the Company was 'leasing-in' the assets of its material subsidiary. Further, the said regulation seeks to control disposal of major subsidiaries by controlling shareholders without the consent of other shareholders. On the contrary, in this particular situation, the Company being a controlling shareholder is 'leasing-in' the assets of its material subsidiary to 'itself'. The assets are not being sold/disposed off/leased-out.

There are no further qualifications or adverse remarks in the Report which require reply from the Board of Directors.

COST AUDITORS

In terms of Section 148(2) of the Companies Act, 2013 read with Rule 4 of the Companies (Cost Records and Audit) Rules, 2014 issued by the Ministry of Corporate Affairs (MCA), the Company is required to get its cost accounting records audited by a cost auditor.

The Board, at its 303rd Meeting held on 27 May 2015, had appointed M/s. K. S. Kamalakara & Co. as Cost Auditors for the Financial Year 2015-16.

In accordance with Rule 6(5) of the Companies (Cost Records and Audit) Rules, 2014, the cost auditor is required to submit his report within 180 days from the date of closure of the financial year. Further, the due date for filing the Cost Audit Report for the Financial Year 2015-16 is thirty days from the date of receipt of a copy of the cost audit report. Accordingly, the same shall be filed with the Ministry of Corporate Affairs (MCA) on or before 30 October 2016. The Cost Audit Report for the Financial Year 2014-15 was filed with the MCA on 3 November 2015.

CORPORATE GOVERNANCE

The Directors' Report on Corporate Governance is annexed to this report. The certificate of the Auditors, M/s Deloitte Haskins & Sells, Chartered Accountants, regarding compliance of conditions of Corporate Governance as stipulated in Clause E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is also annexed.

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

The management discussion and analysis report forms part of the Annual Report in Compliance with Clause (e) of Sub-regulation (2) of Regulation 34 read with schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

Company has adopted a risk management framework to ensure early identification and management of various critical risks, which accrue to its business model and the risk management framework adopted by the Company ensures continuous focus on identifying, assessment & evaluation and adequate mitigation of various risks affecting the Company.

The Audit committee reviews the Company's critical risks, overall risk exposure and timely changes to overall exposure and status of various risk mitigation plans on a periodic basis.

The Board at its 256th meeting held on 28 October 2005 prescribed the Risk Management and Minimisation procedures. These procedures are reviewed on a regular basis by the Board. Risk management includes identifying types of risks and its assessment, risk handling and monitoring and reporting.

DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Company has been, for close to six decades, consciously contributing towards Corporate, Social and Environmental improvement.

Being socially, environmentally and ethically responsible in governance of operations and also to add value to the operations while contributing towards the long term sustainability of business, the Board of Directors has



further strengthened its resolve to do more for the development of the area improvement of living conditions of the surrounding rural population.

The Annual Report on Company's CSR activities of the Company undertaken during the year under review are furnished in **Annexure-'F'** attached to this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as prescribed in Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are set out in **Annexure- 'G'** to this report.

TRANSFER OF UNPAID AND UNCLAIMED DIVIDENDS TO INVESTOR EDUCATION AND PROTECTION FUND

Dividends remaining unpaid and unclaimed for a period of seven years from the date of transfer to the unpaid dividend account are required to be transferred to the Investor Education and Protection Fund (IEPF). The Company transferred the following amounts to the IEPF during the year:

Particulars of Dividend	Financial year	Amount (in ₹)	Date of Transfer
16% B' series Redeemable Preference Shares	2008 - 09	1,74,971/-	29 August 2015
Interim Dividend	2008 - 09	1,33,331/-	28 March 2016

EMPLOYEES

Pursuant to the provisions of sub-section (12) of Section 197 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars are set out in **Annexure - 'H'** to the Directors' Report.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

In compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013, the Company has constituted an Internal Complaints Committee (ICC) for the prevention and redressal of complaints related to sexual harassment at workplace.

No complaints pertaining to sexual harassment were received during the year ended 31 March 2016.

ACKNOWLEDGEMENTS

The directors wish to thank members of judiciary, its associates and legal fraternity for their strong commitment to justice, fairness and equity. The directors also extend its gratitude to the Central and State Governments for the confidence bestowed on the Company.

The directors wish to place on record their appreciation for all its employees for their commendable team work and professionalism. And ultimately, we wish to thank all the Government agencies, the promoters, business associates, banks and investors and look forward to their continued support and contribution.

for and on behalf of the Board

Place : Bangalore
Date : 28 May 2016

S. Y. Ghorpade
Chairman & Managing Director

**Form AOC-I**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiary –
Star Metallics and Power Private Limited****Part “A”: Subsidiary**

1.	Name of the subsidiary	Star Metallics and Power Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not applicable
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Not applicable
4.	Share capital	₹9261.50 lakh
5.	Reserves & surplus	₹6158.62 lakh
6.	Total assets	₹16751.35 lakh
7.	Total Liabilities (excluding reserves & surplus)	₹10592.72 lakh
8.	Investments	NIL
9.	Turnover	₹8138.15 lakh (excluding other income)
10.	Profit/(Loss) before taxation	(₹219.78 lakh)
11.	Provision for taxation	Nil
12.	Profit/ (Loss) after taxation	(₹219.78 lakh)
13.	Proposed Dividend	NIL
14.	Percentage of shareholding	81.24%

Part “B”: Associates and Joint Ventures**Statement pursuant to Section 129 (3) of the Companies Act, 2013
related to Associate Companies and Joint Ventures**

	Name of Associates / Joint Ventures	Name 1	Name 2	Name 3
1.	Latest audited Balance Sheet Date	Not applicable		
2.	Shares of Associate/Joint Ventures held by the company on the year end			
	i) Number			
	ii) Amount of Investment in Associates/Joint Venture			
	iii) Extent of Holding (Percentage)			
3.	Description of how there is significant influence			
4.	Reason why the associate/ joint venture is not consolidated			
5.	Networth attributable to Shareholding as per latest audited Balance Sheet			
6.	Profit / Loss for the year			
	i) Considered in Consolidation			
	ii) Not considered in Consolidation			

For and on behalf of the Board of Directors

S.Y.GHORPADE

Chairman & Managing Director

NAZIM SHEIKH

Joint Managing Director

MD. ABDUL SALEEMCompany Secretary &
Chief General Manager (Mines)**K. RAMAN**

Chief Financial Officer

Place: Bangalore

Date : 28 May, 2016



Form No. AOC-2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements / transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

2. Details of material contracts or arrangement or transactions at arm's length basis

Name(s) of the related party and nature of relationship	Nature of contracts /arrangements /transactions	Duration of the contracts / arrangements /transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
Aditya Shivrao Ghorpade (Sr. GM - Plant) Relative of Chairman & Managing Director	Revision in remuneration	NA	Revision of remuneration from the existing basic salary of Rs. 43,200 p. m. to Rs. 51,900 p. m. in the grade of Rs. 18000-1500-33000-1700-50000-1900-69000.	27 May 2015	NA
	Sale of Company's Car	NA	Sale of Car owned by the Company at 125% of the Book Value under the new Monthly Conveyance Scheme (MCE) formulated by the Company for Senior Executives Car Make – Honda City Model – 2009 Book Value – Rs. 1,24,389/- Sale Price – Rs. 1,56,000/-	27 May 2015	NIL
Dhananjai Shivrao Ghorpade (DGM - Projects) Relative of Chairman & Managing Director	Revision in remuneration	NA	Revision of remuneration from the existing basic salary of Rs. 31,200 p. m. to Rs. 37,200 p. m. in the grade of Rs. 12000-800-20000-1000-30000-1200-42000.	27 May 2015	NA
Mubeen Ahmed Sheriff (Addl. GM - Commercial) Relative of Joint Managing Director	Revision in remuneration	NA	Revision of remuneration from the existing basic salary of Rs. 34,100 p. m. to Rs. 41,000 p. m. in the grade of Rs. 14000-1100-25000-1300-38000-1500-53000.	27 May 2015	NA
Md. Abdul Saleem (CS & CGM – Mines) Key Managerial Person	Sale of Company's Car	NA	Sale of Car owned by the Company at 125% of the Book Value under the new Monthly Conveyance Scheme (MCE) formulated by the Company for Senior Executives Car Make – Ford Fiesta Model – 2008 Book Value – Rs. 98,893/- Sale Price – Rs. 1,24,000/-	27 May 2015	NIL
Star Metallica and Power Pvt. Ltd. (SMPPL) Subsidiary Company	Amendment of Conversion Contract	NA	Deletion of Clause 13(e) of Conversion contract which had become redundant. Addition of new Clause 13(i) which reads as follows: A norm of 3750 units of power consumption shall be fixed for SiMn grades 50/55 and 4000 units of power consumption for SiMn 60 grade	8 August 2015	NIL
	Leasing of Ferro-alloy Plant and Power Plant	3 years	1. Taking on lease the Ferro-alloy plant and Power Plant of SMPPL at a rent of Rs. 85 Lakh p. m. 2. Ownership of the asset remain with SMPPL 3. All capital expenditure shall be met by SMPPL 4. Repairs & maintenance will be the onus of SMIORE 5. SMIORE shall directly enter into contract with the existing O & M contractors on the present terms & conditions	14 November 2015	

for and on behalf of the Board

Place : Bangalore
Date : 28 May 2016

S. Y. Ghorpade
Chairman & Managing Director



**Policy on nomination and remuneration
of
Directors, Key Managerial Personnel (KMPs) and other employees**

PREAMBLE

The Company considers human resources as its invaluable assets. This policy on nomination and remuneration of Directors, Key Managerial Personnel (KMPs) and senior management personnel has been formulated in terms of the provisions of the Companies Act, 2013 and the listing agreement in order to pay equitable remuneration to the Directors, KMPs and employees of the Company and to harmonise the aspirations of human resources consistent with the goals of the Company.

DEFINITIONS

'Board' means Board of Directors of the Company.

'Directors' means Directors of the Company.

'Committee' means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act and applicable listing agreements and/or regulations.

'Company' means The Sandur Manganese & Iron Ores Limited.

'Independent Director' means a Director referred to in Section 149(6) of the Companies Act, 2013.

'Key Managerial Personnel (KMP)' means-

- i) the Chief Executive Officer or the Managing Director or the Manager
- ii) the Company Secretary
- iii) the Whole Time Director
- iv) the Chief Financial Officer
- v) the Chief Operating Officer

Senior Management means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Executive Directors, including the functional heads. For the purpose, as defined in the Code of Conduct for Senior Management Personnel, officers in the cadre of Additional General Manager and above shall be considered to be the Senior Management.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and Listing Agreement as may be amended from time to time shall have the meaning respectively assigned to them therein.

'Remuneration' means-

Any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

Constitution of the Nomination and Remuneration Committee

The Board constituted the 'Remuneration Committee' at its 241st Board Meeting held on 22 April 2002. The Committee was renamed as 'Nomination and Remuneration Committee' by the Board at its 298th meeting held on 28 May 2014.

The constitution shall be in line with the requirements under the Companies Act, 2013 and provisions of Clause 49(IV) of the listing agreement. The Board has authority to reconstitute this Committee from time to time.

Role of the Nomination and Remuneration Committee

Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

Formulation of criteria for evaluation of Independent Directors and the Board;

Devising a policy on Board diversity;



Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

Scope of Policy

This Policy is divided in three parts: -

Part – A covers the matters to be dealt with and recommended by the Committee to the Board;

Part – B covers the appointment and nomination; and

Part – C covers performance evaluation and remuneration.

Object of Policy

This Policy has been formulated with a view to:

1. Devise a transparent system of determining appropriate level of remuneration throughout all levels of directors, KMPs, core management team and the senior management personnel in the Company;
2. Encourage personnel to perform to their highest level;
3. Provide consistency in remuneration throughout the Company; and
4. aligning the performance of the business with the performance of key personnel and teams within the Company.

‘Part – A’

MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE

The following matters shall be dealt by the Committee:-

Size and composition of the Board:

Periodically review the size and composition of the Board to ensure that it is structured to make appropriate decisions, with the diversity of thought, experience, knowledge, perspective and gender in the Board, in the best interest of the Company as a whole.

Appointments/Re-appointments:

Identify when circumstances warrant the appointment of a new Director, having regard to the range of skills, experience and expertise, on the Board and who will best complement the Board.

Identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

Formulate the criteria determining qualifications, positive attributes and independence of a Director and recommending candidates to the Board.

Establishing and reviewing Board and senior executive succession plans in order to ensure and maintain an appropriate balance of skills, experience and expertise on the Board and Senior Management;

Performance Evaluation:

Formulate the criteria and framework for evaluation of performance of every Director on the Board of the Company.

Identify ongoing training and education programs for the Board to ensure that Non-Executive Directors are provided with adequate information regarding the business, the industry and their legal responsibilities and duties.

Remuneration framework and policies:

The Committee is responsible for reviewing and making recommendations to the Board on:

1. the remuneration of the Managing Director, Whole-time Directors and KMPs
2. the total level of remuneration of Non-Executive Directors and for individual remuneration for Non-Executive Directors
3. the remuneration policies for KMPs, senior management personnel and other employees



'PART – B'

APPOINTMENT AND NOMINATION

Appointment criteria and qualifications

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or senior management level and recommend to the Board his / her appointment.
2. A person to be appointed as Director, KMP or senior management level should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
3. A person, to be appointed as Director, should possess impeccable reputation for integrity, deep expertise and insights in sectors / areas relevant to the Company, ability to contribute to the Company's growth, complementary skills in relation to the other Board members.
4. Appointment process of independent directors shall be independent of the company management.
5. While selecting the independent directors the Committee shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
6. The Company shall not appoint or continue the employment of any person (other than promoter director) as Whole-Time Director who has attained the age of sixty five years; and shall not appoint or continue any person as a Non-Executive Director (other than promoter director) who has attained the age of seventy five years and shall not appoint any person as an Independent Director who has attained the age of seventy five years.
7. A whole-time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as a Director in any company, with the permission of the Board of Directors of the Company.

Letter of Appointment or Contract of Employment

Executive Directors shall enter into a contract with the Company clearly setting out the terms and conditions of the remuneration package for such person. The Contract of employment shall set out the expectations for the performance, the key performance indicators, measures and criteria for assessment or evaluation of performance.

The appointment of independent directors shall be formalised through a letter of Appointment, which shall set forth the terms and conditions of appointment, the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks the list of actions that a director should not do while functioning as such in the company; and the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.

Term / Tenure

1. *Managing Director / Whole-time Director*

The Company shall appoint or re-appoint any person as its Managing Director and CEO or Whole-time Director for a term not exceeding three years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

2. *Independent Director*

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. Further such appointment or reappointment shall not be made beyond the age of 75 years.



At the time of appointment of Independent Director, it shall be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time (Executive) Director of a listed company.

Removal

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director or KMP subject to the provisions and compliance of the said Act, rules and regulations.

Retirement

The Whole time directors (other than promoter directors) shall retire at the age of 65 years and the Non-Executive Directors (other than whole time directors) shall retire at the age of 75 years. The Independent Directors shall be allowed to hold office for two consecutive terms of five years each as stipulated in Sections 149(10) and 149(11) of the Companies Act, 2013.

Further, the Key Managerial Personnel (other than Whole Time Directors) and the Senior Management Personnel shall retire at the age of 60 years which may be extended up to a maximum of 65 years under exceptional circumstances to be recorded in writing and duly approved by the NRC.

‘PART – C’

PERFORMANCE EVALUATION AND REMUNERATION

Performance Evaluation of the Board/Executive-Directors/Independent Directors

The Committee shall identify and lay down the criteria based on which the Board shall evaluate the performance of Independent Directors (excluding the Directors being evaluated).

In addition, the Committee shall also establish evaluation criteria for the Executive Directors.

The evaluation criteria for Directors shall be broadly based on:

- Knowledge to perform the role;
- Time and level of participation;
- Performance of duties and level of oversight; and
- Professional conduct and independence.

The appointment / re-appointment / continuation of Directors on the Board shall be subject to the outcome of the yearly evaluation process.

The Board is committed to assessing its own performance as a Board in order to identify its strengths and areas in which it may improve its functioning. Once a year, the Board shall conduct a self-evaluation. The Board shall also evaluate the performance of the various Committees of the Board.

It is the responsibility of the Chairman of the Board, supported by the Company Secretary of the Company, to organise the evaluation process and act on its outcome.

The Board / Independent Directors shall be asked to complete the evaluation forms and submit the same to the Chairman.

Simultaneously, the Independent Directors shall review the performance of the Executive Directors and the Board as whole.

The Independent Directors shall also review the performance of the Chairman of the Company, taking into account the views of the Executive Directors and Non-executive Directors.

The Independent Directors shall also assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.



The Directors' Report shall include a statement indicating a manner in which the Board has done formal annual evaluation of its own performance, performance of Committees and individual Directors of the Company.

Remuneration to Directors

The total managerial remuneration payable to its directors, including managing director and whole-time director, and its manager in respect of any financial year shall not exceed eleven per cent of the net profits of the company for that financial year computed in the manner laid down in section 198 except that the remuneration of the directors shall not be deducted from the gross profits.

The Directors may be paid in excess of eleven per cent of the net profits with the approval of the Central Government subject to the provisions of Schedule V.

The remuneration / compensation / commission etc. to Directors will be determined by the Committee shall be in accordance with the provisions of the Companies Act, 2013, and the rules made thereunder and recommended to the Board for approval.

Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders.

Remuneration to Executive Directors

Remuneration payable to all Whole-time Directors/Executive Directors taken together shall not exceed ten per cent of the net profits.

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Executive Directors in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

Remuneration to Non-Executive / Independent Directors

Non-executive and independent directors shall receive sitting fees and may receive reimbursement for expenditure incurred wholly in connection with attending meetings of the Board and other meetings and profit related commission as may be approved by the Shareholders. Non-Executive and Independent Directors shall not be entitled to any stock options.

The remuneration to the Non-executive Directors (including Independent Directors) may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

The remuneration payable to each Non-Executive Director and Independent Directors is based on the remuneration structure as determined by the Board in line with the provisions of the Companies Act, 2013 and the rules made thereunder, and may be revised from time to time, depending on individual contribution and the Company's performance.

Remuneration Structure for Independent Directors	
Particulars	Amount
Sitting fee for Board Meeting	₹25,000/- per meeting, per director, including the Independent Directors meetings
Sitting fee for Committee Meeting	₹25,000/- for Audit Committee and ₹10,000 for each of the other committees
Travel fee	Reimbursement of Air, Car, Rail, Bus fare etc.,

Remuneration to KMPs and other employees

The Board in consultation with the Committee shall approve and finalise the remuneration to be offered to the Key Managerial Personnel and senior management personnel having regard to the need to:

- attract and motivate talent to pursue the Company's long term growth;
- demonstrate a clear relationship between executive compensation and performance;



- to follow best governance practices and legal requirements; and
- be reasonable and fair.

The remuneration package shall be composed of amounts that are fixed and variable. The endeavor of the Board and the Committee shall be to strike a balance between the fixed and variable components and thereby sustainable value for the Company and its shareholders over time. The Company while deciding the remuneration package of the senior management shall take into consideration the employment scenario and remuneration package of the industry.

The fixed remuneration shall be determined according to complexities of the position and role of the employee, the relevant laws and regulations, conditions prevalent in the labour market. The fixed remuneration shall reflect the core performance requirement and expectations of the Company.

The performance-based or incentive based payments shall form part of the variable component of the salary payable to the employee. In addition to the fixed remuneration, the Company shall implement a system of bonuses and incentives reflecting performance objectives appropriate to the working of the Company and designed to lay emphasis on direct relationship between performance and remuneration. Performance based remuneration shall be proportionate to and contingent upon attainment of specific performance targets by employees in the Company. Incentive based payments take into account factors such as performance of the employee, his conduct, responsibilities, position and role and shall be calculated as a percentage of the fixed remuneration.

Policy review

This policy is framed based on the provisions of the Companies Act, 2013 and rules thereunder and the requirements of the clause 49 of the Equity Listing Agreement with the Stock Exchanges.

In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

This policy shall be reviewed by the Nomination and Remuneration Committee as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Committee. Any changes or modification on the policy as recommended by the Committee would be given for approval of the Board of Directors.



Form MGT 9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31 March 2016

*Pursuant to section 92(3) of the Companies Act, 2013 &
Rule 12(1) of the Companies (Management and Administration) Rules, 2014*

I REGISTRATION AND OTHER DETAILS:

(i)	CIN	L85110KA1954PLC000759
(ii)	Registration date	18 January 1954
(iii)	Name of the Company	The Sandur Manganese & Iron Ores Limited
(iv)	Category/Sub-category of the Company	Company Limited by Shares/ Indian Non- Government Company
(v)	Address of the Registered Office and contact details	Lakshmipur, Sandur, Ballari District, Karnataka - 583 119. Tel: 08153-260222 Email : investors@sandurgroup.com Website: www.sandurgroup.com
(vi)	Whether Listed Company	Yes
(vii)	Name address and contact details of the Registrar and Transfer Agent, if any	Venture Capital and Corporate Investments Private Limited 12-10-167, Bharat Nagar Hyderabad - 500018 Phone: 040-23818475/23818476/23868023 Fax : +9140-23868024

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

Sl. No.	Name & Description of Main Products/ Services	NIC code of the Product/ Service	% to total turnover of the Company
1.	Mining of Manganese Ore	07293	15%
2.	Mining of Iron Ore	07100	58%
3.	Manufacture of Ferro Alloys	24104	19%

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	CIN/GLN	Holding / Subsidiary/ Associate Company	% of Shares held	Applicable section
1	Skand Private Limited Post Box #7 Palace Grounds, Sandur, Karnataka - 583119	U60210KA1974PTC002491	Holding Company	52.94	2(87)(ii) of the Companies Act, 2013
2	Star Metalics and Power Private Limited Metal & Ferro Alloys Plant, P. O. Mariyammanahalli Vyasankere, Karnataka - 583222	U40102KA2007PTC043446	Subsidiary	81.24	2(87)(ii) of the Companies Act, 2013



IV SHAREHOLDING PATTERN (Equity Share Capital Breakup as Percentage of Total Equity)

(i) Category-wise Share Holding										
	Category of Shareholder	Number of shares held at the beginning of the year				Number of shares held at the end of the year				%change during the year
		Number of shares held in dematerialized form	Number of shares held in physical form	Total	% of total shares	Number of shares held in dematerialized form	Number of shares held in physical form	Total	% of total shares	
A	Promoters									
1	Indian									
(a)	Individuals/ Hindu Undivided Family	334750	7050	341800	3.91%	54545	4300	58845	0.67%	-3.23%
(b)	Central Government	0	0	0	0.00%	0	0	0	0.00%	0.00
(c)	State Government(s)	0	0	0	0.00%	0	0	0	0.00%	0.00
(d)	Bodies Corporate	6005540	0	6005540	68.63%	5997040	0	5997040	68.54%	-0.10%
(e)	Financial Institutions/ Banks	0	0	0	0.00%	0	0	0	0.00%	0.00
(f)	Any Others(Specify)	0	0	0	0.00%	0	0	0	0.00%	0.00
	Sub Total(A)(1)	6340290	7050	6347340	72.54%	6051585	4300	6055885	69.21%	-3.33%
2	Foreign									
a	NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b	others - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d	Banks/Financials Institutions	0	0	0	0.00	0	0	0	0.00	0.00
e	Any Others(Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total(A)(2)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A) (1)+(A)(2)	6340290	7050	6347340	72.54%	6051585.00	4300.00	6055885.00	69.21%	-3.33%
B	Public Shareholding									
1	Institutions									
(a)	Mutual Funds/ UTI	0	1250	1250	0.01%	1200	0	1200	0.01%	0.0%
(b)	Financial Institutions / Banks	48150	2500	50650	0.58%	40567	2500	43067	0.49%	-0.09%
(c)	Central Government	0	0	0	0.00%	0	0	0	0.00%	0.00
(d)	State Government(s)	0	0	0	0.00%	0	0	0	0.00%	0.00
(e)	Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	0.00
(f)	Insurance Companies	100000	0	100000	1.14%	100000	0	100000	1.14%	0.00
(g)	Foreign Institutional Investors	0	0	0	0.00%	14500	0	14500	0.17%	0.17%
(h)	Foreign Venture Capital Investors	0	0	0	0.00%	0	0	0	0.00%	0.00
(i)	Any Other (specify)	0	0	0	0.00%	0	0	0	0.00%	0.00
	Sub-Total (B)(1)	148150	3750	151900	1.74%	156267	2500	158767	1.81%	0.08%
2	Non-institutions									
(a)	Bodies Corporate	515611	3000	518611	5.93%	456588	2350	458938	5.25%	-0.68%
(b)	Individuals									
	i. Individual shareholders holding nominal share capital up to Rs 1 lakh	982870	148265	1131135	12.93%	1051273	140965	1192238	13.63%	0.70%
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	479808	62900	542708	6.20%	758728	0	758728	8.67%	2.47%
(c)	Any Other (specify)									
	i. Clearing members	48381	0	48381	0.55%	65999	0	65999	0.75%	0.20%
	ii. Non Resident Individuals	8925	250	9175	0.10%	11250	250	11500	0.13%	0.03%
	iii. Trust	500	0	500	0.01%	500	0	500	0.01%	0.00
	iv.Foreign Portfolio Investor - Corporate	250	0	250	0.00%	47445	0	47445	0.54%	0.54%
	Sub-Total (B)(2)	2036345	214415	2250760	25.72%	2391783	143565	2535348	28.98%	3.25%
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	2184495	218165	2402660	27.46%	2548050	146065	2694115	30.79%	3.33%
	TOTAL (A)+(B)	8524785	225215	8750000	100.00%	8599635	150365	8750000	100.00%	0.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued	NA	NA	NA	NA	NA	NA	NA	NA	NA
	GRAND TOTAL (A)+(B)+(C)	8524785	225215	8750000	100.00%	8599635	150365	8750000	100.00%	0.00

*The Change in promoter's holding is due reclassification of promoters



(ii) Shareholding of Promoters

Sl No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of shares	% of shares of the Company	% of pledged / encumbered shares	No. Of shares	% of shares of the Company	% of pledged / encumbered shares	% change in shareholding during the year
1	M. Y. Ghorpade	100	0.00%	0.00	100	0.00%	0.00	0.00%
2	Ajai M. Ghorpade	11830	0.14%	0.00	16730	0.19%	0.00	0.06%
3	Suryaprabha A. Ghorpade	500	0.01%	0.00	500	0.01%	0.00	0.00%
4	Bahirji A. Ghorpade	4200	0.05%	0.00	4200	0.05%	0.00	0.00%
5	Ekambar A. Ghorpade (Minor)	4200	0.05%	0.00	4200	0.05%	0.00	0.00%
6	S. Y. Ghorpade	24930	0.28%	0.00	26830	0.31%	0.00	0.02%
7	Yashodharadevi S.Ghorpade	3925	0.04%	0.00	5000	0.06%	0.00	0.01%
8	Aditya S. Ghorpade	500	0.01%	0.00	500	0.01%	0.00	0.00%
9	Dhananjai S. Ghorpade	785	0.01%	0.00	785	0.01%	0.00	0.00%
10	Skand Private Limited	1960719	22.41%	0.00	4632040	52.94%	0.00	30.53%
11	Sattari Engg Enterprises Pvt. Ltd.	1552721	17.75%	0.00	0	0.00%	0.00	-17.75%
12	Sunshine Real Estates & Constructions Private Limited	1130100	12.92%	0.00	0	0.00%	0.00	-12.92%
13	Sandur Udyog Pvt. Ltd.	364529	4.17%	0.00	364529	4.17%	0.00	0.00%
14	Sandur Sales & Services Pvt. Ltd.	279126	3.19%	0.00	279126	3.19%	0.00	0.00%
15	Lohagiri Industrials Pvt. Ltd.	295540	3.38%	0.00	295540	3.38%	0.00	0.00%
16	Euro Industrial Enterprises Private Limited	422805	4.83%	0.00	425805	4.87%	0.00	0.03%
TOTAL		6056510	69.22%	0.00	6055885	69.21%	0.00	-0.01%

*Pursuant to the Order dated 14 July 2015 passed by the Hon'ble High Court of Karnataka sanctioning the scheme of amalgamation, both Sattari Engineering Enterprises Private Limited and Sunshine Real Estates and Constructions Private Limited have amalgamated with Skand Private Limited with effect from 12 August 2015.

(iii) Change in Promoter's Shareholding

Name of the shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
M Y Ghorpade				
At the beginning of the year	100	0.00%	100	0.00%
Purchase during the year	0	0.00%	100	0.00%
Sale during the year	0	0.00%	100	0.00%
At the end of the year			100	0.00%
Ajai M. Ghorpade				
At the beginning of the year	11830	0.14%	11830	0.14%
Purchase during the year	4900	0.06%	16730	0.19%
Sale during the year	0	0.00%	16730	0.19%
At the end of the year			16730	0.19%
Suryaprabha A. Ghorpade				
At the beginning of the year	500	0.01%	500	0.01%
Purchase during the year	0	0.00%	500	0.01%
Sale during the year	0	0.00%	500	0.01%
At the end of the year			500	0.01%
Bahirji A. Ghorpade				
At the beginning of the year	4200	0.05%	4200	0.05%
Purchase during the year	0	0.00%	4200	0.05%
Sale during the year	0	0.00%	4200	0.05%
At the end of the year			4200	0.05%
Ekambar A. Ghorpade (Minor)				
At the beginning of the year	4200	0.05%	4200	0.05%
Purchase during the year	0	0.00%	4200	0.05%
Sale during the year	0	0.00%	4200	0.05%
At the end of the year			4200	0.05%
S Y Ghorpade				
At the beginning of the year	24930	0.28%	24930	0.28%
Purchase during the year	1900	0.02%	26830	0.31%
Sale during the year	0	0.00%	26830	0.31%
At the end of the year			26830	0.31%
Yashodharadevi S.Ghorpade				
At the beginning of the year	3925	0.04%	3925	0.04%
Purchase during the year	1075	0.01%	5000	0.06%
Sale during the year	0	0.00%	5000	0.06%
At the end of the year			5000	0.06%
Aditya S. Ghorpade				
At the beginning of the year	500	0.01%	500	0.01%



Purchase during the year	0	0.00%	500	0.01%
Sale during the year	0	0.00%	500	0.01%
At the end of the year			500	0.01%
Dhananjai S. Ghorpade				
At the beginning of the year	785	0.01%	785	0.01%
Purchase during the year	0	0.00%	785	0.01%
Sale during the year	0	0.00%	785	0.01%
At the end of the year			785	0.01%
Skand Private Limited*				
At the beginning of the year	1960719	22.41%	1960719	22.41%
Purchase during the year	2671321	30.53%	4632040	52.94%
Sale during the year	0	0.00%	4632040	52.94%
At the end of the year			4632040	52.94%
Sattari Engg Enterprises Pvt. Ltd.*				
At the beginning of the year	1552721	17.75%	1552721	17.75%
Purchase during the year	0	0.00%	1552721	17.75%
Sale during the year	1552721	17.75%	0	0.00%
At the end of the year			0	0.00%
Sunshine Real Estates & Constructions Private Limited*				
At the beginning of the year	1130100	12.92%	1130100	12.92%
Purchase during the year	0	0.00%	1130100	12.92%
Sale during the year	1130100	12.92%	0	0.00%
At the end of the year			0	0.00%
Sandur Udyog Pvt. Ltd.				
At the beginning of the year	364529	4.17%	364529	4.17%
Purchase during the year	0	0.00%	364529	4.17%
Sale during the year	0	0.00%	364529	4.17%
At the end of the year			364529	4.17%
Sandur Sales & Services Pvt. Ltd.				
At the beginning of the year	279126	31.90%	279126	3.19%
Purchase during the year	0	0.00%	279126	3.19%
Sale during the year	0	0.00%	279126	3.19%
At the end of the year			279126	3.19%
Lohagiri Industrials Pvt. Ltd.				
At the beginning of the year	295540	3.38%	295540	3.38%
Purchase during the year	0	0.00%	295540	3.38%
Sale during the year	0	0.00%	295540	3.38%
At the end of the year			295540	3.38%
Euro Industrial Enterprises Private Limited				
At the beginning of the year	422805	4.83%	422805	4.83%
Purchase during the year	3000	0.03%	425805	4.87%
Sale during the year	0	0.00%	425805	4.87%
At the end of the year			425805	4.87%

*Pursuant to the Order dated 14 July 2015 passed by the Hon'ble High Court of Karnataka sanctioning the scheme of amalgamation, both Sattari Engineering Enterprises Private Limited and Sunshine Real Estates and Constructions Private Limited have amalgamated with Skand Private Limited with effect from 12 August 2015.

(iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)					
SI No	Name of the shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	SAGAR MAL MALL				
	At the beginning of the year	132984	1.52%	132984	1.52%
	Purchase during the year	18151	0.21%	151135	1.73%
	Sale during the year	0	0.00%	151135	1.73%
	At the end of the year			151135	1.73%
2	MADHURI OMPRAKASH DAMANI				
	At the beginning of the year	102650	1.17%	102650	1.17%
	Purchase during the year	0	0.00%	102650	1.17%
	Sale during the year	0	0.00%	102650	1.17%
	At the end of the year			102650	1.17%
3	THE NEW INDIA ASSURANCE COMPANY LIMITED				
	At the beginning of the year	100000	1.14%	100000	1.14%
	Purchase during the year	0	0.00%	100000	1.14%
	Sale during the year	0	0.00%	100000	1.14%
	At the end of the year			100000	1.14%
4	ANAND SHANKAR MALL				
	At the beginning of the year	89579	1.02%	89579	1.02%
	Purchase during the year	1715	0.02%	91294	1.04%



	Sale during the year	0	0.00%	91294	1.04%
	At the end of the year			91294	1.04%
5	MINI DEVI MALL				
	At the beginning of the year	56785	0.65%	56785	0.65%
	Purchase during the year	5714	0.07%	62499	0.71%
	Sale during the year	0	0.00%	62499	0.71%
	At the end of the year			62499	0.71%
6	SCINDIA INVESTMENTS PVT LTD				
	At the beginning of the year	50000	0.57%	50000	0.57%
	Purchase during the year	0	0.00%	50000	0.57%
	Sale during the year	0	0.00%	50000	0.57%
	At the end of the year			50000	0.57%
7	HYPNOS FUND LIMITED				
	At the beginning of the year	0	0.00%	0	0.00%
	Purchase during the year	42195	0.48%	42195	0.48%
	Sale during the year	0	0.00%	42195	0.48%
	At the end of the year			42195	0.48%
8	STANDARD CHARTERED BANK				
	At the beginning of the year	48150	0.55%	48150	0.55%
	Purchase during the year	0	0.00%	48150	0.55%
	Sale during the year	7583	0.09%	40567	0.46%
	At the end of the year			40567	0.46%
9	BRIJKISHOR TRADING PRIVATE LIMITED				
	At the beginning of the year	0	0.00%	0	0.00%
	Purchase during the year	40121	0.46%	40121	0.46%
	Sale during the year	0	0.00%	40121	0.46%
	At the end of the year			40121	0.46%
10	MSPL LIMITED				
	At the beginning of the year	9010	0.10%	9010	0.10%
	Purchase during the year	22944	0.26%	31954	0.37%
	Sale during the year	0	0.00%	31954	0.37%
	At the end of the year			31954	0.37%

(v) Shareholding of Directors & Key Managerial Personnel

Sl No	Name of the shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	S Y Ghorpade: Chairman and Managing Director				
	At the beginning of the year	24930	0.28%	24930	0.28%
	Purchase during the year	1900	0.02%	26830	0.31%
	Sale during the year	0	0.00%	26830	0.31%
	At the end of the year			26830	0.31%
2	Nazim Sheikh: Joint Managing Director				
	At the beginning of the year	5900	0.07%	5900	0.07%
	Purchase during the year	1700	0.02%	7600	0.09%
	Sale during the year	0	0.00%	7600	0.09%
	At the end of the year			7600	0.09%
3	U R Acharya: Director (Commercial)				
	At the beginning of the year	2000	0.02%	2000	0.02%
	Purchase during the year	0	0.00%	2000	0.02%
	Sale during the year	0	0.00%	2000	0.02%
	At the end of the year			2000	0.02%
4	K Raman: Director (Finance)/ Chief Financial Officer				
	At the beginning of the year	950	0.01%	950	0.00%
	Purchase during the year	0	0.00%	950	0.00%
	Sale during the year	0	0.00%	950	0.00%
	At the end of the year			950	0.00%
5	Md. Abdul Saleem: CS & CGM (Mines)				
	At the beginning of the year	517	0.01%	517	0.01%
	Purchase during the year	1913	0.02%	2430	0.03%
	Sale during the year	0	0.00%	2430	0.03%
	At the end of the year			2430	0.03%

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

The Company has not availed any loans during the year and is a debt free company.



VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager - ₹ in lakhs								
Sl. no.	Particulars of Remuneration	S Y Ghorpade Managing Director	Nazim Sheikh Joint Managing Director	S H Mohan Exec. Director (Projects) (upto 07.09.2015)	S R Sridhar Exec Director (Mines) (upto 08.09.2015)	U R Acharya Director (Commercial)	K.Raman Director Finance (upto 19.09.2015)	Total Amount
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	36.6	33.6	14.65	9.66	19.02	8.92	122.45
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	76.45	68.73	58.35	34.62	38.86	18.46	295.47
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0	0	0	0	0
2	Stock Option	0	0	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0	0	0
4	Commission - as % of profit - others, specify...	0	0	0	0	0	0	0
5	Others, please specify (Contributions)	6.95	9.07	3.96	2.61	5.14	2.41	30.14
	Total (A)	120.00	111.4	76.96	46.89	63.02	29.79	448.06
	Overall ceiling of 10% of net profit calculated in accordance with Section 198 of the Companies Act, 2013 for managerial remuneration payable to all its Whole-time directors							
	Limit as per Schedule V of the Companies Act, 2013 in case of inadequate profits or no profits	120	120	120	120	120	120	720

B. Remuneration to other directors - ₹ in lakhs							
Particulars of remuneration	R. Subramanian	V. Balasubramanian	P. Vishwanatha Shetty	B. Ananda Kumar	S. S. Rao	Vatsala Watsa	Total Amount
1. Independent Directors							
Fee for attending board/committee meeting	3.15	3.55	2.40	3.25	2.75	2.30	17.40
commission	0	0	0	0	0	0	0.00
Others, please specify	0	0	0	0	0	0	0.00
Total (1)	3.15	3.55	2.40	3.25	2.75	2.30	17.40
2. Other Non-Executive directors	-	-	-	-	-	-	0.00
Fee for attending board/committee meeting	-	-	-	-	-	-	0.00
commission	-	-	-	-	-	-	0.00
Others, please specify	-	-	-	-	-	-	0.00
Total (2)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total(B) = (1)+(2)	3.15	3.55	2.40	3.25	2.75	2.30	17.40
Total Managerial Remuneration	3.15	3.55	2.40	3.25	2.75	2.30	17.40
Overall ceiling as per the Companies Act, 2013 (1% of net profit calculated in accordance with Section 198, exclusive of sitting fees payable to directors							

* Overall ceiling not applicable since no commission paid in the FY 2015-16

C. Remuneration to Key Managerial Personnel other than Managing Director / Manager / WTD - ₹ in lakhs			
Sl. No	Particulars of Remuneration	Md. Abdul Saleem, Company Secretary & CGM (Mines)	K. Raman CFO (from 20 September 2015)
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7.03	10.09
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	15.11	20.18
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission - as % of profit - others, specify...	0	0
5	Others, please specify (Contributions)	1.88	2.72
	Total (C)	24.02	32.99

VII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

The Company has not paid any amount by way of penalty/compounding charges.

for and on behalf of the Board

Place : Bangalore
Date : 28 May 2016

S. Y. Ghorpade
Chairman & Managing Director



Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
THE SANDUR MANGANESE & IRON ORES LIMITED
Lakshmipur, Sandur,
Ballari District,
Karnataka

I have conducted the secretarial audit of the compliance of specific applicable statutory provisions and the adherence to good corporate practices by **THE SANDUR MANGANESE AND IRON ORES LIMITED** (hereinafter called the company) bearing CIN L85110KA1954PLC000759. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31st March, 2016**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on, **31st March, 2016** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made there under.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. **(Not applicable during the audit period)**
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. **(Not applicable during the audit period)**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. **(Not applicable during the audit period)**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable during the audit period)** and
 - (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998. **(Not applicable during the audit period).**
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.



I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange (BSE).

During the period under review based on the explanations and representations made by the management, the Company has generally complied with the provisions of the Companies Act, Rules, Regulations, Guidelines etc. as mentioned above *except in few circumstances that there has been delays in filing of returns with the Registrar of Companies.*

During the period under review based on the explanations and representations made by the management, the Company has generally complied with the provisions of the Foreign Exchange Management Act, 1999.

During the period under review, based on the explanations and representations made by the management, it is observed that the Company had in general complied with the provisions of the SEBI Regulations *except in one instance that the notice to the Stock Exchange for convening Board Meeting on 27/05/2015 was not been given 7 clear days prior to meeting.*

Further, the Company has taken approval of the Audit Committee and the Board in its Meetings dated 14th November, 2015, for taking on lease a Ferro-alloy Plant and Power Plant from Star Metalics and Power Private Limited (SMPPL), a material subsidiary of the Company and has complied with all other compliances *except passing of a special resolution by the members of the Company as per Regulation 24(6) of the SEBI (LO&DR) Regulations, 2015.*

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following Laws and the Rules thereunder applicable specifically to the Company:

- (i) Mines and Minerals (Development and Regulation) Act 1957
- (ii) Mines Act 1952
- (iii) The Environment (Protection) Act 1986
- (iv) Air (Prevention and Control of Pollution) Act 1981
- (v) Water (Prevention and Control of Pollution) Act 1981
- (vi) Indian Forest Act, 1927
- (vii) Karnataka Forest Act 1963
- (viii) Forest (Conservation Act), 1980
- (ix) Karnataka Mineral Policy 2008
- (x) National Mineral Policy 2008
- (xi) Explosives Act, 1884

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors Non-Executive Directors and Independent Directors. Company also has a Woman Director on the Board. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance of the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and wherever not sent a consent was obtained for shorter notice from directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meeting, as represented by Management, were taken unanimously.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place : Bangalore
Date : 28/05/2016

Name and Signature : Sathya Prasad T
Designation : Practicing Company Secretary
Stamp : ACS No. 18755; CP No.6775

Note: This report is to be read with my letter of even date which is annexed as **Annexure A** and forms an integral part of this report.



To
The Members
THE SANDUR MANGANESE & IRON ORES LIMITED
Lakshmipur, Sandur,
Ballari District,
Karnataka

My report of even date is to be read along with this letter.

- (1) Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
- (2) I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
- (3) I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
- (4) Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- (5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
- (6) The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Bangalore
Date : 28/05/2016

Name and Signature : Sathya Prasad T
Designation : Practicing Company Secretary
Stamp : ACS No. 18755; CP No.6775

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY****1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

As part of its Corporate Social Responsibility (CSR), the Company plans to contribute towards developmental activities in the "buffer zone" around its mines, which comprises of 22 villages, and also the town of Sandur. An extensive social survey has been done in these villages around the Mines where such projects are likely to improve the quality of life of its inhabitants. It is proposed to utilise the facilities of Sandur Laminates Limited (SLL) and Sandur Micro Circuits Limited (SMCL), to provide Street Lighting, Home lighting, Community Centre Lighting, Students Hostel Lighting and Solar Power Pump Sets. These, 'Green Energy Projects' are expected to benefit the inhabitants of the village by way of free and uninterrupted power supply to remote villages; much needed street lighting; power during day time to pump drinking and irrigation water and also, reduce the load on the public utility system and State Electricity Boards.

The Company has plans to contribute generally in construction of roads, adopt the Sandur Town and improve internal roads, drains and public toilets (with water) facilities.

The Company has under as part of its SMIORE Education Programme, based on the recommendation of the Corporate Social Responsibility Committee, sponsored scholarships to children under the Sandur Vidya Protsaha Scholarships 2015-16 programme implemented by Karnataka Seva Sangha, a social service organization set up by late M. Y. Ghorpade.

In addition, the Committee has identified Kumaraswamy Temple, Kammathuru and Sandur Town for the pilot project of constructing community toilets

Various other initiatives taken by the Company towards CSR are enumerated below:

- The Company directly and indirectly supports three schools at the mines, four schools at Vyasankere (where it proposes to set up the new projects) and six schools and colleges in and around Sandur. The institutions have been catering to the educational needs of employees' children as well as the children of Sandur and surrounding villages.
- Under Akshaya Patra programme, Company provides free mid-day meals to children studying in some of the aforesaid schools and two government schools at Sandur.
- The Company's Community Health Centre namely "Arogya" at Sandur, meets the medical requirements of employees free of cost and at very affordable and actual cost to the general public of Sandur and other adjacent villages. In association with Vittala of Bangalore, Arogya provides specialized eye care facility. Further, in association with Bhagwan Mahaveer Jain Hospital, camps were organized for cancer detection, diabetes, orthopedic and women & child care.
- The Company's welfare organisation called Sandur Kushala Kala Kendra was established for nurturing and development of traditional handicrafts, upliftment and gainful employment of rural artisans.
- The Company continues to provide a package of essential food grains, to suffice needs of a family of about five per month, at 1972 prices, to all its employees and workmen, including temporary workmen.
- The company has constructed 762 houses at a total cost of ₹12.53 crore for the victims in flood affected regions of the State. Further, the Company has undertaken construction / development of roads in Sandur region by spending about ₹20 crore.
- The Company has already planted millions of trees and continues to do so.

2. Composition of the CSR Committee:

In terms of Section 135 of the Companies Act, 2013, the Board of Directors of the Company constituted the CSR Committee at its meeting held on 29 March 2014. Presently, the Committee comprises of the following Directors:



S. Y. Ghorpade, Chairman & Managing Director

Chairman

Nazim Sheikh, Joint Managing Director

Member

V. Balasubramanian, Independent Director

Member

S. S. Rao, Independent Director

Member

P. Vishwanatha Shetty, Independent Director

Member

3. Average net profit of the Company for last three financial years:

The Company's average net profit for last three financial years 2012-13, 2013-14 and 2014-15 amounts to ₹39.28 crore.

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):

The Company is required to spend ₹78.57 lakh during the financial year 2015-16.

5. Details of CSR spend for the financial year:

(a) Total amount spent for the financial year: ₹ 97.14 lakh

(b) Amount unspent, if any: Nil

(c) Manner in which the amount spent during the financial year is detailed below:

(₹ lakh)

Sl. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (Location)	Amount Outlay (Budget) Project or Program wise	Amount Spent on the project or program	Cumulative Expenditure Upto reporting period	Amount spent: Direct or through implementing agency
1	SMIORE CSR Education Programme	Promotion of Education	Sandur	50.00	48.95		Karnataka Seva Sangha (Implementing Agency)
2	SMIORE Health & Sanitation Programme	Health & Sanitation	Kammathuru	20.50	25.34		Karnataka Seva Sangha (Implementing Agency)
3	Adoption of Tourist Destination -Ranganthittu Bird Sanctuary	Environment Sustainability	Ranganthittu Bird Sanctuary	75.00	22.85		Karnataka Seva Sangha (Implementing Agency)

6. Reasons for not spending the prescribed amount:

Not Applicable

7. Responsibility Statement of the CSR Committee:

We affirm that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

for and on behalf of the Board

for and on behalf of the CSR Committee

S. Y. GHORPADE

Chairman & Managing Director
Chairman, CSR Committee

NAZIM SHEIKH

Joint Managing Director
Member, CSR Committee

Place : Bangalore

Date : 28 May 2016



**Information pursuant to Section 134(3)(m) of the Companies Act, 2013,
read with Rule 8 of Companies (Accounts) Rules, 2014**

A. CONSERVATION OF ENERGY:

- (i) Energy conservation measures taken :
- (ii) Steps taken by the Company for utilization of alternate sources of energy :
- (iii) Capital Investment on energy Conservation Equipment :

B. TECHNOLOGY ABSORPTION:

- (i) Efforts made in technology absorption :
- (ii) Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc. :
- (iii) In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished:
 - (a) Details of technology imported
 - (b) Year of import.
 - (c) Whether the technology been fully absorbed
 - (d) If not fully absorbed, areas where absorption has not taken place, and the reasons therefore :
- (iv) Expenditure incurred on Research and Development :

C. FOREIGN EXCHANGE EARNINGS & OUTGO:

- 1 Foreign Exchange Earnings : Please refer to Note No.____ in the Notes to Accounts
- 2 Foreign Exchange Outgo : Please refer to Note No.____ in the Notes to Accounts.

**PARTICULARS OF EMPLOYEES**

1. **The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:**

	₹Lakh	Ratio
Median remuneration of the employees of the Company	2.72	
S.Y. Ghorpade	120.00	44.13
Nazim Sheikh	111.40	40.97
S. H. Mohan ¹	76.96	28.31
S. R. Sridhar ²	46.89	17.24
U. R. Acharya	63.02	23.18
K. Raman ³	62.80	23.10

1. Ceased to be a director w. e. f. 7 September 2015 consequent to resignation

2. Ceased to be a director w. e. f. 8 September 2015 consequent to resignation

3. Retired by rotation at the 61st AGM held on 19 September 2015, subsequently continuing as CFO

2. **The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:**

	2015-16 (₹Lakh)	2014-15 (₹Lakh)	% Increase
S.Y. Ghorpade, Chairman and Managing Director	120.00	113.22	5.98
Nazim Sheikh, Joint Managing Director	111.40	103.05	8.10
S. H. Mohan, Executive Director – Projects ¹	76.96	100.68	-23.55
S. R. Sridhar, Executive Director – Mines ²	46.89	67.35	-30.28
U. R. Acharya, Director (Commercial)	63.02	59.32	6.24
K. Raman, CFO ³	62.80	58.73	6.92
Md. Abdul Saleem, CS & CGM (Mines)	24.03	17.81	34.90
Total for all managerial personnel	505.10	520.17	-2.90

1. Ceased to be a director w. e. f. 7 September 2015 consequent to resignation

2. Ceased to be a director w. e. f. 8 September 2015 consequent to resignation

3. Retired by rotation at the 61st AGM held on 19 September 2015, subsequently continuing as CFO

3. **The percentage increase in the median remuneration of employees in the Financial year:**

	2015-16 (₹Lakh)	2014-15 (₹Lakh)	% Increase
Median remuneration of employees	2.72	2.61	4.07

- 4 **Number of permanent employees on the rolls of company as on 31 March 2016 : 1,674**

- 5 **Explanation on the relationship between average increase in remuneration and company's performance:**

The increase in remuneration by 4% represents the normal annual increase granted to the employees. There is no direct relationship between the Company's performance and the increase in the remuneration. Normally the Company revises the salary of employees once in three years. The earlier increase was made in January 2011 and the latest revision was made in January 2015 after a lapse of four years to take care of the general increase in the cost of living.

- 6 **Comparison of the remuneration of the Key Managerial Personnel against the performance of the company:**

Market factors play a major role in the performance of the Company. Hence there is no co-relation between the performance of the Company and remuneration of the Key Managerial Personnel.

- 7 **Variations in market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in market quotations of the shares of the company in comparison to the rate at which the Company came out with the last public offer:**



₹Lakh

as at
31/03/2016as at
31/03/2015% increase or
decrease

- a. Market capitalisation
b. Price earnings ratio

8 Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

- a. The average percentile increase already made in the salaries of employees other than managerial remuneration **4.07%**
b. Percentile increase in the managerial remuneration **- 2.90%**

9 Comparison of each remuneration of Key Managerial Personnel against the performance of the company:

Market factors play a major role in the performance of the Company; hence there is no co-relation between the performance of the Company and remuneration of the Key Managerial Personnel.

10 The key parameters for any variable component of remuneration availed by the directors:

There are no variable components constituting the remuneration of the managerial personnel.

11 The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: NOT APPLICABLE

12 Affirmation that the remuneration is as per the remuneration policy of the Company: YES

NAME OF EVERY EMPLOYEE OF THE COMPANY, WHO:

1 if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than sixty lakh rupees:

1. S.Y. Ghorpade, Chairman and Managing Director
2. Nazim Sheikh, Joint Managing Director
3. U. R. Acharya, Director (Commercial)
4. K. Raman, Chief Financial Year

2 if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than five lakh rupees per month:

1. S. H. Mohan, Executive Director – Projects¹
2. S. R. Sridhar, Executive Director – Mines²

1. Ceased to be a director w. e. f. 7 September 2015 consequent to resignation
2. Ceased to be a director w. e. f. 8 September 2015 consequent to resignation

3 If employed throughout the financial year / part thereof , was in receipt of remuneration in the year which, in aggregate, or as the case may be, at a rate which, in aggregate, is in excess of that drawn by the Managing Director or Whole-time Director or Manager and holds by himself or along with his spouse and dependent children, not less than 2% of equity shares of the Company: NOT APPLICABLE

for and on behalf of the Board

Place : Bangalore
Date : 28 May 2016

S. Y. Ghorpade
Chairman & Managing Director



ADDENDUM TO REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2015

Appointment / Re-appointment

The shareholders are hereby informed that the Board has in its meeting held on 11 July 2015, based on the recommendation of the Nomination and Remuneration Committee, revised the retirement age fixed for the directors of the Company.

In view of the aforesaid, the Board also amended the Policy on Nomination and Remuneration of Directors, Key Managerial Personnel (KMP) and other employees. In accordance with the revised Policy, the Whole-time directors (other than promoter directors) shall retire at the age of 65 years and the Non-Executive Directors (other than promoter directors) shall retire at the age of 75 years. Further, the Independent Directors shall be allowed to hold office for two consecutive terms of upto five consecutive years each as stipulated in Sections 149(10) and 149(11) of the Companies Act, 2013

In the Report of the Directors dated 27 May 2015, the shareholders were informed that K. Raman- Director (Finance) & Chief Financial Officer is liable to retire by rotation at the ensuing meeting and being eligible is offering himself for re-appointment.

In view of the aforementioned change in the policy of retirement for the directors, K. Raman having already attained the retirement age of 65 years fixed for Whole-time Directors, is no longer offering himself for re-appointment. In terms of Section 152(6)(e), at the Annual General Meeting at which a director retires by rotation, the Company may choose to fill up the vacancy by appointing the retiring director or some other person thereto. However, it is proposed to not fill the vacancy created by the retirement of K. Raman.

The Board places on record its sincere appreciation and recognition of the valuable contribution and services rendered by K. Raman during and prior to his tenure as a director on the Board of the Company. The Board proposes that the vacancy caused by his retirement be not filled up.

Resignation of Directors

The Company has received letters dated 4 June 2015 and 8 June 2015 from S. R. Sridhar - Executive Director (Mines) and S. H. Mohan – Executive Director (Projects), respectively, tendering resignation from directorship of the Company. Both directors shall be serving a notice period of 3 months. Resignation of S. H. Mohan and S. R. Sridhar shall take effect from 7 September 2015 and 8 September 2015 respectively.

Pursuant to provisions of Section 168 of the Companies Act, 2013, the fact of resignation of directors is required to be included in the Directors' Report laid in the immediately following general meeting of the Company.

The Board hereby wishes to express its gratitude towards both the Directors for the services rendered by them during the course of their employment and contributions made by them as Directors on the Board of the Company. Further, wish them the best for all their future endeavours.

for and on behalf of the Board

Place : Bangalore
Date : 11 July 2015

S. Y. Ghorpade
Chairman & Managing Director



REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR 2015-16

1. Company's philosophy on code of governance

The Company believes that corporate governance is directing and controlling the business with the overriding objective of optimising return for the shareholders. The Company aims to achieve this by providing long-term visibility of its business, ensuring effective relationship with stakeholders, establishing systems that help the Board in understanding risk appetite and monitoring risk at every stage of corporate evolution process.

The Company further believes in and implicitly adopts values such as efficiency with transparency and accountability and integrity with fairness and kindness in Corporate Governance.

2. Board of Directors

● **Composition and category of Directors**

As on 31 March 2016, the Board comprises of nine members, of whom three are whole-time directors, viz., Chairman & Managing Director, Joint Managing Director, Director (Commercial) and the remaining six are independent non-executive directors including a woman director. The Chairman & Managing Director is one of the promoters of the Company. The Company has an Executive Chairman and more than half of the Board comprises of independent directors. All the directors are highly qualified, professional and have vast experience in the industry.

● **The particulars of directors, their attendance at Board meetings during the financial year and at the last Annual General Meeting are as under:**

Name of Directors	Category / Designation	Attendance	
		Board meetings	Last AGM
S. Y. Ghorpade	Chairman & Managing Director	7	Yes
Nazim Sheikh	Joint Managing Director	7	Yes
S. H. Mohan*	Executive Director (Projects)	3	Yes
S. R. Sridhar **	Executive Director (Mines)	2	Yes
R. Subramanian	Non-Executive & Independent	7	Yes
V. Balasubramanian	Non-Executive & Independent	7	Yes
P. Vishwanatha Shetty	Non-Executive & Independent	6	No
U. R. Acharya	Director (Commercial)	7	Yes
K. Raman***	Director (Finance)	3	Yes
B. Ananda Kumar	Non-Executive & Independent	7	Yes
S. S. Rao	Non-Executive & Independent	6	Yes
Vatsala Watsa	Non-Executive & Independent	5	No

* Ceased to be a director on 7 September 2015 consequent to resignation

** Ceased to be a director on 8 September 2015 consequent to resignation

*** Retired by rotation at the AGM held on 19 September 2015 and did not seek re-appointment



- **Number of directorships and committee memberships held by the directors in domestic public companies as at 31 March 2016 are as indicated below:**

Name of Directors	Directorships (Excluding this Company)	Committee Memberships (Excluding this Company)	
		As Chairman	As Member
S. Y. Ghorpade	1	-	-
Nazim Sheikh	1	-	-
S. H. Mohan*	1	-	-
S. R. Sridhar**	1	-	-
R. Subramanian	2	2	-
V. Balasubramanian	6	-	3
P. Vishwanatha Shetty	-	-	-
U. R. Acharya	2	-	1
K. Raman***	2	1	1
B. Ananda Kumar	2	-	-
S. S. Rao	4	1	3
Vatsala Watsa	0	-	-

* Ceased to be a director on 7 September 2015 consequent to resignation

** Ceased to be a director on 8 September 2015 consequent to resignation

*** Retired by rotation at the AGM held on 19 September 2015 and did not seek re-appointment

- **Board meetings**

Meetings of the Board of Directors are generally held at the Company's Corporate Office in Bangalore and are scheduled well in advance. The Board meetings are held at least once in a quarter to review the quarterly performance and the financial results apart from transacting other items of business requiring the Board's attention. The Company Secretary in consultation with the Chairman & Managing Director and the Joint Managing Director prepares agenda for the meetings. The Board papers are circulated to directors in advance. Senior management personnel are invited to attend the Board meetings and provide clarifications as and when required.

The information as specified in Part A of Schedule II of the Securities And Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015 [SEBI(LO&DR) Regulations, 2015] is being regularly placed before the Board. The Board also reviews the declaration made by the Chairman & Managing Director and the Company Secretary regarding compliance with all laws applicable to the Company on a quarterly basis.

The Board of Directors met seven times during the financial year on 27 May 2015, 11 July 2015, 8 August 2015, 19 September 2015, 14 November 2015, 13 February 2016 and 26 March 2016. The interval between any two successive meetings did not exceed four months or one hundred and twenty days.

- **Disclosure of relationships between directors inter-se:**

There are no inter-se relationships between our Board members.

- **Number of shares and convertible instruments held by non-executive directors:**

None of the independent directors hold any shares in the Company except

R. Subramanian and B. Ananda Kumar who hold 200 equity shares and 2378 equity shares in the Company, respectively.



- ***Familiarisation Programme for Independent Directors***

On induction, the new independent directors on Board are familiarized with the nature of Industry and the Company's business operations. They are updated on a frequent basis with regard to operations of the Company. Any material development is intimated promptly. The Management encourages participation by the independent directors and accordingly, any clarification sought by the independent directors with regard to the Company's operations is duly addressed.

In addition, the independent directors are acquainted with their roles, rights, responsibilities at the time of induction. Presently, no formal training programme exists. Until now, learning for the independent directors has been a pervasive ongoing phenomenon via participation.

The details on the Company's Familiarisation Programme for Independent directors can be accessed at: <http://www.sandurgroup.com/Policies.html>

3. Audit Committee

- ***Powers of the Audit Committee:***

- a) to investigate any activity within its terms of reference;
- b) to seek information from any employee;
- c) to obtain outside legal or other professional advice; and
- d) to secure attendance of outsiders with relevant expertise, if it considers necessary.

- ***Terms of reference of the Audit Committee:***

- a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- b) Recommending the appointment, remuneration and terms of appointment of auditors of the company.
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- d) Reviewing with the management the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Directors Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries based on the exercise of judgment by management
 - Significant adjustments made in the financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of any related party transactions
 - Modified opinion(s) in the draft audit report
- e) Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- f) Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer documents/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.



- g) Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- h) Approval or any subsequent modification of transactions of the company with related parties.
- i) Scrutiny of inter- corporate loans and investments.
- j) Valuation of undertakings or assets of the company, wherever it is necessary.
- k) Evaluation of internal financial controls and risk management systems.
- l) Reviewing with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- n) Discussion with internal auditors of any significant findings and follow up there on.
- o) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- p) Discussion with statutory auditors before the audit commences about the nature and scope of audit as well as having post-audit discussion to ascertain any area of concern.
- q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- r) To review the functioning of the Whistle Blower mechanism.
- s) Approval of appointment of CFO (i.e., the whole time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
- t) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

● **ROLE OF THE AUDIT COMMITTEE AND REVIEW OF INFORMATION BY AUDIT COMMITTEE**

- a) The role of the audit committee shall include the following:
 - oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
 - recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
 - approval of payment to statutory auditors for any other services rendered by the statutory auditors;
 - reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - o matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - o changes, if any, in accounting policies and practices and reasons for the same;
 - o major accounting entries involving estimates based on the exercise of judgment by management;
 - o significant adjustments made in the financial statements arising out of audit findings;



- o compliance with listing and other legal requirements relating to financial statements;
 - o disclosure of any related party transactions;
 - o modified opinion(s) in the draft audit report;
 - reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 - reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
 - reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
 - approval or any subsequent modification of transactions of the listed entity with related parties;
 - scrutiny of inter-corporate loans and investments;
 - valuation of undertakings or assets of the listed entity, wherever it is necessary;
 - evaluation of internal financial controls and risk management systems;
 - reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 - discussion with internal auditors of any significant findings and follow up there on;
 - reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
 - discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 - to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 - to review the functioning of the whistle blower mechanism;
 - approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
 - Carrying out any other function as is mentioned in the terms of reference of the audit committee.
- b) The audit committee shall mandatorily review the following information:
- management discussion and analysis of financial condition and results of operations;
 - statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - management letters / letters of internal control weaknesses issued by the statutory auditors;
 - internal audit reports relating to internal control weaknesses; and



- the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- statement of deviations:
 - o quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - o annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).
- **Composition, names of the members and their attendance at meetings during the financial year are as under:**

Name	Designation	Category	No. of meetings attended
R. Subramanian	Chairman	Non-Executive & Independent	4
V. Balasubramanian	Member	Non-Executive & Independent	4
B. Ananda Kumar	Member	Non-Executive & Independent	4
S. S. Rao	Member	Non-Executive & Independent	3
Vatsala Watsa	Member	Non-Executive & Independent	3

The constitution of the Audit Committee is in compliance with the SEBI (LO&DR) Regulations, 2015 at all times.

The Company Secretary acts as Secretary to the Committee.

The Audit Committee met four times during the financial year on 27 May 2015, 8 August 2015, 14 November 2015 and 13 February 2016. The interval between any two successive meetings did not exceed four months. The quorum as required under the Listing Regulations was maintained at all the meetings.

The meetings are scheduled well in advance and the whole-time directors and senior management personnel of the Company, the statutory auditors and internal auditors are invited to attend the meetings.

The Audit Committee members are financially literate and have relevant finance and/or audit exposure. R. Subramanian, a financial expert, is the Chairman of the Committee. The Chairman of the Audit Committee was present at the Annual General Meeting held on 19 September 2015 to answer the queries of the shareholders.

4. **Nomination and Remuneration Committee**

Remuneration Committee was constituted in April 2002 to consider and recommend to the Board, appointment, re-appointment and remuneration payable to whole-time directors. In accordance with the provisions of Section 178 of the Companies Act, 2013, the Committee has been renamed as 'Nomination & Remuneration Committee'.

- **Terms of reference of the Nomination & Remuneration Committee:**
 - a) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
 - b) formulation of criteria for evaluation of performance of independent directors and the board of directors;
 - c) devising a policy on diversity of board of directors;



- d) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.
- e) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

● **Composition, names of the members and their attendance at meetings during the financial year are as under:**

Name	Designation	Category	No. of meetings attended
P. Vishwanatha Shetty	Chairman	Non-Executive & Independent	3
R. Subramanian	Member	Non-Executive & Independent	3
V. Balasubramanian	Member	Non-Executive & Independent	3
S. S. Rao	Member	Non-Executive & Independent	3
Vatsala Watsa	Member	Non-Executive & Independent	2

The Company Secretary acts as Secretary to the Committee.

During the year the Committee met thrice on 27 May 2015, 11 July 2015 and 26 March 2016. All members of the Committee were present for all the meetings except Vatsala Watsa who absented herself from the meeting held on 27 May 2015.

● **Performance evaluation criteria for independent directors:**

The Nomination and Remuneration Committee formulates the criteria and framework for evaluation of performance of every Director on the Board of the Company in line with the Policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Other Employees.

Presently, the independent directors are being evaluated on the following criteria:

- a) Director's attendance in Board/Committee/General Meetings
- b) Director comes well prepared and informed for the Board / committee meeting(s).
- c) Director demonstrates willingness to devote time and effort to understand the Company and its business and readily participates in events outside the meeting room, such as site visits etc.
- d) Director proactively contributes to development of strategy and to risk management of the Company.
- e) Director is effective and successful in managing relationships with fellow Board members and senior management during as well as outside the Board Meeting.
- f) Director understands governance, regulatory, financial, fiduciary and ethical requirements of the Board /Committees.
- g) Director actively and successfully refreshes his/ her knowledge and skills and is upto date with the latest developments in areas such as corporate governance framework, financial reporting and the industry and market conditions.
- h) Candidness, objectivity & constructiveness in advising the management & ability to present his/ her views convincingly yet diplomatically.
- i) Director listens and takes cognisance of views of other members of Board.
- j) Director scrutinises the performance of management against the agreed goals and objectively monitors the reporting of performance.
- k) Director has maintained high standard of ethics and integrity.



- l) Director adheres to the applicable code of conduct for Independent directors.
- m) Exercise of objective independent judgment in the best interest of Company.
- n) Ability to contribute to and monitor the corporate governance practice.

5. **Remuneration of Directors:**

The Nomination and Remuneration Committee is responsible for reviewing and making recommendations to the Board on:

- a) the remuneration of the Managing Director, Whole-time Directors and KMPs;
- b) the total level of remuneration of Non-Executive Directors and for individual remuneration for Non-Executive Directors;
- c) the remuneration policies for KMPs, senior management personnel and other employees.

The remuneration policy is to pay salary / compensation and benefits adequately so as to attract, motivate and retain talent. Detailed policy on Nomination and Remuneration of Directors, Key Managerial Personnel (KMP) and other employees is annexed to the Directors' Report. The same can also be accessed at the Company's website www.sandurgroup.com

● **Remuneration to whole-time directors:**

The remuneration payable to the whole-time directors were approved by the members by passing special resolutions through postal ballot, results of which were declared on 9 August 2014.

Details of remuneration paid to the whole-time directors for the year 2015-16:

Name of Director	Salary	Perquisites	Contributions[^]	Term
S. Y. Ghorpade Chairman & Managing Director	36.60	76.45	6.95	3 years from 1 April 2014
Nazim Sheikh Joint Managing Director	33.60	68.73	9.07	3 years from 1 April 2014
S. H. Mohan* Executive Director (Projects)	14.65	58.35	3.96	3 years from 1 April 2014
S. R. Sridhar** Executive Director (Mines)	9.66	34.62	2.61	3 years from 1 April 2014
U. R. Acharya Director (Commercial)	19.02	38.86	5.14	3 years from 1 April 2014
K. Raman*** Director (Finance) & CFO	8.93	18.46	2.41	3 years from 1 April 2014

[^] includes contribution to Provident and other funds but does not include contribution towards Gratuity and Leave salary, as these are determined on an actuarial basis for the Company as a whole.

* Ceased to be a director on 7 September 2015 consequent to resignation

** Ceased to be a director on 8 September 2015 consequent to resignation

*** Retired by rotation at the AGM held on 19 September 2015 and did not seek re-appointment

The Company does not have stock option scheme, there is no variable component in the remuneration except the payment of commission as a percentage of profit and there is no severance fee. Service contracts exist with the whole-time directors which contain their terms and conditions including remuneration, notice period etc., as approved by the members. The agreements may be terminated by either party at any time by giving three months' notice to the other party.



● **Remuneration to non-executive directors:**

The non-executive directors received sitting fee for attending meetings of the Board and its Committees thereon and reimbursement of expenses incurred on travelling and stay in case of outstation directors. The Company had no pecuniary relationship or transactions with any of the non-executive directors during the year under review except for payment of sitting fee for attending meetings of the Board and its Committees.

Details of sitting fee paid to non-executive directors during the financial year 2015-16:

Name of director	Sitting Fee* (₹)
R. Subramanian	3,15,000
V. Balasubramanian	3,55,000
P. Vishwanatha Shetty	2,40,000
B. Ananda Kumar	3,25,000
S. S. Rao	2,75,000
Vatsala Watsa	2,30,000

* excluding service tax

6. Stakeholders' Relationship Committee

Investors' Grievance and Share Transfer Committee was constituted on 26 July 2006 to oversee the redressal of shareholders' and investors' complaints, if any, and to consider and approve transfer and transmission of shares and issue of duplicate share certificates. In accordance with the provisions of Section 178 of the Companies Act, 2013 the Committee has been renamed as 'Stakeholders Relationship Committee'.

The four member Committee comprises of P. Vishwantha Shetty, an independent non-executive director as its Chairman and S.Y. Ghorpade, Nazim Sheikh and B. Ananda Kumar as its members.

The Company Secretary acts as Secretary to the Committee.

To expedite the process of share transfers / transmissions, authority has been delegated by the Board severally to the Chairman & Managing Director, Joint Managing Director and the Company Secretary, who regularly attends to share transfers and transmissions, issue of fresh share certificates in lieu of old share certificates lost / mutilated or on transfer, sub-division, consolidation, renewal, exchange etc., subject to the related deeds / documents being in order.

Venture Capital and Corporate Investments Private Limited (VCC IPL), one of the leading SEBI registered Category - I Registrar and Transfer Agents has been appointed as Share Transfer Agent of the Company to process share transfer requests on behalf of the Company with effect from 18 January 2008. The Chairman & Managing Director or Joint Managing Director or Company Secretary approves the share transfer registers and a statement of share transfers / transmissions effected, share certificates issued in each quarter are placed before the Stakeholders' Relationship Committee for approval and are also placed before the Board of Directors for ratification at their next meeting.

The Stakeholders' Relationship Committee met four times during the financial year on 27 May 2015, 8 August 2015, 14 November 2015 and 13 February 2016. The interval between any two successive meetings did not exceed four months.

● **Name and designation of compliance officer:**

Md. Abdul Saleem, Company Secretary and Chief General Manager (Mines)

● **Composition, names of the members and their attendance at meetings are as under:**



Name	Designation	Category	No. of meetings attended
P. Vishwanatha Shetty	Chairman	Non-Executive & Independent	4
S. Y. Ghorpade	Member	Executive Director	4
Nazim Sheikh	Member	Executive Director	4
B. Ananda Kumar	Member	Non-Executive & Independent	4

● **Role Stakeholders Relationship Committee**

The Committee shall consider and resolve the grievances of the security holders of the listed entity including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

● **Number of shareholder complaints received, re-solved to the satisfaction of the shareholder and number of pending share transfers:**

Complaints Outstanding as on 1 April 2015	0
Complaints received during the year ended 31 March 2016	0
Complaints resolved during the year	0
Complaint not solved to the satisfaction of shareholders during the year ended 31 March 2016	0
Complaints pending as on 31 March 2016	0

There were no pending share transfer requests as on 31 March 2016.

7. Environment Committee

Reclamation & Rehabilitation Plans Implementation Review Committee was constituted on 10 August 2012 for ensuring effective implementation of Reclamation & Rehabilitation (R&R) plans for the Company's Mining Leases No.2580 and 2581.

The Hon'ble Supreme Court had, while dealing with Public Interest Litigation (PIL) in the form of Writ Petition (Civil) No.562 of 2009 with regard to rampant illegal mining being carried in the States of Andhra Pradesh and Karnataka, vide its order dated 13 April 2012 prescribed certain guidelines for preparation of R & R Plans for all the mining leases in Ballari, Tumakuru and Chitradurga.

Accordingly, the Committee was formed for implementing and monitoring the progress of implementation of the R&R Plans that may be prescribed and approved by the Central Empowered Committee for the Company's Mining Leases. The Committee was renamed as 'Environment Committee' in order to enlarge the scope and also provide an opportunity for the Committee to consider exploring and implementing new avenues for preserving the environment and contribute towards improvement of environment in the region of our presence.

● **Composition, names of the members and their attendance at meetings during the financial year are as under:**

Name	Designation	Category	No. of meetings attended
S. Y. Ghorpade	Chairman	Executive Director	2
Nazim Sheikh	Member	Executive Director	2
S. R. Sridhar*	Member	Executive Director	0
V. Balasubramanian	Member	Non-Executive & Independent	2
U. R. Acharya	Member	Executive Director	0

* Ceased to be a director on 8 September 2015 consequent to resignation



The Company Secretary acts as Secretary to the Committee.

The Committee met twice during the financial year on 12 June 2015 and 19 March 2016. All the members attended both the meetings except S. R. Sridhar who absented himself from the meeting held on 12 June 2015 and U. R. Acharya who absented himself from the meetings held on 12 June 2015 and 19 March 2016.

8. **Corporate Social Responsibility Committee:**

In terms of the newly notified Section 135 of the Companies Act, 2013 every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year is required to constitute a Corporate Social Responsibility (CSR) Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

In order to comply with the provisions of Section 135 of the Companies, Act 2013, the Board of Directors of the Company constituted the CSR Committee at its meeting held on 29 March 2014 with S. Y. Ghorpade, as its Chairman, Nazim Sheikh, S. R. Sridhar, V. Balasubramanian, K. Raman and S. S. Rao as its members. The Board at its meeting held on 8 November 2014 reconstituted the Committee with V. Balasubramanian as its Chairman, Nazim Sheikh, S. H. Mohan, S. R. Sridhar, K. Raman and S. S. Rao as its members. The Committee has been re-constituted by the Board at its meeting held on 27 May 2015 to include P. Vishwanatha Shetty as its member and once again elected S. Y. Ghorpade as its Chairman. Pursuant to resignation of S. H. Mohan & S. R. Sridhar and retirement of K. Raman the committee stands rearranged and now comprises of S. Y. Ghorpade as its Chairman, Nazim Sheikh, V. Balasubramanian, P. Vishwanatha Shetty and S. S. Rao.

- ***Composition, names of the members and their attendance at meetings during the financial year are as under:***

Name	Designation	Category	No. of meetings attended
S. Y. Ghorpade	Chairman	Executive Director	2
Nazim Sheikh	Member	Executive Director	2
S. H. Mohan*	Member	Executive Director	1
S. R. Sridhar**	Member	Executive Director	0
V. Balasubramanian	Member	Non-Executive & Independent	2
P. Vishwanatha Shetty	Member	Non-Executive & Independent	1
K. Raman***	Member	Executive Director	1
S. S. Rao	Member	Non-Executive & Independent	2

* Ceased to be a director on 7 September 2015 consequent to resignation

** Ceased to be a director on 8 September 2015 consequent to resignation

*** Retired by rotation at the AGM held on 19 September 2015 and did not seek re-appointment

The Committee met twice during the financial year on 12 June 2015 and 19 March 2016.

The Company Secretary acts as Secretary to the Committee.

Based on the recommendation of the Committee, the Board has approved the Policy on Corporate Social Responsibility indicating the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013. The Policy on Corporate Social Responsibility is available at the Company's website.

The Committee is required to recommend the amount of expenditure to be incurred on the said activities and monitor the Corporate Social Responsibility Policy of the Company from time to time. The Committee is further required to institute a transparent monitoring mechanism for implementation of the CSR projects / programs / activities undertaken by the Company.



9. Risk Management Committee:

The Risk Management Committee was constituted by the Board in its meeting held on 28 May 2014 in terms of Clause 49 (VI) of the erstwhile Listing Agreement with the Stock Exchanges wherein, the Board has delegated the monitoring and reviewing of the risk management plan to the Committee.

The Committee comprises of S. Y. Ghorpade, as its Chairman, R. Subramanian, U. R. Acharya, B. Ananda Kumar and Vatsala Watsa as its members. Consequent to resignation of S. H. Mohan and retirement of K. Raman, these two directors have ceased to be its members.

The Company Secretary acts as Secretary to the Committee.

No meeting of the Committee has been held during the financial year.

10. General Body Meetings

- Location and time of the last three AGMs:

The Annual General Meetings for the last three years were held on 19 September 2015 at 11.00 a.m., 27 September 2014 at 11.00 a.m. and 31 August 2013 at 11.00 a.m. The meetings were held at Golden Jubilee Hall, Sandur Residential School and Anuradha Hall, Shivapur, Sandur - 583 119.

- Three special resolutions were passed at the past three Annual General Meetings.
- During the year no resolutions were passed by way of Postal Ballot
- The Company does not propose to pass any special resolution through postal ballot.

11. Subsidiary Company

Star Metallics and Power Private Limited (SMPPL) is a subsidiary of the Company with 81.24% of its paid up equity share capital held by the Company as on 31 March 2016.

SMIORE, being a major shareholder, has nominated two of its whole-time directors as directors on the Board of SMPPL. S. Y. Ghorpade, Chairman & Managing Director of SMIORE is the non-executive chairman and Nazim Sheikh - Joint Managing Director of SMIORE is the non-executive director. In addition, in compliance with the Listing Regulations to nominate an independent director of the holding company to be a nominee on the Board of Subsidiary Company, B. Ananda Kumar, an Independent Director of SMIORE is the Nominee Director on the Board of SMPPL.

The operations of SMPPL are being controlled and monitored by SMIORE, inter alia, by the following means:

- Financial statements, in particular the investments made by SMPPL, are being reviewed by the Audit Committee of the Company.
- Minutes of the meetings of SMPPL's Board are being placed before the Company's Board regularly.
- Financial statements showing all significant transactions and arrangements entered into by SMPPL are placed before the Company's Board.

12. Means of Communication

- Quarterly financial results are being regularly sent to Bombay Stock Exchange Limited.
- Quarterly financial results are generally published in The Financial Express and Sanjevani newspapers and also placed on the website of the Company.
- Latest updates or any material developments are displayed on the website of the Company at www.sandurgroup.com.
- No presentation has been made to institutional investors or to the analysts.



13. General Shareholder Information

i) Date, Time and Venue of the Annual General Meeting:

14 September 2016 at 11.00 a.m. at Golden Jubilee Hall, Sandur Residential School, Shivapur, Palace Road, Sandur - 583 119.

ii) Financial Year: 1 April 2015 to 31 March 2016

iii) Financial Calendar: (tentative and subject to change)

Financial Reporting for the quarter ending 30 June 2016	Before 14 August 2016
Financial Reporting for the quarter ending 30 September 2016	Before 14 November 2016
Financial Reporting for the quarter ending 31 December 2016	Before 14 February 2017
Financial Reporting for the quarter ending 31 March 2017	By end of May 2017

iv) Dates of Book Closure: 8 September 2016 to 14 September 2016 (both days inclusive)

v) Dividend Payment Date: on or after 14 September 2016

vi) Listing on Stock Exchange: The Company's shares are listed on Bombay Stock Exchange limited, P. J. Towers, Dalal Street, Mumbai – 400 001

Listing Fee: The Company has paid annual listing fee for the year 2016-17 to Bombay Stock Exchange Limited where the securities of the Company are listed.

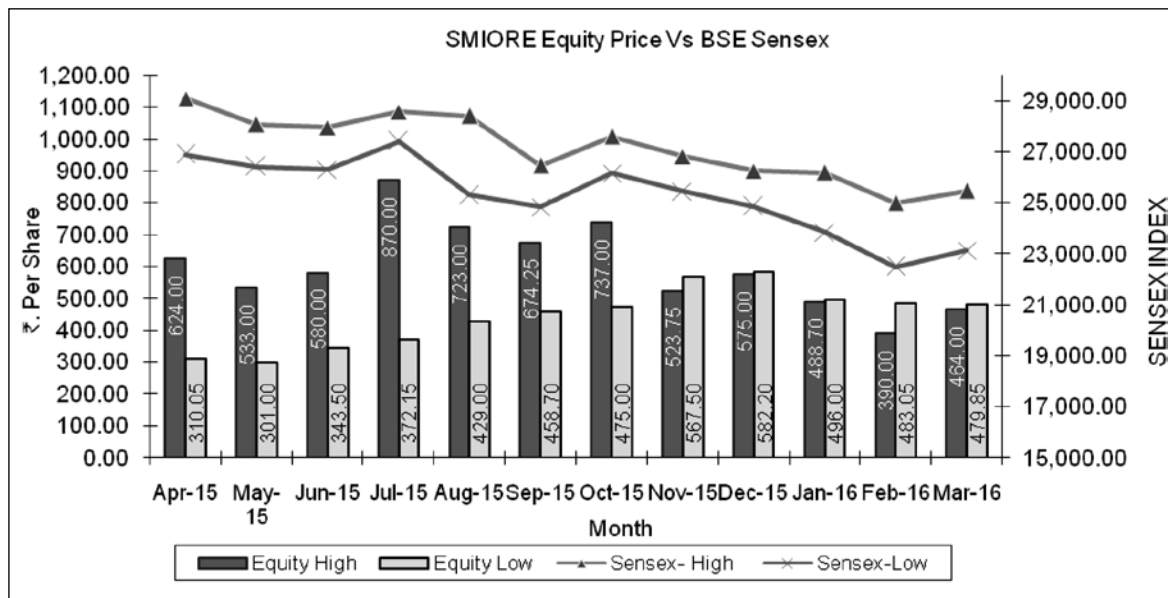
vii) Stock Code: Bombay Stock Exchange Limited (BSE) - 504918

viii) Monthly High and Low Quotation of Company's shares traded on BSE:

Month	Open ₹	High ₹	Low ₹	Close ₹	No. of Shares	No. of Trades	BSE Sensx (Average)
Apr '15	590	624	468	486	208168	6945	27996
May '15	496	533	452	461	63929	2279	27248
Jun '15	483	580	385	549	264535	6798	27138
Jul '15	554	870	535	710	805918	19323	27997
Aug '15	703	723	500	662	282095	4931	26858
Sep '15	642	674	560	617	102214	2532	25653
Oct '15	634	737	474	517	480684	13161	26893
Nov '15	512	524	465	492	48949	1704	26138
Dec '15	490	575	466	474	228684	4444	25562
Jan '16	471	489	350	391	105136	2826	25019
Feb '16	390	390	280	290	85045	1739	23748
Mar '16	285	464	285	464	193926	3774	24306



ix) Comparison of Company's share price movement with BSE Sensex:



x) Distribution of Equity Shareholding as on 31 March 2016:

Shareholding of Nominal value of ₹		No. of Shareholders	No. of Shares	% to total Capital
Upto	5000	6423	1158335	13.23
5001	10000	34	242892	2.78
10001	20000	16	207417	2.37
20001	30000	5	128451	1.47
30001	40000	2	62104	0.71
40001	50000	4	172883	1.98
50001	100000	3	253793	2.90
100001	Above	8	6524125	74.56
Total		6495	8750000	100.00

xi) Shareholding pattern as on 31 March 2016:

Categories	No. of Shares	% to Total
Promoters, Directors and their relatives and persons acting in concert	6345093	72.52
Banks and Financial Institutions	43067	0.49
Mutual Funds	1200	0.01
Insurance Companies	100000	1.14
Foreign Institutional Investors	14500	0.17
Other bodies corporate	458938	5.25
Public	1787202	20.43
TOTAL	8750000	100.00



- xii) Registrar and Share Transfer Agents:** Venture Capital and Corporate Investments Private Limited, 12-10-167, Bharatnagar, Hyderabad - 500 018
- xiii) Share Transfer System:** Venture Capital and Corporate Investments Private Limited (VCC IPL), one of the leading SEBI registered Category - I Registrar and Transfer Agents had been appointed as Share Transfer Agent of the Company to process share transfer requests on behalf of the Company with effect from 18 January 2008. The Chairman & Managing Director or Joint Managing Director or Company Secretary approves the share transfer registers and a statement of share transfers / transmissions effected, share certificates issued in each quarter are placed before the Stakeholders' Relationship Committee for approval and are also placed before the Board of Directors for ratification at their next meeting.
- xiv) Dematerialization of Shares and Liquidity:** As on 31 March 2016, 85,72,285 equity shares have been dematerialized.
- xv) There are no outstanding GDRs / ADRs / Warrants or any Convertible Instruments due for conversion.**
- xvi) Commodity price risk or foreign exchange risk and hedging activities:** Nil
- xvii) Plant location:** Mines at Deogiri, SB Halli & Ramgad located around Sandur and Metal & Ferroalloy plant at Vyasankere.
- xviii) Address for correspondence:**
- Registered Office:** Lakshmipur, Sandur, Ballari District, Karnataka - 583 119
- Corporate Office:** 1A and 2C, Redifice Signature, No.6, Hospital Road, Shivajinagar, Bangalore – 560 001.

14. Other Disclosures

- **Related Party Transactions:** During the year under review, besides the transactions reported in the Financial Statements in the Annual Report, there are no other material related party transactions have been entered into by the Company with its promoters, directors or the management or their relatives and associates. The Board has received disclosures from its Directors disclosing their concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including their shareholding. There are no materially significant related party transactions which have potential conflict with the interest of the Company at large.
- **Details of non-compliance:** There have been no instances of non-compliance by the Company and no penalties, strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.
- **Vigil Mechanism:** The Company has put in place a mechanism of reporting illegal or unethical behavior. Employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor/notified persons. The reports received from any employee will be reviewed by the audit committee. It is affirmed that no personnel has been denied access to the audit committee in this respect. The Directors and senior management are to maintain confidentiality of such reporting and ensure that the whistle blowers are not subjected to any discriminatory practice. The Whistle Blower Policy is available on the Company's website at www.sandurgroup.com.
- **Status of compliance with the mandatory requirements and adoption of non-mandatory requirements of SEBI (LO&DR) Regulations, 2015 is given below:**
 - (i) **Compliance with mandatory requirements:** The Company has complied with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46
 - (ii) **Non-Executive Chairman's Office:** The Chairman of the Company is an Executive Chairman



- (iii) **Shareholder Rights:** The quarterly and annual financial results of the Company are published in leading newspapers, placed on website of the Company and are provided to stock exchanges in compliance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A copy of complete Annual Report is sent to each and every shareholder of the Company. The Company is yet to move to a regime of sending a half- yearly declaration of the financial performance including summary of the significant events in last six months to each household of its shareholders.
- (iv) **Modified Opinion(s) in the Audit Report:** During the year under review, there was no audit qualification in the Company's financial statements. There are no modified opinions in the Audit Report.
- (v) **Separate posts of Chairman and CEO:** The Company does not have a Chief Executive Officer.
- (vi) **Reporting of Internal Auditor:** The Company has appointed M/s. P. Chandrasekar & Co, Chartered Accountants, as its internal auditor and they directly report to the Audit Committee on a quarterly basis.

- **Policy on determining material subsidiaries:** In terms of Regulation 16 (1)(c) of the SEBI (Listing Obligations And Disclosure Requirements) Regulation, 2015, the Company has formulated a Policy for Determining Material Subsidiaries and the same is available on the Company's website. The Policy can be accessed at: <http://www.sandurgroup.com/Policies.html>
- **Policy on dealing with related party transactions:** The Board in its meeting held on 28 May 2014 adopted a Policy on Related Party Transactions incorporating the relevant provisions prescribed by the amended Listing Agreement dated 17 April 2014. The Board amended the said Policy in its meeting held on 14 February 2015 to incorporate the amendments dated 15 September 2014 to the erstwhile Listing Agreement and SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015. The Policy also, incorporates the provisions of the newly notified Companies Act, 2013 dealing with Related Party Transactions. The Policy can be accessed at: <http://www.sandurgroup.com/Policies.html>
- **Disclosure of commodity price risks and commodity hedging activities:** Not applicable

15. Non-compliance of any requirements of corporate governance report: Nil

16. CEO / CFO Certification:

The Chairman & Managing Director and the Chief Finance Officer (CFO) have certified to the Board in accordance with Regulation 17 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to CEO/CFO certification for the financial year 2015-16, which is annexed thereto.

17. Affirmation of compliance with code of conduct:

The Chairman & Managing Director of the Company has given a certificate confirming that the Company has obtained from all the members of the Board and senior management, affirmation of their compliance with the Code of Conduct for directors and senior management in respect of the financial year 2015-16 and the same were placed before the Board at its meeting held on 28 May 2016. A copy of the said certificate is annexed hereto.

18. Auditor's certificate on compliance with corporate governance requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Auditor's Certificate is annexed herewith.

for and on behalf of the Board

Place : Bangalore
Date : 28 May 2016

S. Y. Ghorpade
Chairman & Managing Director



CERTIFICATE

We, S. Y. Ghorpade, Chairman & Managing Director (being the CEO) and K. Raman, Chief Financial Officer, certify that in respect of the financial year ended on 31 March 2016:

- a) we have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:-
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
 - ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- c) we accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company, pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d) we have indicated to the Auditors and Audit Committee
 - (i) there has not been any significant change in internal control over financial reporting during the year under reference;
 - (ii) there has not been any significant change in accounting policies during the year requiring disclosures in the notes to the financial statements; and
 - (iii) we are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

for The Sandur Manganese & Iron Ores Limited

Place : Bangalore
Date : 28 May 2016

S. Y. Ghorpade
Chairman & Managing Director

K. Raman
Chief Financial Officer

CERTIFICATE

I, S. Y. Ghorpade, Chairman & Managing Director do hereby certify and confirm that the Company has obtained from all the members of the Board and senior management, affirmation of their compliance with the Code of Conduct for directors and senior management in respect of the financial year 2015-16 and the same are being placed before the Board at its meeting held on 28 May 2016.

for The Sandur Manganese & Iron Ores Limited

Place : Bangalore
Date : 28 May 2016

S. Y. Ghorpade
Chairman & Managing Director



INDEPENDENT AUDITOR'S CERTIFICATE

TO THE MEMBERS OF THE SANDUR MANGANESE & IRON ORES LIMITED

We have examined the compliance of conditions of Corporate Governance by The Sandur Manganese & Iron Ores Limited("the Company"), for the year ended on 31st March, 2016 , as stipulated in:

- Clause 49 (excluding clause 49(VII)(E)) of the Listing Agreements of the Company with stock exchange(s)for the period from April 01, 2015 to November 30, 2015.
- Clause 49(VII)(E) of the Listing Agreements of the Company with the stock exchange(s) for the period from April 01, 2015 to September 01, 2015.
- Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from September 02, 2015 to March 31, 2016and
- Regulations 17 to 27 (excluding regulation 23(4))and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from December 01, 2015 to March 31, 2016.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.

In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49of the Listing Agreement and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C , D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm Registration No.008072S)

Monisha Parikh
Partner
(Membership No.47840)

Place : Bangalore
Date : 28 May 2016



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. BACKGROUND

The Management Discussion and Analysis Report sets out the developments in the business, the Company's performance since the publication of the last report and the Company's future outlook. This report is part of the Directors' Report and the Audited Financial Statements, forming part of the Annual Report. However, certain statements made in this report relating to the projections, outlook, expectations, estimates, among others, may constitute 'forward looking statements' within the meaning of applicable laws and regulations, and may differ from actual results. Several factors could make a significant difference to the Company's operations, including climatic conditions, economic conditions affecting demand and supply, judicial pronouncements, government regulations, revision in government policies, taxation and natural calamities, over which the Company does not have any control.

2. INDUSTRIAL OVERVIEW, MARKET SCENARIO, OPPORTUNITIES AND THREATS

Iron Ore: There has been a general improvement in production and supply of iron ore in the country. It is estimated that production of iron ore has gone up to about 155 million tonnes during FY 16 from a level of about 129 million tonnes during FY 15, about 20% whereas steel production has not gone up by similar extent. This has resulted in increased supply and as a consequence there has been a continuous decline in prices. In Karnataka too there has been an improvement in production of iron ore from a level of about 21 million tonnes to 25 million tonnes. NMDC a major producer in Karnataka has been offering iron ore at reduced prices which is considered as benchmark price. SMIORE realization from iron ore sale has also come down. In the international market also prices have come down due to decline in offtake by China. Reduced prices in the international market have not resulted in increased imports due to improvement in domestic supply. Imports on the other hand have come down from a level of 15 million tonnes during FY15 to less than 6 million tonnes. Steel industry in general has not been doing well partly due to cheaper import of steel. Government has taken prompt action to impose minimum import price which to some extent has helped the situation.

Manganese ore: Manganese ore production in India has declined during financial year due to closure of several mines in the country pending renewal of leases. Although some of the mining leases are cleared in the current year production has not picked up due to lack of demand from Mn alloy industry. Prices of imported Mn ore had come down substantially during the year leading to surge in imports making it economical for alloy producers to use the same. However due to lack of demand for SiMn in the international market due to anticipated antidumping duty led to decline in exports from India and lower demand for Mn ore from SiMn producers. There has been a decline in quantity of Mn ore sold due to lack of demand and reduced prices.

Manganese alloys: Mn alloy production in the country during the year saw decline due to lack of export demand and unworkable prices. Manganese alloy production in India is higher than domestic consumption and is dependent on export demand. Export of Mn alloy saw a declining trend due to antidumping duty investigation instituted by few countries. Several unviable ferroalloy plants are shutting down/ reducing production. This has resulted in improved prices for alloys, but due to higher installed capacity once the prices improve some of them will come back into production leading to eventual decline in prices. SMIORE's reduction in ferro Alloy production is partly due to unattractive prices and mainly due to better demand for power due to imposition of Section 11 by the state Government.

SEGMENT-WISE PERFORMANCE

a) Mining

As of 31 March 2016, the Company's Mines produced 1,51,289 tonnes of manganese ore and sold 1,12,277 tonnes in the domestic market.

The mines also produced 7,39,744 tonnes of iron ore and sold 8,84,292 tonnes.



b) Conversion of manganese ore to Silico manganese

During the year under review, 6,757 tonnes of Silico manganese was manufactured and 9,905 tonnes were sold resulting in a negative contribution of ₹1,364.77Lakh.

3. OUTLOOK, RISKS AND CONCERNS

Iron Ore

Continued world recession and decline in production in China will impact iron ore production and prices which are likely to decline further. Outlook for iron ore sector is sluggish though prices may not fall substantially as it is already low in the domestic market. Exports are also not likely to pick up as international prices are also low and unworkable for Indian miners except those located close to ports. Imports are also not likely to pick up as logistics cost to most steel plants who are located inland will make imports unviable. For Smiore outlook is expected to be better due to enhanced production limit which will enable to increase production and Sales substantially.

Mn ore

During most part of FY16 Mn ore prices saw down ward trend but that trend appears to be reversing as most of the global players have increased prices. This could be due to exhaustion of ore mined during earlier years resulting in more manageable stock level with global players. March 16 e auction witnessed increased pick up of Mn ore at increased prices over floor prices. In India some of the states are offering incentives reducing power tariff for ferroalloy Industry leading to increase in production of Mn alloys. This will however lead to increased MN alloy production resulting in reduced prices and stoppage of production in other states as steel production and consequently ally demand is not expected to rise substantially. A moderate outlook for Mn ore industry is forecasted.

Manganese alloys

Outlook for Mn alloy does not appear to be bright due to cyclical nature of industry and huge overcapacity built up in the country. On an average ferroalloy industry is operating at 60% capacity utilization. Prices which picked during last quarter of last year have already started declining. However SMIORE's production will improve as more power will be utilized for production of ferroalloy compared to last year since we have developed a stable market for the grade of SiMn being produced by us. Outlook for SMIORE's ferro Alloy division will be stable.

General recession in steel industry will have its impact on SMIORE's products. As all the products namely Iron ore, Mn ore and Silico Manganese are dependent on steel market which is under strain will impact SMIORE's operations though marginally as the market in the vicinity will provide some stability from global outlook.

Statutory clearances continue to cause hindrances in smooth functioning of mines. Declining of availability of high grade Mn ore in the area of operation is a matter of concern. Efforts to revive the operations in areas which results in higher grade of Mn production are expected to beat results during this year. The Group is confident that it will be able to produce higher grades of Mn ore and increased quantity of iron ore.

The prospects for manganese alloys remain stable. The Group runs the risk of incurring higher energy costs with the need for procuring imported coal becoming stronger. Although the prices of imported coal have remained stable during last couple of years, prices of Indian coal is rising. Exchange rate risks for imported ore and higher inland freight, landed costs of coal may go up, leading to a spike in power generation costs.

4. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has well-developed internal control systems and has clearly allocated responsibilities among its executives. The Company had an internal audit department, which was independently monitoring the compliance with the approved internal control procedures and exercise of powers as per the approved delegation of powers.



To substantially expand the scope of internal audit, the Company has, in line with the standards of internal audit issued by the Institute of Chartered Accountants of India, appointed M/s. P. Chandrasekar, Chartered Accountants, as its internal auditor which is submitting its report on a quarterly basis to the Audit Committee.

5. FINANCIAL PERFORMANCE

Information provided in the Directors' Report.

6. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS

As on 1 April 2015, the Company had employee strength of 1807. During the year, 136 employees were recruited & 64 employees were separated from the Company. Including 198 temporary employees & 7 employees on consolidated remuneration, employee strength at the end of the financial year 2015-16 was 1879. The Company has a record of cordial relations with its employees ever since its inception.

for and on behalf of the Board

Place : Bangalore
Date : 28 May 2016

S. Y. Ghorpade
Chairman & Managing Director



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE SANDUR MANGANESE & IRON ORES LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **THE SANDUR MANGANESE & IRON ORES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the Order under section 143 (11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its loss and its cash flows for the year ended on that date.



Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
 - e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm Registration No. 008072S)

Monisha Parikh
Partner
(Membership No.47840)

Bangalore, May 28, 2016



ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of THE SANDUR MANGANESE & IRON ORES LIMITED (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company as of and for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.



Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm Registration No. 008072S)

Monisha Parikh
Partner
(Membership No.47840)

Bangalore, May 28, 2016



ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a regular program of verification which in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed of such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed/ transfer deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. The Company does not have any immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.
- (iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits during the year and does not have any unclaimed deposits.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31 , 2016 for a period of more than six months from the date they became payable.
 - (c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax which have not been deposited as on March 31, 2016 on account of disputes are given below:



Name of statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (₹ lakh)
The Income-tax Act, 1961	Income tax including interest	Income Tax Appellate Tribunal	AY 2011-12, AY 2012-13, AY 2013-14	873.52
Customs Act, 1962	Custom duty including interest	High Court of Andhra Pradesh	1986-2016	321.89#
The Central Excise Act, 1944	Service tax	Supreme Court	2004-10	293.34

Net of Rs. 42.22 lakh paid under protest

- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of the Order is not applicable to the Company.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding or subsidiary company or persons connected with them and hence provisions of Section 192 of the Act are not applicable.
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm Registration No. 008072S)
Monisha Parikh
Partner
(Membership No.47840)

Bangalore, May 28, 2016



THE SANDUR MANGANESE & IRON ORES LIMITED
BALANCE SHEET AS AT 31 MARCH, 2016

	Note No.	As at 31.03.2016 ₹ lakh	As at 31.03.2015 ₹ lakh
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	875.00	875.00
(b) Reserves and surplus	3	36,169.67	37,902.81
		<u>37,044.67</u>	<u>38,777.81</u>
2 Non-current liabilities			
(a) Other long-term liabilities	4	28.00	28.00
(b) Long-term provisions	5	1,696.44	1,604.40
		<u>1,724.44</u>	<u>1,632.40</u>
3 Current liabilities			
(a) Trade payables			
Total outstanding dues to Micro and Small Enterprises	26	-	-
Total outstanding dues to creditors other than Micro and Small Enterprises		1,920.53	1,675.51
		<u>1,920.53</u>	<u>1,675.51</u>
(b) Other current liabilities	6	6,309.18	7,563.72
(c) Short-term provisions	7	611.16	609.53
		<u>8,840.87</u>	<u>9,848.76</u>
TOTAL		<u>47,609.98</u>	<u>50,258.97</u>
II. ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	8(a)	7,486.95	7,416.54
(ii) Intangible assets	8(b)	281.92	-
(iii) Capital work-in-progress		138.99	374.86
		<u>7,907.86</u>	<u>7,791.40</u>
(b) Non-current investments	9	12,748.05	15,048.05
(c) Deferred tax assets (net)	37	2,160.00	2,700.43
(d) Long-term loans and advances	10	7,885.81	7,392.46
(e) Other non-current assets	11	332.90	1,323.60
		<u>31,034.62</u>	<u>34,255.94</u>
2 Current assets			
(a) Current investments	12	4,791.24	5,845.25
(b) Inventories	13	6,032.76	6,489.79
(c) Trade receivables	14	846.64	296.78
(d) Cash and bank balances	15	2,175.46	1,344.30
(e) Short-term loans and advances	16	1,814.48	2,024.28
(f) Other current assets	17	914.78	2.63
		<u>16,575.36</u>	<u>16,003.03</u>
TOTAL		<u>47,609.98</u>	<u>50,258.97</u>

See accompanying notes forming part of the financial statements

In terms of our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants

MONISHA PARIKH
Partner

For and on behalf of the Board of Directors

S.Y.GHORPADE
Chairman & Managing Director
MD. ABDUL SALEEM
CS & CGM (Mines)

NAZIM SHEIKH
Joint Managing Director
K. RAMAN
Chief Financial Officer

Place: Bangalore
Date : 28 May 2016



THE SANDUR MANGANESE & IRON ORES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2016

		For the year ended 31 March, 2016	For the year ended 31 March, 2015
	Note No.	₹ lakh	₹ lakh
I. Revenue from operations (gross)	18	22,760.82	30,507.29
Less: Excise duty		519.60	1,037.36
Revenue from operations (net)		22,241.22	29,469.93
II. Other income	19	488.17	402.37
III. Total revenue (I+II)		22,729.39	29,872.30
IV. Expenses:			
(a) Cost of materials consumed	20	2,467.38	3,301.13
(b) Changes in inventories of finished goods and work-in-progress	21	745.78	(1,978.99)
(c) Employee benefits expense	22	5,499.22	5,702.07
(d) Finance costs	23	1.24	235.24
(e) Depreciation and amortisation expense	8(c)	437.55	489.41
(f) Other expenses	24	13,493.72	20,006.33
Total expenses		22,644.89	27,755.19
V. Profit before exceptional items and tax (III-IV)		84.50	2,117.11
VI. Exceptional items	44	577.00	-
VII. (Loss)/ profit before tax (V - VI)		(492.50)	2,117.11
VIII. Tax expense/ (benefit) :			
(a) Current tax		390.00	1,000.00
(b) Deferred tax		540.43	(318.52)
		930.43	681.48
IX. (Loss)/ profit for the year (VII-VIII)		(1,422.93)	1,435.63
X. Earnings per equity share of ₹ 10 each :	36		
Basic and diluted (₹)		(16.26)	16.41

See accompanying notes forming part of the financial statements

In terms of our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants

MONISHA PARIKH
Partner

For and on behalf of the Board of Directors

S.Y.GHORPADE
Chairman & Managing Director

MD. ABDUL SALEEM
CS & CGM (Mines)

NAZIM SHEIKH
Joint Managing Director

K. RAMAN
Chief Financial Officer

Place: Bangalore
Date : 28 May 2016



THE SANDUR MANGANESE & IRON ORES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

	2015-16 ₹ lakh	2014-15 ₹ lakh
A. Cash flow from operating activities		
Profit before tax	(492.50)	2,117.11
Adjustments for :		
- Depreciation and amortisation expenses	437.55	489.41
- Assets discarded	1.31	19.07
- Bad trade receivables written off	36.45	17.42
- (Profit)/ loss on sale of fixed assets (net)	(7.78)	89.37
- Finance costs	1.24	235.24
- Interest income	(32.69)	(66.20)
- Gain on sale of current investments (net)	(127.85)	-
- Dividend income on current investments	(228.96)	(268.40)
- Provision for diminution in the value of investments	2,300.00	-
- Provisions/ liabilities no longer required written back	(1,723.00)	(1.32)
Operating profit before working capital changes	163.77	2,631.70
Adjustments for (increase)/ decrease in operating assets:		
- Inventories	457.03	(3,041.94)
- Trade receivables	(586.31)	5,349.43
- Short-term loans and advances	209.80	285.30
- Long-term loans and advances	(52.73)	926.40
- Other current assets	(912.60)	-
- Other non-current assets	990.05	(990.05)
Adjustments for increase/(decrease) in operating liabilities:		
- Trade payables	245.02	(404.18)
- Other current liabilities	422.10	46.62
- Short-term provisions	7.36	2.90
- Long-term provisions	92.04	657.84
Cash generated from operations	1,035.53	5,464.02
- Income tax paid	(736.89)	(2,473.69)
Net cash flow from operating activities (A)	298.64	2,990.33
B. Cash flow from investing activities		
Capital expenditure on fixed assets (including capital work-in-progress and advances on capital account)	(630.17)	(1,505.82)
Proceeds from sale of fixed assets	35.26	309.11
Bank balances not considered as cash and cash equivalents	(549.35)	85.81
(Purchase) / sale of current investments (net)	1,181.86	(1,303.34)
Proceeds from sale of non-current investments	-	0.01
Interest received	33.14	98.90
Dividend received on current investments	228.96	268.40
Net cash flow from/ (used in) investing activities (B)	299.70	(2,046.93)



THE SANDUR MANGANESE & IRON ORES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

	2015-16 ₹ lakh	2014-15 ₹ lakh
C. Cash flow from financing activities		
Dividends paid	(262.50)	(262.50)
Tax on dividend paid	(53.44)	(44.61)
Finance costs	(1.24)	(0.92)
Net cash used in financing activities (C)	(317.18)	(308.03)
Net increase in Cash and cash equivalents (A+B+C)	281.16	635.37
Cash and cash equivalents (opening balance)	1,344.30	708.93
Cash and cash equivalents (closing balance)	1,625.46	1,344.30
Reconciliation of Cash and cash equivalents with balance sheet		
Cash and bank balances as per balance sheet (refer note 15)	2,175.46	1,344.30
Less: Deposits against guarantee/ margin money	550.00	-
Cash and cash equivalents as reported above	1,625.46	1,344.30

See accompanying notes forming part of the financial statements

In terms of our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants

For and on behalf of the Board of Directors

MONISHA PARIKH
Partner

S.Y.GHORPADE
Chairman & Managing Director

NAZIM SHEIKH
Joint Managing Director

MD. ABDUL SALEEM
CS & CGM (Mines)

K. RAMAN
Chief Financial Officer

Place: Bangalore
Date : 28 May 2016



THE SANDUR MANGANESE & IRON ORES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 1 - Significant accounting policies

1.1. Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")/ Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

1.2. Use of estimates

The Company uses prudent and reasonable assumptions and estimates in the preparation of its financial statements, and these are reflected in the reported amounts of income and expenses during the year, and the reported balances of assets and liabilities, and disclosures relating to contingent liabilities, as at the date of the financial statements.

1.3. Fixed assets

Fixed assets are capitalised at acquisition cost including directly attributable cost of bringing the asset to its working condition for the intended use. Certain assets have been revalued as on 31 March, 1985 and the resultant surplus has been added to the cost of the assets.

1.4. Depreciation/Amortisation

Depreciation amount for assets is the cost of an asset, or the amount substituted for cost, less its estimated residual value.

The Company's assets at head office and mines (including assets transferred to plant from these locations) are depreciated on the written down value method and at plant (including assets transferred to other locations from plant) are depreciated on the straightline method over the useful life and in manner prescribed in Schedule II to the 2013 Act.

Intangible assets are amortised over their estimated useful life on straight-line method as follows:

Mining lease rights - useful life of the mine or lease period, whichever is shorter.

Computer software- 5 years

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changes, if any.

1.5. Impairment of fixed assets

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any indication exists, an impairment loss is recognised when the carrying amount exceeds greater of net selling price and value in use.

1.6. Foreign currency transactions

Foreign exchange transactions are recorded at the exchange rates prevailing on the date of transaction. Foreign exchange rate fluctuations relating to monetary assets and liabilities are restated at the year-end rates. The net loss or gain arising on restatement/settlement, if any, is adjusted to the statement of profit and loss.

In respect of forward exchange contracts, the premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss of the reporting period in which the exchange rates change.



1.7. Investments:

All long term investments are valued at cost. However, provision for diminution in value is made to recognise a decline, other than temporary, in the value of investments.

Current investments are carried individually, at lower of cost and fair value.

1.8. Inventories

Inventories are valued at lower of cost and net realisable value.

The method of determination of cost of various categories of inventories is as follows:

- (a) Stores and spare parts: Monthly weighted average rates;
- (b) Raw materials: Monthly weighted average rates; and
- (c) Work-in-progress and finished goods: full absorption costing method based on annual cost of production.

1.9. Revenue recognition

Revenue from sale of goods is recognised on dispatch of goods to customers from plant or stock points as applicable when significant risks and rewards of ownership are considered to be transferred and realisation is reasonably assured. In case of service income, revenue is recognised when the service is rendered to the customer.

Revenue from sale of power is recognised on accrual basis based on the power generated and supplied as per applicable rates from time to time and includes unbilled revenue accrued up to the end of the accounting year.

1.10. Cash flow statement

Cash flows are reported using the indirect method, whereby profit/ (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

1.11. Employee benefits:

Short-term employee benefits are recognised as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related services are rendered by the employees.

Post employment benefits are recognised as an expense in the statement of profit and loss of the year in which the employee has rendered services. The expense is recognised at the present value of the amount payable towards contributions. The present value is determined using the market yields of government bonds, at the balance sheet date, at the discounting rate.

Other long-term employee benefits are recognised as an expense in the statement of profit and loss of the period in which the employee has rendered services. Estimated liability on account of long-term benefits is discounted to the present value, using the market yields on government bonds, as on the date of the balance sheet, at the discounting rate.

Actuarial gains and losses in respect of past employment and other long term benefits are charged to the statement of profit and loss on accrual basis.

1.12. Segment accounting:

Segments are identified based on the types of products and the internal organisation and management structure. The Company has identified business segment as its primary segment with secondary information reported geographically.

The Company's primary segments consist of Mining, Ferroalloys/ Power and Steel.

Unallocable represents other income and expenses which relate to the Company as a whole and are not allocated to segments.



1.13. Earnings per share

The basic earnings/ (loss) per share is computed by dividing the net profit/ (loss) attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

1.14. Taxation

Current tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961.

Minimum Alternate Tax (MAT)

MAT paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax in the future years. Accordingly, MAT is recognised as an asset in the Balance Sheet where it is highly probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

Deferred tax

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the statement of profit and loss.

1.15. Provisions and contingencies:

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the notes.

The financial obligations towards mine closure plans under relevant Acts and Rules are technically estimated, based on total available ore reserves of all the mining leases. The amount so determined is provided in the books of account on the basis of run of mine ore production of the mines of all the mining leases.

Contingent assets are neither recognised nor disclosed in the financial statements.

1.16. Operating cycle

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in the Schedule III of the 2013 Act. Normal operating cycle is based on the time between the acquisition of assets for processing and their realisation into cash and cash equivalents.



THE SANDUR MANGANESE & IRON ORES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 2 - Share capital	As at 31.03.2016 ₹ lakh	As at 31.03.2015 ₹ lakh
i) Authorised		
14,000,000 (As at 31.03.2015 : 14,000,000) equity shares of ₹ 10 each with voting rights	1,400.00	1,400.00
100,000 (As at 31.03.2015 : 100,000) 'B' 16 % (subject to tax) redeemable cumulative preference shares of ₹ 100 each	100.00	100.00
ii) Issued, subscribed and fully paid up		
Equity shares of ₹ 10 each with voting rights	875.00	875.00
	875.00	875.00

Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	Opening balance	Fresh issue/ Other changes	Closing balance
Equity share with voting rights (Issued, subscribed and fully paid up)			
Year ended 31.03.2016			
- Number of shares	8,750,000	-	8,750,000
- Amount (₹ lakh)	875.00	-	875.00
Year ended 31.03.2015			
- Number of shares	8,750,000	-	8,750,000
- Amount (₹ lakh)	875.00	-	875.00

(ii) Rights, preferences and restrictions attached to equity shares :

The Company has only one class of equity share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by Board of Directors is subject to approval by the shareholders at the ensuing Annual General Meeting. In the event of liquidation of the Company, the equity shareholders are entitled to receive only residual assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholder.

(iii) Details of shares held by the holding company:

Name of shareholders	As at 31.03.2016 No. of shares	As at 31.03.2015 No. of shares
Equity shares with voting rights		
Skand Private Limited	4,632,040	-

(iv) Shareholders holding more than 5% shares in the Company

Name of shareholders Equity shares with voting rights	As at 31.03.2016		As at 31.03.2015	
	No. of shares held	% holding in that class of shares	No. of shares held	% holding in that class of shares
Skand Private Limited	4,632,040	52.94	1,960,719	22.41
Sattari Engineering Enterprises Private Limited	-	-	1,552,721	17.75
Sunshine Real Estate & Constructions Private Limited	-	-	1,130,100	12.92



THE SANDUR MANGANESE & IRON ORES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31.03.2016 ₹ lakh	As at 31.03.2015 ₹ lakh
Note 3 - Reserves and surplus		
Capital redemption reserve	100.65	100.65
Securities premium reserve	967.23	967.23
General reserve	3,788.11	3,788.11
Surplus in statement of profit and loss		
Opening balance	33,046.82	31,950.25
Less: Depreciation on transition to Schedule II of the 2013 Act, on tangible fixed assets with nil remaining useful life ₹ Nil lakh (Previous year : Net of deferred tax ₹ 11.91 lakh) (refer note 42)	-	23.12
Add: Profit/ (loss) for the year	(1,422.93)	1,435.63
	<u>31,623.89</u>	<u>33,362.76</u>
Less:		
Dividends proposed to be distributed to equity shareholders ₹ 3 per share (Previous year : ₹ 3 per share)	262.50	262.50
Tax on dividend	47.71	53.44
Closing balance	<u>31,313.68</u>	<u>33,046.82</u>
Total	<u>36,169.67</u>	<u>37,902.81</u>
Note 4 - Other long term liabilities		
Security deposits	28.00	28.00
	<u>28.00</u>	<u>28.00</u>
Note 5 - Long-term provisions		
Provision for employee benefits (refer note 33)		
Pension	1,313.30	1,322.59
Compensated absences	264.54	281.81
Provision - Other		
Mine closure (refer note 43)	118.60	-
Total	<u>1,696.44</u>	<u>1,604.40</u>
Note 6 - Other current liabilities		
Payables on purchase of fixed assets	52.55	6.19
Statutory remittances (including disputed dues ₹ 4,009.42 lakh (As at 31.03.2015: ₹ 5,695.20 lakh)	4,171.11	5,882.81
Security deposits	2.60	2.60
Gratuity payable (net) (refer note 33)	362.48	480.92
Advances from customers	1,712.88	1,184.12
Other creditors	7.56	7.08
Total	<u>6,309.18</u>	<u>7,563.72</u>



THE SANDUR MANGANESE & IRON ORES LIMITED **NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

As at 31.03.2016
₹ lakh

As at 31.03.2015
₹ lakh

Note 7 - Short-term provisions

Provision for employee benefits (refer note 33)

Pension	128.03	127.38
Compensated absences	172.92	164.01
	300.95	291.39

Provision - others:

Wealth tax	-	2.20
Proposed equity dividend	262.50	262.50
Tax on proposed dividend	47.71	53.44
	310.21	318.14
Total	611.16	609.53

Note 8 - Fixed assets

₹ lakh

Description*	Gross block				Accumulated depreciation/ Amortisation					Net block	
	Balance as at 01.04.2015	Additions	Disposals / Adjustments	Balance as at 31.03.2016	Balance as at 01.04.2015	Depreciation/ Amortisation expense for the year	On disposals / Adjustments	Transition adjustment recorded against balance in statement of profit and loss	Balance as at 31.03.2016	Balance as at 31.03.2016	Balance as at 31.03.2015
(a) Tangible assets											
Freehold land	4,517.65	-	355.43	4,162.22	-	-	-	-	-	4,162.22	4,517.65
	(4,222.26)	(529.87)	(234.48)	(4,517.65)	(-)	(-)	(-)	(-)	(-)	(4,517.65)	(4,222.26)
Buildings**	2,035.63	759.29	6.61	2,788.31	472.45	118.50	5.48	-	585.47	2,202.84	1,563.18
	(1,785.57)	(275.56)	(25.50)	(2,035.63)	(343.38)	(121.37)	(6.43)	(14.13)	(472.45)	(1,563.18)	(1,442.19)
Railway sidings	14.28	-	-	14.28	14.28	-	-	-	14.28	-	-
	(14.28)	(-)	(-)	(14.28)	(13.32)	(-)	(-)	(0.96)	(14.28)	(-)	(0.96)
Plant and equipment	2,102.20	62.36	5.93	2,158.63	1,206.16	156.02	5.93	-	1,356.25	802.38	896.04
	(1,797.88)	(304.32)	(-)	(2,102.20)	(1,024.10)	(175.13)	(-)	(6.93)	(1,206.16)	(896.04)	(773.78)
Furniture and fixtures	223.69	11.07	2.72	232.04	85.01	39.87	2.72	-	122.16	109.88	138.68
	(70.98)	(152.71)	(-)	(223.69)	(48.16)	(36.74)	(-)	(0.11)	(85.01)	(138.68)	(22.82)
Vehicles	529.53	17.52	162.10	384.95	374.74	45.51	134.44	-	285.81	99.14	154.79
	(452.85)	(76.70)	(0.02)	(529.53)	(311.70)	(63.05)	(0.02)	(0.01)	(374.74)	(154.79)	(141.15)
Office equipment	388.26	35.50	20.76	403.00	242.06	71.21	20.76	-	292.51	110.49	146.20
	(254.74)	(134.37)	(0.85)	(388.26)	(136.90)	(93.12)	(0.85)	(12.89)	(242.06)	(146.20)	(117.84)
	9,811.24	885.74	553.55	10,143.43	2,394.70	431.11	169.33	-	2,656.48	7,486.95	7,416.54
	(8,598.56)	(1,473.53)	(260.85)	(9,811.24)	(1,877.56)	(489.41)	(7.30)	(35.03)	(2,394.70)	(7,416.54)	(6,721.00)
(b) Intangible assets											
Mining rights (Purchased)	-	-	-	-	-	-	-	-	-	-	-
	(10,718.31)	(-)	(10,718.31)	(-)	(10,718.31)	(-)	(10,718.31)	(-)	(-)	(-)	(-)
Computer software	-	288.36	-	288.36	-	6.44	-	-	6.44	281.92	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
	-	288.36	-	288.36	-	6.44	-	-	6.44	281.92	-
	(10,718.31)	(-)	(10,718.31)	(-)	(10,718.31)	(-)	(10,718.31)	(-)	(-)	(-)	(-)

(Previous year figures are in brackets)

* Owned, unless otherwise stated

** includes building given on operating lease amounting to ₹ 288.30 lakh (As at March 31, 2015 ₹ 288.30 lakh), depreciation recognised in the statement of profit and loss for that asset ₹ 13.02 lakh (previous year - ₹ 13.69 lakh) and accumulated depreciation ₹ 41.13 lakh (As at 31.03.2015 ₹ 28.11 lakh).

₹ lakh

(c) Depreciation and amortisation expenses	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Depreciation as per note 8(a)	431.11	489.41
Amortisation as per note 8(b)	6.44	-
	437.55	489.41



THE SANDUR MANGANESE & IRON ORES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31.03.2016 ₹ lakh	As at 31.03.2015 ₹ lakh
Note 9 - Non-current investments		
A. Trade Investment (At cost)		
Investments in equity instruments of subsidiary company (unquoted)		
75,240,000 (As at 31.03.2015 : 75,240,000) equity shares of ₹ 10 each fully paid up at a premium of ₹ 10 per share in Star Metalics and Power Private Limited	15,048.00	15,048.00
B. Other investments		
Investments in equity instruments in others		
Sandur Micro Circuits Limited (unquoted) 900,000 (As at 31.03.2015 : 900,000) equity shares of ₹10 each fully paid up (refer note 28)	90.00	90.00
Sandur Laminates Limited (quoted) 4,725,191 (As at 31.03.2015 : 4,725,191) equity shares of ₹10 each fully paid up (refer note 28) (Market value not ascertained as there was no trading)	879.67	879.67
HDFC Bank Limited (quoted) 2,500 (As at 31.03.2015 : 2,500) equity shares of ₹ 2 each fully paid up (Market value ₹26.78 lakh (As at 31.03.2015 : ₹25.57 lakh)	0.05 969.72	0.05 969.72
Total (A+B)	16,017.72	16,017.72
Less : Provision for diminution in the value of Investments	3,269.67	969.67
Total	12,748.05	15,048.05
Aggregate amount of quoted investments	0.05	0.05
Aggregate market value of listed and quoted investments	26.78	25.57
Aggregate amount of unquoted investments	12,748.00	15,048.00
Note 10 - Long-term loans and advances		
Capital advances (Unsecured, considered good)	348.08	254.35
Security deposits (Unsecured, considered good)	84.36	79.45
Tax payments, net of provisions (Unsecured, considered good) of ₹24,083.51 lakh (previous year ₹ 23,693.51 lakh)	4,223.34	3,876.45
MAT credit entitlement (Unsecured, considered good)	60.00	60.00
Advances for strategic alliance		
Secured, considered good	600.00	600.00
Unsecured, considered good	2,570.03	2,522.21
Total	7,885.81	7,392.46
Note 11 - Other non-current assets		
Trade receivables from subsidiary company	-	990.05
Deposits against guarantees with maturity of more than 12 months from the balance sheet date (refer note 15)	332.90	333.55
Total	332.90	1,323.60



THE SANDUR MANGANESE & IRON ORES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31.03.2016 ₹ lakh			As at 31.03.2015 ₹ lakh		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Note 12 - Current investments						
Investments in Mutual Funds						
(At lower of cost and fair value unless otherwise stated)						
Tata Capital Protection Oriented Fund - Series I - Growth Nil units (As at 31.03.2015 : 1,500,000 units) of ₹10 each	-	-	-	150.00	-	150.00
DHFL Pramerica Credit Opportunities Fund Growth Option Nil units (As at 31.03.2015 : 39,387 units) of ₹1,269.45 each	-	-	-	500.00	-	500.00
DSP BlackRock Dual Advantage Fund -S11-36 Month Regular Plan - Growth 3,000,000 units (As at 31.03.2015 : 3,000,000 units) of ₹10 each	300.00	-	300.00	300.00	-	300.00
ICICI Prudential Regular Savings Fund Plan Nil units (As at 31.03.2015 : 4,030,665 units) of ₹12.40 each	-	-	-	500.00	-	500.00
Arthaveda Star Fund 29,663 units (As at 31.03.2015 : 19,775) of ₹1,000 each	-	296.63	296.63	-	197.75	197.75
Deutsche DWS Hybrid Fixed Term Fund-Series 14- Regular Plan Growth 1,000,000 units (As at 31.03.2015 : 1,000,000 units) of ₹10 each	100.00	-	100.00	100.00	-	100.00
Franklin Templeton India corporate Bond Opportunities Fund - Growth 4,206,807 units (As at 31.03.2015 : 4,206,807 units) of ₹11.89 each	500.00	-	500.00	500.00	-	500.00
Edelweiss Stressed & Troubled assets revival Fund 325 units (As at 31.03.2015 : 275 units) of ₹10,000 each	-	24.61	24.61	-	27.50	27.50
ICICI Pru Corporate Bond Fund Growth PlanA (G) 2,784,259 units (As at 31.03.2015 : 2,784,259 units) of ₹17.96 each	500.00	-	500.00	500.00	-	500.00
ICICI Pru MultiYield Fund -Sr.5-PIA-RegG 1,000,000 units (As at 31.03.2015 : 1,000,000 units) of ₹10 each	100.00	-	100.00	100.00	-	100.00
HSBC FTS -Series 106 (G) Nil units (As at 31.03.2015 : 1,000,000 units) of ₹10 each	-	-	-	100.00	-	100.00
ICICI Pru CPO Fund V-B Reg (G) 1,700,000 units (As at 31.03.2015 : 1,700,000 units) of ₹10 each	170.00	-	170.00	170.00	-	170.00
DSP BlackRock Dual Advantage Fund - Series 29 - 40M - Reg - Gr 2,000,000 units (As at 31.03.2015 : 2,000,000 units) of ₹10 each	200.00	-	200.00	200.00	-	200.00
HDFC Corporate Debt Opportunities Fund - Regular - Growth 4,846,511 units (As at 31.03.2015 : 4,846,511 units) of ₹10.32 each	500.00	-	500.00	500.00	-	500.00



THE SANDUR MANGANESE & IRON ORES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31.03.2016 ₹ lakh			As at 31.03.2015 ₹ lakh		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
ICICI Prudential Capital Protection Oriented Fund VI Pan B-1100 Days Regular 1,000,000 units (As at 31.03.2015 : 1,000,000 units) of ₹10 each	100.00	-	100.00	100.00	-	100.00
Kotak Medium Term Fund - Growth (Regular Plan) 3,918,419 units (As at 31.03.2015 : 3,918,419 units) of ₹10.21 each	400.00	-	400.00	400.00	-	400.00
Sundaram Hybrid Fund SR H 5 YRS Regular Growth 1,000,000 units (As at 31.03.2015 : 1,000,000 units) of ₹10 each	100.00	-	100.00	100.00	-	100.00
DWS Hybrid Fixed Term Fund -Series.23 - Regular Plan - Growth 1,000,000 units (As at 31.03.2015 : 1,000,000 units) of ₹10 each	100.00	-	100.00	100.00	-	100.00
DSP BlackRock Income Opportunities Fund - Regular Plan - Growth Nil units (As at 31.03.2015 :2,396,585 units) of ₹20.86 each	-	-	-	500.00	-	500.00
Reliance Corporation Bond Fund - Growth - Plan - CBGP 2,950,636 units (As at 31.03.2015 : 2,950,636 units) of ₹10.17 each	300.00	-	300.00	300.00	-	300.00
Axis Hybrid Fund -Series 14 (1274 days) - Growth - A4GP 2,000,000 units (As at 31.03.2015 : 2,000,000 units) of ₹10 each	200.00	-	200.00	200.00	-	200.00
DWS Hybrid Fixed Term Fund Series 32 - Regular Plan - Growth 2,000,000 units (As at 31.03.2015 : 2,000,000 units) of ₹10 each	200.00	-	200.00	200.00	-	200.00
UTI-Dual Advantage Fixed Term Fund - Series I - II Regular Plan- Growth 1,000,000 units (As at 31.03.2015 : 1,000,000 units) of ₹10 each	100.00	-	100.00	100.00	-	100.00
Kotak Medium Term Fund - Growth 4,400,246 units (As at 31.03.2015 : Nil units) of ₹11.36 each	500.00	-	500.00	-	-	-
Sundaram Hybrid Fund SR M Regular Growth 1,000,000 units (As at 31.03.2015 : Nil units) of ₹10 each	100.00	-	100.00	-	-	-
Total	4,470.00	321.24	4,791.24	5,620.00	225.25	5,845.25
Aggregate amount of quoted investments			4,470.00			5,620.00
Aggregate market value of listed and quoted investments			5,250.67			6,441.92
Aggregate amount of unquoted investments			321.24			225.25



THE SANDUR MANGANESE & IRON ORES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31.03.2016 ₹ lakh	As at 31.03.2015 ₹ lakh
Note 13 - Inventories		
(At lower of cost and net realisable value)		
Raw materials and components	1,139.84	1,200.58
Work-in-progress (refer note below)	-	10.23
Finished goods	4,431.61	5,167.16
Stores and spares	461.31	111.82
Total	6,032.76	6,489.79
Note : Details of inventory of work-in-progress		
Silico manganese	-	10.23
	-	10.23
Note 14 - Trade receivables		
(Unsecured, considered good)*		
Trade receivables outstanding for a period exceeding six months from the due date	133.36	127.51
Other trade receivable	713.28	169.27
* Includes ₹ 304.25 lakh (As at 31.03.2015 - ₹ Nil lakh) due from a subsidiary company		
Total	846.64	296.78
Note 15 - Cash and bank balances		
Cash and cash equivalents		
Cash on hand	5.24	4.54
Balances with banks		
In current accounts	1,620.22	1,339.76
	1,625.46	1,344.30
Other bank balances		
Deposits against guarantees/margin money	882.90	333.55
Less: Amount disclosed under non-current assets (refer note 11)	332.90	333.55
	550.00	-
Total	2,175.46	1,344.30
Note 16 - Short-term loans and advances		
Security deposits (Unsecured, considered good)	-	9.66
Loans and advances to employees (Unsecured, considered good)	36.02	29.32
Balances with government authorities (Unsecured, considered good)	774.01	584.43
Advances to vendors		
To a subsidiary company (Secured, considered good) -	891.75	
To others (Unsecured, considered good)	1,004.45	509.12
	1,004.45	1,400.87
Total	1,814.48	2,024.28
Note 17 - Other current assets		
Interest accrued on deposits	2.18	2.63
Unbilled revenue	912.60	-
Total	914.78	2.63



THE SANDUR MANGANESE & IRON ORES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	For the year ended 31 March, 2016 ₹ lakh	For the year ended 31 March, 2015 ₹ lakh
Note 18 - Revenue from operations		
Sale of products (refer note (i) below)	22,264.32	30,191.16
Other operating revenues (refer note (ii) below)	496.50	316.13
Revenue from operations (gross)	22,760.82	30,507.29
Less : Excise duty	519.60	1,037.36
Revenue from operations (net) Total	22,241.22	29,469.93
Notes :		
(i) Sale of products comprises:		
(a) Manganese ore	3,225.55	4,190.58
(b) Iron ore (Includes ₹ Nil lakh (previous year ₹ 731.20 lakh) from sale of waste dumps)	12,605.23	14,520.27
(c) Silico-manganese	4,676.01	11,480.31
(d) Power	1,757.53	-
	22,264.32	30,191.16
(ii) Other operating revenues comprises:		
(a) Sale of scrap/ waste	2.86	0.88
(b) Other miscellaneous receipts	493.64	315.25
	496.50	316.13
Note 19 - Other income		
Interest income		
- On fixed-deposits with banks	27.98	63.17
- On long-term deposits	4.71	3.03
	32.69	66.20
Dividend income on current investments	228.96	268.40
Gain on sale of current investments (net)	127.85	-
Profit on sale of fixed assets (net)	7.78	-
Other non-operating income		
- Rental income from operating leases	69.09	58.85
- Provisions/ liabilities no longer required written back	1.32	-
- Sale of petroleum products (net of consumption/ expenses of ₹ 1,053.68 lakh previous year : ₹ 1,494.02 lakh)	21.80	7.60
	455.48	336.17
Total	488.17	402.37
Note 20 - Cost of materials consumed		
Material consumed comprises:		
- Manganese ore	590.76	1,310.31
- Coke	491.38	1,595.92
- Coal	1,330.27	-
- Other materials	54.97	394.90
Total	2,467.38	3,301.13



THE SANDUR MANGANESE & IRON ORES LIMITED **NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	For the year ended 31 March, 2016 ₹ lakh	For the year ended 31 March, 2015 ₹ lakh
Note 21 - Changes in inventories of finished goods and work-in-progress		
Inventories at the beginning of the year		
Finished goods	5,167.16	3,198.40
Work-in-progress	10.23	-
	<u>5,177.39</u>	<u>3,198.40</u>
Inventories at the end of the year		
Finished goods	4,431.61	5,167.16
Work-in-progress	-	10.23
	<u>4,431.61</u>	<u>5,177.39</u>
Net (increase)/ decrease	<u>745.78</u>	<u>(1,978.99)</u>
Note 22 - Employee benefits expense		
Salaries, wages and bonus	3,764.75	3,865.08
Contribution to provident and other funds (refer note 33) 364.50	650.20	
Employee welfare expenses	892.04	755.15
Subsidy on food grains	477.93	431.64
Total	<u>5,499.22</u>	<u>5,702.07</u>
Note 23 - Finance costs		
Interest expense on delayed payment of taxes / statutory dues	1.24	235.24
Total	<u>1.24</u>	<u>235.24</u>
Note 24 - Other expenses		
Consumption of stores and spare parts	115.86	100.74
Subcontracting	2,490.33	7,912.18
Operation and maintenance charges	73.87	-
Power and fuel	20.15	30.96
Rent (refer note 35)	180.36	17.62
Repairs and maintenance to:		
Plant and machinery	125.75	26.13
Buildings	220.70	296.14
Others	111.86	141.58
	<u>458.31</u>	<u>463.85</u>
Mine running expenses	4,841.52	5,473.43
Insurance	20.00	22.61
Rates and taxes	2,138.24	2,682.73
Travelling and conveyance	584.00	479.32
Freight, loading and siding charges	1,172.73	774.32
Donations and contributions	100.00	206.50
Legal and professional (refer note 38)	407.43	374.05
Assets discarded	1.31	19.07
Bad trade receivables written off	36.45	17.42
Foreign exchange fluctuations (net)	-	59.86
Loss on sale of fixed assets	-	89.37
Security charges	254.99	234.97
Expenditure on corporate social responsibility (refer note 41)	253.58	597.16
Increase of excise duty on inventory	10.00	-
Miscellaneous expenses	334.59	450.17
Total	<u>13,493.72</u>	<u>20,006.33</u>



THE SANDUR MANGANESE & IRON ORES LIMITED NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 25 - Contingent Liabilities and commitments (to the extent not provided for)

(i) Contingent Liabilities

a) Claims against the Company not acknowledged as debts:

₹ lakh

Particulars	As at 31.03.2016	As at 31.03.2015
Income tax (relating to disallowance of certain deductions claimed)	2,039.29	1,322.71
Service tax (relating to applicability of tax)	293.35	293.35
Contribution to District Mineral Foundation (relating to its applicability)	807.42	-
Interest on royalty (relating to applicable rate of sale consideration)	549.06	-
Others (relating to provident fund and other matters)	22.85	22.85

The above amounts have been arrived at based on the notice of demand or the Assessment Orders, as the case may be, and the Company is contesting these claims with the respective authorities. Outflows, if any, arising out of these claims would depend on the outcome of the decisions of the appellate authorities and the Company's rights for future appeals before the judiciary. No reimbursements are expected.

b) Guarantees given by the Company:

₹ lakh

Particulars	As at 31.03.2016	As at 31.03.2015
Corporate guarantee issued to Customs authorities on behalf of subsidiary company	1,050.00	1,050.00

The Company has given the said guarantee in respect of fulfilment of the export obligations by the subsidiary company. There are no defaults as at the year end and no liability is expected.

(ii) Commitments:

₹ lakh

Particulars	As at 31.03.2016	As at 31.03.2015
Estimated amount of contracts remaining to be executed on capital account and not provided for	1,134.66	678.65

Note 26 - Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

₹ lakh

Particulars	As at 31.03.2016	As at 31.03.2015
- Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
- Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
- The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
- The amount of interest due and payable for the year	-	-
- The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
- The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Dues to micro enterprises and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.



THE SANDUR MANGANESE & IRON ORES LIMITED NOTES FORMING PART OF THE FINANCIAL STATEMENTS

b) Defined benefit plan - Funded

The Company makes annual contributions to an Insurance managed Fund to fund its gratuity liability. The scheme provides for lump sum payment to vested employees on retirement, death while in employment or on termination of employment as per the Company's Gratuity Scheme, vesting occurs upon completion of three years of service.

The following table sets out the funded status and amount recognised in the Company's financial statements for Gratuity.

₹ lakh

	Particulars	For the Year ended 31 March, 2016	For the Year ended 31 March, 2015
I	Net asset/(liability) recognised in the balance sheet		
1	Present value of funded obligations - A	1,801.28	1,891.53
2	Fair value of plan Asset - B	1,438.80	1,410.61
3	(Deficit)/ surplus (B-A)	(362.48)	(480.92)
4	Net (asset)/ liability		
	- Asset	-	-
	- Liability	362.48	480.92
II	Expenses recognised to the statement of profit and loss under contribution to provident and other funds in note 22		
1	Current service cost	67.31	42.42
2	Interest on defined benefit obligation	122.11	100.14
3	Expected return on plan assets	(81.02)	(83.47)
4	Net actuarial losses / (gains) recognised during the year	51.51	421.83
5	Past service cost	-	-
6	Losses / (gains) on curtailments & settlements	-	-
	Total	159.91	480.92
III	Actual return on plan assets	94.09	134.79
IV	Change in defined benefit obligation (DBO) during the year		
1	Present value of DBO at the beginning of the year	1,891.53	1,370.96
2	Service cost	67.31	42.42
3	Interest cost	122.11	100.14
4	Actuarial losses/ (gains)	64.56	473.15
5	Liabilities assumed on transfer of employees from subsidiary company	21.65	
6	Actuarial losses/ (gains) due to curtailment	-	-
7	Benefits paid	(365.88)	(95.14)
8	Present value of DBO at the end of the year	1,801.28	1,891.53
V	Change in fair value of plan assets		
1	Opening fair value of plan assets	1,410.61	1,354.95
2	Expected return	81.02	83.47
3	Actuarial gains/ (losses)	13.05	51.32
4	Assets distributed on settlements	-	-
5	Contributions by employer	300.00	16.01
6	Benefits paid	(365.88)	(95.14)
7	Closing fair value of plan assets	1,438.80	1,410.61



THE SANDUR MANGANESE & IRON ORES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ lakh

	Particulars	For the Year ended 31 March, 2016	For the Year ended 31 March, 2015
VI	The major categories of plan assets as a percentage of total plan assets:		
1	Government of India Securities	47.93%	38.00%
2	Corporate bonds	47.39%	54.56%
3	Others	4.68%	7.44%
VII	Principal actuarial assumptions:		
1	Discount rate	7.85% pa	7.95% pa
2	Expected rate of return on plan assets	8.00% pa	8.00% pa
3	Salary escalation	6.00% pa	6.00% pa
4	Attrition rate	2.00% pa	2.00% pa
VIII	Estimate of amount of contribution in the immediate next year	362.48	480.92
IX	The employees are assumed to retire normally at the age of 60 years.		
X	The mortality rates considered are as per the published rates under the Indian Assured Life Mortality (2006-08) Uit tables.		

27. Disclosures as per Regulation 34 (3) and 53 (f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement Regulations), 2015

Loans and advances in the nature of loans given to subsidiary :

₹ lakh

Particulars	Relationship	Amount Outstanding as at 31 March, 2016	Maximum amount outstanding during the year 2015-16
Star Metalics and Power Private Limited	Subsidiary	-	891.75
		(-)	(1,218.07)

Note: Figures in brackets relate to previous year.

Note 28 - As per the draft rehabilitation scheme of Sandur Laminates Limited and Sandur Micro Circuits Limited, the Company has given an undertaking not to dispose of its share holdings in Sandur Laminates Limited and Sandur Micro Circuits Limited without prior approval of Board for Industrial and Financial reconstruction (BIFR).

Note 29 - Trade payables do not include any amount to be credited to the Investor Education and Protection Fund.

Note 30 - Value of Imports calculated on C.I.F. basis :

₹ lakh

Expenditure	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Raw materials	-	1,618.94
Total	-	1,618.94



THE SANDUR MANGANESE & IRON ORES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 31 - Expenditure in foreign currency:

₹ lakh

Expenditure	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Travel	2.51	5.47
Total	2.51	5.47

Note 32 - Details of consumption of imported and indigenous items:

Raw Materials	For the Year ended 31 March, 2016		For the Year ended 31 March, 2015	
	₹ lakh	%	₹ lakh	%
Imported				
- Raw materials	428.42	17%	890.70	27%
Indigenous				
- Raw materials	2,038.96	83%	2,410.43	73%
Total	2,467.38	100.00%	3,301.13	100.00%

Note 33 - Employee benefit plans:

a) Defined contribution plan

The Company makes Provident Fund, Superannuation Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 165.27 lakh (previous year - ₹ 134.39 lakh) for provident fund contributions to SMIORE Provident Fund Trust and ₹ 39.32 lakh (previous year ₹ 34.89 lakh) for superannuation fund contributions in the statement of profit and loss as part of contribution to provident and other funds in note 22 and ₹ 0.61 lakh (previous year - ₹ 0.74 lakh) for employee state insurance scheme contribution included as part of Employee welfare expenses in note 22. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

In case of SMIORE Provident Fund Trust interest rate payable by the Trust to its beneficiaries is as notified by the Government. The Company has an obligation to make good the short fall, between the return from the investments of the trust and the notified interest rate and recognise such shortfall as an expense. Based on management assessment, there is no shortfall in the interest payable by the trust to the beneficiaries as on the balance sheet date.

₹ lakh

XI	Particulars	Summary of defined benefit obligation / plan assets and experience adjustments				
		31.03.16	31.03.15	31.03.14	31.03.13	31.03.12
1	Defined benefit obligation	1,801.28	1,891.53	1,370.96	1,369.17	1,260.59
2	Plan assets	1,438.80	1,410.61	1,354.95	1,313.12	1,149.67
3	Surplus / (deficit)	(362.48)	(480.92)	(16.01)	(56.05)	(110.92)
4	Experience adjustments on plan liabilities	55.03	363.25	22.51	2.82	35.89
5	Experience adjustments on plan assets	13.05	51.32	(25.46)	48.52	46.21

Expected rate of return on plan assets is based on average yield on investments.



THE SANDUR MANGANESE & IRON ORES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

c) Other long term benefits - Unfunded

The defined benefit obligations which are provided for but not funded are as under:

	Liability as at 31.03.2016	Liability as at 31.03.2015
Compensated absences		
- Current	172.92	164.01
- Non-current	264.54	281.81
Total	437.46	445.82
Pension		
- Current	128.03	127.38
- Non-current	1,313.30	1,322.59
Total	1,441.33	1,449.97

₹ lakh

The actuarial valuation has been carried out using projected unit credit method in respect of compensated absences based on assumptions given in respect of gratuity valuation.

Note : The discount rate for defined benefit plan and other long term benefits is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of obligations. The estimate of future salary increases considered for defined benefits plan and other long term benefits takes into account the inflation, seniority, promotion, increments and other relevant factors.

Note 34 - Related party disclosures

a) Name of related parties and description of relationship

1	Holding Company	Skand Private Limited (w.e.f 28 March, 2016)
2	Subsidiary	Star Metallica and Power Private Limited
3	Enterprise having significant influence over the company	Skand Private Limited (upto 27 March, 2016)
4	Key Management Personnel (KMP)	i) S. Y. Ghorpade, Chairman & Managing Director ii) Nazim Sheikh, Joint Managing Director iii) S.H. Mohan, Executive Director (Projects) (upto 7 September, 2015) iv) S.R.Sridhar, Executive Director (Mines) (upto 5 September, 2015) v) U. R. Acharya, Director (Commercial) vi) K. Raman, Director (Finance) (upto 19 September, 2015)
5	Relative of KMP	Aditya Shivrao Ghorpade Dhanunjaya Shivarao Ghorpade Mubeen A Sheriff



THE SANDUR MANGANESE & IRON ORES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

b) Details of related party transactions during the year ended 31 March, 2016 and balance outstanding as at 31 March 2016

Subsidiary

₹ lakh

Particulars	2015-16	2014-15
Transactions during the year		
- Sale of Silicomanganese	-	1,479.66
- Subcontracting	2,490.33	7,912.18
- Purchase of raw material (Coal)	604.71	53.89
- Purchase of stores and spares	353.79	-
- Lease rentals	170.00	-
- Recovery of expenses	19.83	16.25
- Reimbursement of expenses	2.82	-
Closing balance at the year end		
Trade receivable	304.25	990.05
Loans and advances	-	891.75
Guarantee given on behalf of subsidiary company	1,050.00	1,050.00

Holding company/ enterprise having significant influence

₹ lakh

Particulars	2015-16	2014-15
Transactions during the year		
- Purchase of fixed assets	-	870.08
- Reimburesment of expenses	1.29	25.00
Closing balance at the year end		
Loans and advances	1.79	0.50

Key Management Personnel

₹ lakh

SI No.	Name of KMP	Remuneration		Amounts payable at the year end	
		31.03.16	31.03.15	31.03.16	31.03.15
1	S. Y. Ghorpade	120.00	113.22	7.50	5.17
2	Nazim Sheikh	111.40	103.05	5.17	5.91
3	S. H. Mohan	76.96	100.68	-	4.00
4	S. R. Sridhar	46.89	67.35	-	3.96
5	U.R. Acharya	63.02	59.32	3.54	4.29
6	K. Raman	29.80	58.73	-	3.84
	Total	448.07	502.35	16.21	27.17

Relative of KMP

₹ lakh

SI No.	Name of KMP	Remuneration		Amounts payable at the year end	
		31.03.16	31.03.15	31.03.16	31.03.15
1	Aditya Shivrao Ghorpade	22.32	20.26	1.94	0.73
2	Dhananjai Shivrao Ghorpade	14.42	13.22	0.97	0.90
3	Mubeen A. Sherriff	17.10	14.11	2.01	1.50



THE SANDUR MANGANESE & IRON ORES LIMITED NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 35 - Details of leasing arrangements:

As Lessor

The Company has entered into operating lease arrangements for certain surplus facilities. The lease is non-cancellable for a period of 3 years from January 1, 2014 and is renewable by mutual consent.

Future minimum lease payments

₹ lakh

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Not later than one year	46.34	59.58
Later than one year and not later than five years	-	46.34

As Lessee

The Company has entered into operating leases in respect of ferroalloys & power plant, office premises and residential premise. The leasing arrangement is cancellable and is renewable by mutual consents. The lease rentals charged to the statement of profit and loss in respect of these leases amounts to ₹ 180.36 lakh (2014-15 ₹ 17.62 lakh)

Note 36 - Earnings per share

₹ lakh

Particulars	2015-16	2014-15
Net profit after tax - ₹lakh	(1,422.93)	1,435.63
Weighted average number of equity shares	8,750,000	8,750,000
Nominal value of share - ₹	10.00	10.00
Basic and diluted earnings per share - ₹	(16.26)	16.41

Note 37 - Accounting for Taxes on Income

Details of deferred tax assets/ (liabilities) are as below:

₹ lakh

	Opening balance	Tax effect for the year	As at 31.03.2016
Deferred tax asset			
Fixed assets	47.93	(13.35)	61.28
Provision for employee benefits	656.13	5.88	650.25
Others	1,996.37	547.90	1,448.47
Net deferred tax asset / (liability)	2,700.43	540.43	2,160.00

Note 38 - Payment to Auditors : (included under legal and professional note 24)

₹ lakh

To Statutory Auditor's	2015-16	2014-15
For Statutory Audit	27.50	19.00
For Taxation matters	4.50	4.50
For Other services	23.00	23.00
For Reimbursement of		
- out of pocket expenses	0.44	0.65
- levies	8.43	6.32
	63.87	53.47



THE SANDUR MANGANESE & IRON ORES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 39 - Segment reporting

a) Primary segments (business segments)

₹ lakh

Particulars	Mining		Ferroalloy & Power		Steel		Unallocable		Elimination		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
REVENUE												
External sales	16,284.25	18,997.26	5,914.38	10,446.72	-	-	42.59	25.95	-	-	22,241.22	29,469.93
Inter Segment Revenue	320.41	1,080.60	-	-	-	-	-	-	(320.41)	(1,080.60)	-	-
Total revenue	16,604.66	20,077.86	5,914.38	10,446.72	-	-	42.59	25.95	(320.41)	(1,080.60)	22,241.22	29,469.93
RESULT												
Segment	2,210.38	4,440.25	(1,192.75)	(1,027.06)	(4.18)	-	-	-	-	-	1,013.45	3,413.19
Unallocable corporate (expense) / income (net)	-	-	-	-	-	-	(927.71)	(1,060.84)	-	-	(927.71)	(1,060.84)
Operating profit/ (loss)	2,210.38	4,440.25	(1,192.75)	(1,027.06)	(4.18)	-	(927.71)	(1,060.84)	-	-	85.74	2,352.35
Finance costs	-	-	-	-	-	-	(1.24)	(235.24)	-	-	(1.24)	(235.24)
Profit/ (loss) before taxes	2,210.38	4,440.25	(1,192.75)	(1,027.06)	(4.18)	-	(928.95)	(1,296.08)	-	-	84.50	2,117.11
Tax expense	-	-	-	-	-	-	(930.43)	(681.48)	-	-	(930.43)	(681.48)
	2,210.38	4,440.25	(1,192.75)	(1,027.06)	(4.18)	-	(1,859.38)	(1,977.56)	-	-	(845.93)	1,435.63
Exceptional items	1,723.00	-	(2,300.00)	-	-	-	-	-	-	-	(577.00)	-
Profit/ (loss) for the year	3,933.38	4,440.25	(3,492.75)	(1,027.06)	(4.18)	-	(1,859.38)	(1,977.56)	-	-	(1,422.93)	1,435.63
OTHER INFORMATION												
Segment assets	6,250.03	7,121.79	17,337.34	19,851.68	3,170.46	3,168.81	20,852.15	20,116.69	-	-	47,609.98	50,258.97
Segment liabilities	8,162.70	10,416.43	675.61	468.22	2.02	0.04	1,724.98	596.47	-	-	10,565.31	11,481.16
Capital expenditure including capital work-in-progress	32.05	340.64	121.50	7.74	-	-	784.68	1,145.85	-	-	938.23	1,494.23
Depreciation and amortisation expenses	124.84	182.72	42.07	39.46	1.70	-	268.94	267.23	-	-	437.55	489.41
Other significant non-cash expenses	-	17.42	36.45	-	-	-	1.31	108.44	-	-	37.76	125.86

Note 1 : Primary business segments have been identified on the basis of distinguishable businesses in which the Company is engaged.

Note 2 : Inter segment transfer from the mining segment is measured at cost.

- b) The Company operates in a single geographical segment and accordingly, secondary segments for geographical segment, as envisaged in Accounting Standard - 17 on Segment Reporting are not applicable.

Note 40 - Production / purchase, sales, opening and closing stock of finished goods

Particulars	Opening stock	Production/ purchase	Internal Consumption	Sales	Closing stock	[Excess] / Shortage
Manganese Ore	100,896	151,289	13,000	112,227	126,907	51
	(69,444)	(160,909)	(30,344)	(99,113)	(100,896)	(-)
Iron Ore	358,518	739,744	-	884,292	213,970	-
	(404,419)	(516,285)	(-)	(562,186)	(358,518)	(-)
Silico-Manganese	3,311	6,757	-	9,905	163	-
	(1,035)	(23,050)	(-)	(20,774)	(3,311)	(-)
Power (Mega watt)	-	40,277	4,479	35,418	-	380
	(-)	(-)	(-)	(-)	(-)	(-)

Notes:

- a) Iron ore production excludes Nil tonnes (previous year: 87,990 tonnes) salvaged from waste dumps.
b) Previous year figures are in brackets.



THE SANDUR MANGANESE & IRON ORES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 41 - Expenditure on corporate social responsibility (as per section 135 of the 2013 Act)

- (a) Gross amount required to be spent by the Company during the year ₹ 77.62 lakh (previous year ₹ 80.69 lakh).
 (b) Amount spent during the year on: (included under expenditure on corporate social responsibility note 24)

₹ lakh

	In Cash	Yet to be paid in cash	Total
1. Construction / acquisition of any asset	-	-	-
	(-)	(-)	(-)
2. On purposes other than (1) above	79.68	-	79.68
	(102.91)	(-)	(102.91)

Previous year figures are in brackets

Note 42 - During the previous year, pursuant to the notification of Schedule II to the 2013 Act with effect from April 1, 2014, the Company had revised the estimated useful life of its assets to align the useful life with those specified in Schedule II. Pursuant to the transition provisions prescribed in Schedule II to the 2013 Act, the Company had fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014 and had adjusted an amount of ₹ 23.12 lakh (net of deferred tax of ₹ 11.91 lakh) against the opening surplus balance in the statement of profit and loss.

Note 43 - Provisions - Disclosure of particulars as per Accounting Standard 29 are as under:

₹ lakh

Particulars of provisions	Opening balance as on 01.04.2015	Provision	Provision written back/ used	Closing balance as on 31.03.2016
Mine closure expenses	-	118.60	-	118.60

Note 44 - Details of exceptional items:

Particulars	₹ lakh
Provision for other than temporary diminution in value of investment in Star Metalics and Power Private Limited (SMPPL), a subsidiary company	2,300.00
Provision towards Forest Development Tax for the years 2008 - 09 to 2011 - 12 written back in view of the Order of The Hon'ble High Court of Karnataka (Net of estimated expenses)	(1,723.00)
Net	577.00

Note 45 - Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/ disclosure.

Signatures to notes 1 to 45
For and on behalf of the Board of Directors

S.Y.GHORPADE
 Chairman & Managing Director

NAZIM SHEIKH
 Joint Managing Director

MD. ABDUL SALEEM
 CS & CGM (Mines)

K. RAMAN
 Chief Financial Officer

Place: Bangalore
 Date : 28 May 2016



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE SANDUR MANGANESE & IRON ORES LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying consolidated financial statements of **THE SANDUR MANGANESE & IRON ORES LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable. The respective Board of Directors of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated



state of affairs of the Group, as at March 31, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
 - e) On the basis of the written representations received from the directors of the Holding Company and its subsidiary company incorporated in India as on March 31, 2016 taken on record by the Board of Directors of the respective companies, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company and subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's and subsidiary company's incorporated in India, internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii.
 - a) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.
 - b) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary company incorporated in India.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm Registration No. 008072S)

Monisha Parikh
Partner
(Membership No.47840)

Bangalore, May 28, 2016
MP/UB/2016



ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **THE SANDUR MANGANESE & IRON ORES LIMITED** (hereinafter referred to as “the Holding Company”) and its subsidiary company incorporated in India, as of March 31, 2016 in conjunction with our audit of the consolidated financial statements of the Holding Company for the year then ended.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (“the Guidance Note”) issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiary company incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the aforesaid entities.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation



of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants
(Firm Registration No. 008072S)

Monisha Parikh
Partner
(Membership No.47840)

Bangalore, May 28, 2016



THE SANDUR MANGANESE & IRON ORES LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2016

	Note No.	As at 31.03.2016 ₹ lakh	As at 31.03.2015 ₹ lakh
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	875.00	875.00
(b) Reserves and surplus	4	35,487.29	35,058.70
		<u>36,362.29</u>	<u>35,933.70</u>
2 Minority Interest		2,891.74	2,932.97
3 Non-current liabilities			
(a) Other long-term liabilities	5	28.00	196.78
(b) Long-term provisions	6	1,698.25	1,641.45
		<u>1,726.25</u>	<u>1,838.23</u>
4 Current liabilities			
(a) Trade payables			
Total outstanding dues to Micro and Small Enterprises	27	-	-
Total outstanding dues to creditors other than Micro and Small Enterprises		2,524.55	4,168.93
		<u>2,524.55</u>	<u>4,168.93</u>
(b) Other current liabilities	7	6,715.49	7,800.12
(c) Short-term provisions	8	625.22	625.48
		<u>9,865.26</u>	<u>12,594.53</u>
TOTAL		<u>50,845.54</u>	<u>53,299.43</u>
II. ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9(a)	22,010.11	22,381.80
(ii) Intangible assets	9(b)	281.92	-
(iii) Capital work-in-progress		257.97	439.86
		<u>22,550.00</u>	<u>22,821.66</u>
(b) Goodwill on consolidation		149.99	149.99
(c) Non-current investments	10	0.05	0.05
(d) Deferred tax assets (net)	34	2,160.00	2,700.43
(e) Long-term loans and advances	11	8,255.67	7,899.13
(f) Other non-current assets	12	514.79	502.35
		<u>33,630.50</u>	<u>34,073.61</u>
2 Current assets			
(a) Current investments	13	4,791.24	5,845.25
(b) Inventories	14	6,040.34	8,346.38
(c) Trade receivables	15	753.27	572.13
(d) Cash and cash equivalents	16	2,655.14	2,914.08
(e) Short-term loans and advances	17	2,054.22	1,534.83
(f) Other current assets	18	920.83	13.15
		<u>17,215.04</u>	<u>19,225.82</u>
TOTAL		<u>50,845.54</u>	<u>53,299.43</u>

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants

MONISHA PARIKH
Partner

For and on behalf of the Board of Directors

S.Y.GHORPADE
Chairman & Managing Director

MD. ABDUL SALEEM
CS & CGM (Mines)

NAZIM SHEIKH
Joint Managing Director

K. RAMAN
Chief Financial Officer

Place: Bangalore
Date : 28 May 2016



THE SANDUR MANGANESE & IRON ORES LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2016

	Note No.	For the year ended 31 March, 2016 ₹ lakh	For the year ended 31 March, 2015 ₹ lakh
I. Revenue from operations (gross)	19	27,395.30	36,099.25
Less: Excise duty		519.60	1,037.36
Revenue from operations (net)		26,875.70	35,061.89
II. Other income	20	574.68	542.35
III. Total revenue (I + II)		27,450.38	35,604.24
IV. Expenses:			
(a) Cost of materials consumed	21	1,899.49	3,366.95
(b) Cost of coal consumed for power generation		5,980.81	9,355.08
(c) Changes in inventories of finished goods and work-in-progress	22	745.78	(1,978.99)
(d) Employee benefits expense	23	5,904.54	6,082.74
(e) Finance costs	24	30.06	236.26
(f) Depreciation and amortisation expense	9(c)	905.53	958.57
(g) Other expenses	25	12,079.17	14,109.10
Total expenses		27,545.38	32,129.71
V. Profit/ (loss) before exceptional item and tax (III-IV)		(95.00)	3,474.53
VI. Exceptional item	39	(1,723.00)	-
VII. Profit before tax (V - VI)		1,628.00	3,474.53
VIII. Tax expense/ (benefit) :			
(a) Current tax		390.00	1,000.00
(b) Deferred tax	34	540.43	(318.52)
		930.43	681.48
IX. Profit/ (loss) after tax before minority interest (VII-VIII)		697.57	2,793.05
X. Share of profit/ (loss) to minority interest		(41.23)	244.94
XI. Profit for the year attributable to equity shareholders of the Company (IX-X)		738.80	2,548.11
XII. Earnings per equity share of ₹ 10 each :			
Basic and diluted (₹)	33	8.44	29.12

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants

MONISHA PARIKH
Partner

For and on behalf of the Board of Directors

S.Y.GHORPADE
Chairman & Managing Director

MD. ABDUL SALEEM
CS & CGM (Mines)

NAZIM SHEIKH
Joint Managing Director

K. RAMAN
Chief Financial Officer

Place: Bangalore
Date : 28 May 2016



THE SANDUR MANGANESE & IRON ORES LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2016

	2015-16 ₹ lakh	2014-15 ₹ lakh
A. Cash flow from operating activities		
Profit before tax and share of (loss)/ profit of minority interest	1,628.00	3,474.53
Adjustments for :		
- Depreciation and amortisation expense	905.53	958.57
- Assets discarded	1.31	19.07
- Bad trade receivables and advances written off	42.61	19.67
- Provision for doubtful trade receivables and loans and advances	-	14.47
- Finance costs	30.06	236.26
- (Profit) / loss on sale of fixed assets (net)	(7.78)	89.74
- Interest income	(72.80)	(116.88)
- Gain on sale of current investments (net)	(127.85)	-
- Dividend income from investments	(228.96)	(268.40)
- Provisions/ liabilities no longer required written back	(1,731.20)	(1.32)
- Foreign currency fluctuations (net)	1.68	-
Operating profit before working capital changes	440.60	4,425.71
Adjustments for (increase)/ decrease in operating assets:		
- Inventories	2,306.04	(2,432.81)
- Trade receivables	(223.75)	3,490.41
- Short-term loans and advances	(519.39)	1,269.01
- Other current assets	(912.60)	191.46
- Long-term loans and advances	142.25	(290.44)
Adjustments for increase/(decrease) in operating liabilities:		
- Trade payables	(1,637.86)	(1,330.64)
- Other current liabilities	423.25	38.33
- Short-term provisions	5.47	(1.30)
- Long-term provisions	56.80	681.44
Cash generated from operations	80.81	6,041.17
- Income tax paid	(795.06)	(2,463.25)
Net cash (used in)/ flow from operating activities (A)	(714.25)	3,577.92
B. Cash flow from investing activities		
Capital expenditure on fixed assets (including capital work-in-progress and advances on capital account)	(710.05)	(1,740.64)
Proceeds from sale of fixed assets	35.26	145.09
Bank balances not considered as Cash and cash equivalents	(392.49)	94.64
Sale/ (Purchase) of current investments (net)	1,181.86	(1,303.34)
Proceeds from sale of non-current investments	-	0.01
Interest received	64.63	147.93
Dividend received from current investments	228.96	268.40
Net cash flow/ (used in) investing activities (B)	408.17	(2,387.91)



THE SANDUR MANGANESE & IRON ORES LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2016

	2015-16 ₹ lakh	2014-15 ₹ lakh
C. Cash flow from financing activities		
Dividends paid	(262.50)	(262.50)
Tax on dividend	(53.44)	(44.61)
Finance costs	(30.06)	(1.94)
Net cash used in financing activities (C)	(346.00)	(309.05)
Net (decrease)/ increase in Cash and cash equivalents (A+B+C)	(652.08)	880.96
Cash and cash equivalents (opening balance)	2,727.22	1,846.26
Cash and cash equivalents (closing balance)	2,075.14	2,727.22
Reconciliation of Cash and cash equivalents with balance sheet		
Cash and bank balances as per balance sheet (refer note 16)	2,655.14	2,914.08
Less: Deposits against guarantee/margin money	580.00	186.86
Cash and cash equivalents as reported above	2,075.14	2,727.22

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants

MONISHA PARIKH
Partner

For and on behalf of the Board of Directors

S.Y.GHORPADE
Chairman & Managing Director

MD. ABDUL SALEEM
CS & CGM (Mines)

NAZIM SHEIKH
Joint Managing Director

K. RAMAN
Chief Financial Officer

Place: Bangalore
Date : 28 May 2016



THE SANDUR MANGANESE & IRON ORES LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. The Consolidated Financial Statements comprise the financial statements of The Sandur Manganese & Iron Ores Limited ("the Company") and its subsidiary named Star Metallica and Power Private Limited ("SMPPL").

SMPPL is incorporated in India and the Company's ownership interest and voting power is 81.24% (As at 31.03.2015 : 81.24%) as at the balance sheet date.

The financial statements of SMPPL are drawn up to the same reporting date as that of the Company i.e. 31 March, 2016 and are audited.

The difference between the costs of investment in SMPPL over the Company's portion of equity of SMPPL is recognised as Goodwill.

Minority interest in the net assets of consolidated subsidiary is identified and presented in the consolidated balance sheet separately from liabilities and the equity of the Company's shareholders.

Minority interest in the net assets of consolidated subsidiary consists of:

- The amount of equity attributable to minorities at the date on which investment in subsidiary is made; and
- The minorities' share of movements in equity since the date parent subsidiary relationship came into existence.

Minority interest in the net profit/(loss) for the year of consolidated subsidiary is identified and adjusted against the profit/(loss) after tax of the Group.

2. Significant accounting policies

2.1 Basis of accounting and preparation of consolidated financial statements

The consolidated financial statements of the Company and its subsidiary (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

2.2. Use of estimates

The Group uses prudent and reasonable assumptions and estimates in the preparation of its consolidated financial statements, and these are reflected in the reported amounts of income and expenses during the year, and the reported balances of assets and liabilities, and disclosures relating to contingent liabilities, as at the date of the consolidated financial statements.

2.3. Fixed assets

Fixed assets are capitalised at acquisition cost including directly attributable cost of bringing the asset to its working condition for the intended use. Certain assets have been revalued as on 31 March, 1985 and the resultant surplus has been added to the cost of the assets.

2.4. Depreciation/Amortisation

Depreciation amount for assets is the cost of an asset or the amount substituted for costs, less its estimated residual value. The Group's assets at head office and mines (including assets transferred to plant from these locations) are depreciated on the written down value method and at plant (including assets transferred to other locations from plant) are depreciated on the straight line method over the useful life and in the manner prescribed in Schedule II to the 2013 Act.

Intangible assets are amortised over their estimated useful life on straight-line method as follows:

Mining lease rights - useful life of the mine or lease period, whichever is shorter.

Computer software- 5 years

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changes, if any.

2.5. Impairment of fixed assets

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Group's fixed assets. If any indication exists, an impairment loss is recognised when the carrying amount exceeds greater of net selling price and value in use.



THE SANDUR MANGANESE & IRON ORES LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.6. Foreign currency transactions

Foreign exchange transactions are recorded at the exchange rates prevailing on the date of transaction. Foreign exchange rate fluctuations relating to monetary assets and liabilities are restated at the year-end rates. The net loss or gain arising on restatement/ settlement, if any, is adjusted to the consolidated statement of profit and loss.

In respect of forward exchange contracts, the premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the consolidated statement of profit and loss of the reporting period in which the exchange rates change.

2.7. Investments:

All long term investments are valued at cost. However, provision for diminution in value is made to recognise a decline, other than temporary, in the value of investments.

Current investments are carried individually, at lower of cost and fair value.

2.8. Inventories

Inventories are valued at lower of cost and net realisable value.

The method of determination of cost of various categories of inventories is as follows:

- (a) Stores and spare parts: monthly weighted average rates;
- (b) Raw materials: monthly weighted average rates; and
- (c) Work-in-progress and finished goods: full absorption costing method based on annual cost of production.

2.9. Revenue recognition

Revenue from sale of goods is recognised on dispatch of goods to customers from plant or stock points as applicable when significant risks and rewards of ownership are considered to be transferred and realisation can be reasonably assumed. In case of service income, revenue is recognised when the service is rendered to the customer.

Revenue from sale of power is recognised on accrual basis based on the power generated and supplied as per applicable rates from time to time and includes unbilled revenues accrued up to the end of the accounting year.

2.10. Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

2.11. Employee benefits

Short-term employee benefits are recognised as an expense at the undiscounted amount in the consolidated statement of profit and loss of the year in which the related services are rendered by the employees.

Post employment benefits are recognised as an expense in the consolidated statement of profit and loss of the year in which the employee has rendered services. The expense is recognised at the present value of the amount payable towards contributions. The present value is determined using the market yields of government bonds, at the balance sheet date, at the discounting rate.

Other long-term employee benefits are recognised as an expense in the consolidated statement of profit and loss of the period in which the employee has rendered services. Estimated liability on account of long-term benefits is discounted to the present value, using the market yields on government bonds, as on the date of the balance sheet, at the discounting rate.

Actuarial gains and losses in respect of past employment and other long term benefits are charged to the consolidated statement of profit and loss on an accrual basis.

2.12. Segment accounting

Segments are identified based on the types of products and the internal organisation and management structure. The Group has identified business segment as its primary segment with secondary information reported geographically.



THE SANDUR MANGANESE & IRON ORES LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Group's primary segments consist of Mining, Ferroalloys/ Power and Steel.

Unallocable represents other income and expenses which relate to the Group as a whole and are not allocated to segments.

2.13. Cash flow statement

Cash flows are reported using the indirect method, whereby profit/ (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

2.14. Taxation

Current tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961.

Deferred tax

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Minimum alternate tax (MAT)

Minimum alternate tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax in the future years. Accordingly, MAT is recognised as an asset in the balance sheet where it is highly probable that the future economic benefit associated with it will flow to the Group and the asset can be measured reliably.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the consolidated statement of profit and loss.

2.15. Provisions and contingencies:

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the notes.

The financial obligations towards mine closure plans under relevant Acts and Rules are technically estimated, based on total available ore reserves of all the mining leases. The amount so determined is provided in the books of account on the basis of Run of Mine ore production of the mines of all the mining leases.

Contingent assets are neither recognised nor disclosed in the consolidated financial statements.

2.16. Operating cycle

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III of the 2013 Act. Normal operating cycle is based on the time between the acquisition of assets for processing and their realisation into cash and cash equivalents.



THE SANDUR MANGANESE & IRON ORES LIMITED **NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

	As at 31.03.2016 ₹ lakh	As at 31.03.2015 ₹ lakh
Note 3 - Share capital		
i) Authorised		
14,000,000 (As at 31.03.2015 : 14,000,000) equity shares of ₹ 10 each with voting rights	1,400.00	1,400.00
100,000 (As at 31.03.2015 : 100,000) 'B' 16 % (subject to tax) redeemable cumulative preference shares of ₹ 100 each	100.00	100.00
ii) Issued, subscribed and fully paid up		
Equity shares of ₹ 10 each with voting rights	875.00	875.00
	875.00	875.00

Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	Opening balance	Fresh issue/ Other changes	Closing balance
Equity share with voting rights (Issued, subscribed and fully paid up)			
Year ended 31.03.2016			
- Number of shares	8,750,000	-	8,750,000
- Amount (₹ lakh)	875.00	-	875.00
Year ended 31.03.2015			
- Number of shares	8,750,000	-	8,750,000
- Amount (₹ lakh)	875.00	-	875.00

(ii) Rights, preferences and restrictions attached to equity shares :

The Company has only one class of equity share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by Board of Directors is subject to approval by the shareholders at the ensuing Annual General Meeting. In the event of liquidation of the Company, the equity shareholders are entitled to receive only residual assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholder.

(iii) Details of shares held by the holding company:

Name of shareholders	As at 31.03.2016 No. of shares	As at 31.03.2015 No. of shares
Equity shares with voting rights		
Skand Private Limited	4,632,040	-

(iv) Shareholders holding more than 5% shares in the Company

Name of shareholders Equity shares with voting rights	As at 31.03.2016		As at 31.03.2015	
	No. of shares held	% holding in that class of shares	No. of shares held	% holding in that class of shares
Skand Private Limited	4,632,040	52.94	1,960,719	22.41
Sattari Engineering Enterprises Private Limited	-	-	1,552,721	17.75
Sunshine Real Estate & Constructions Private Limited	-	-	1,130,100	12.92



THE SANDUR MANGANESE & IRON ORES LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31.03.2016 ₹ lakh	As at 31.03.2015 ₹ lakh
Note 4 - Reserves and surplus		
Capital redemption reserve	100.65	100.65
Securities premium reserve	967.23	967.23
General reserve	3,788.11	3,788.11
Surplus in consolidated statement of profit and loss		
Opening balance	30,202.71	27,999.25
Less: Depreciation on transition to Schedule II of the 2013 Act, on tangible fixed assets with nil remaining useful life (net of deferred tax ₹ 11.91 lakh) (refer note 36)	-	28.71
	30,202.71	27,970.54
Add: Profit for the year	738.80	2,548.11
	30,941.51	30,518.65
Less:		
Dividends proposed to be distributed to equity shareholders ₹ 3 per share (previous year ₹ 3 per share)	262.50	262.50
Tax on dividend	47.71	53.44
Closing balance	30,631.30	30,202.71
Total	35,487.29	35,058.70
Note 5 - Other long-term liabilities		
Interest accrued but not due on borrowings	-	168.78
Security deposits	28.00	28.00
Total	28.00	196.78
Note 6 - Long-term provisions		
Provision for employee benefits (refer note 29)		
- Pension	1,313.30	1,322.59
- Compensated absences	265.69	296.85
- Gratuity (net)	0.66	22.01
Provision others		
- Mine closure (refer note 38)	118.60	-
Total	1,698.25	1,641.45
Note 7 - Other current liabilities		
Payables on purchase of fixed assets	202.86	156.52
Statutory remittances (including disputed dues ₹ 4,009.42 lakh (As at 31.03.2015 : ₹ 5,695.20 lakh))	4,182.43	5,892.42
Interest accrued and due on borrowings	168.78	-
Gratuity payable (net) (refer note 29 b)	362.48	480.92
Advances from customers	1,713.33	1,184.13
Trade/ security/ other deposits received	3.60	4.60
Retention money payable	74.45	74.45
Other creditors	7.56	7.08
Total	6,715.49	7,800.12



THE SANDUR MANGANESE & IRON ORES LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31.03.2016 ₹ lakh	As at 31.03.2015 ₹ lakh
Note 8 - Short-term provisions		
Provision for employee benefits (refer note 29)		
- Pension	128.03	127.38
- Gratuity (net)	5.53	1.28
- Compensated absences	181.45	178.68
	315.01	307.34
Provision - others		
- Wealth tax	-	2.20
- Proposed equity dividend	262.50	262.50
- Tax on proposed equity dividend	47.71	53.44
	310.21	318.14
Total	625.22	625.48

Note 9 - Fixed assets

₹ lakh

Description*	Gross block				Accumulated depreciation/ Amortisation				Net block		
	Balance as at 01.04.2015	Additions	Disposals / Adjustment	Balance as at 31.03.2016	Balance as at 01.04.2015	Depreciation/ Amortisation expense for the year	On disposals / Adjustment	***Transition adjustment recorded against balance in consolidated statement of profit and loss	Balance as at 31.03.2016	Balance as at 31.03.2016	Balance as at 31.03.2015
(a) Tangible assets											
Freehold land	5,873.00	-	355.43	5,517.57	-	-	-	-	5,517.57	5,873.00	(5,577.61)
	(5,577.61)	(529.87)	(234.48)	(5,873.00)	(-)	(-)	(-)	(-)	(5,873.00)	(5,577.61)	
Buildings and roads**	3,830.23	763.71	6.61	4,587.33	751.23	183.09	5.48	-	928.84	3,658.49	3,079.00
	(3,579.88)	(275.85)	(25.50)	(3,830.23)	(557.60)	(185.93)	(6.43)	(14.13)	(751.23)	(3,079.00)	(3,022.28)
Railway sidings	14.28	-	-	14.28	14.28	-	-	-	14.28	-	-
	(14.28)	(-)	(-)	(14.28)	(13.33)	(-)	(-)	(0.95)	(14.28)	(-)	(0.95)
Plant and equipment	17,084.59	81.14	5.93	17,159.80	4,184.73	538.13	5.93	-	4,716.93	12,442.87	12,899.86
	(16,698.51)	(386.08)	(-)	(17,084.59)	(3,622.97)	(554.83)	(-)	(6.93)	(4,184.73)	(12,899.86)	(13,075.54)
Vehicles	566.54	17.52	162.10	421.96	388.50	50.60	134.44	-	304.66	117.30	178.04
	(473.46)	(93.10)	(0.02)	(566.54)	(320.91)	(67.60)	(0.02)	(0.01)	(388.50)	(178.04)	(152.55)
Furniture and fixtures	301.60	11.76	2.72	310.64	115.78	49.95	2.72	-	163.01	147.63	185.82
	(147.47)	(155.60)	(1.47)	(301.60)	(68.06)	(48.00)	(1.11)	(0.83)	(115.78)	(185.82)	(79.41)
Office equipment	426.71	37.49	20.76	443.44	260.63	77.32	20.76	-	317.19	126.25	166.08
	(287.67)	(139.89)	(0.85)	(426.71)	(141.51)	(102.21)	(0.86)	(17.77)	(260.63)	(166.08)	(146.16)
	28,096.95	911.62	553.55	28,455.02	5,715.15	899.09	169.33	-	6,444.91	22,010.11	22,381.80
	(26,778.88)	(1,580.39)	(262.32)	(28,096.95)	(4,724.38)	(958.57)	(8.42)	(40.62)	(5,715.15)	(22,381.80)	(22,054.50)
(b) Intangible assets											
Mining rights (Purchased)	-	-	-	-	-	-	-	-	-	-	-
	(10,718.31)	(-)	(10,718.31)	(-)	(10,718.31)	(-)	(10,718.31)	(-)	(-)	(-)	(-)
Computer Software	-	288.36	-	288.36	-	6.44	-	-	6.44	281.92	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
	-	288.36	-	288.36	-	6.44	-	-	6.44	281.92	-
	(10,718.31)	(-)	(10,718.31)	(-)	(10,718.31)	(-)	(10,718.31)	(-)	(-)	(-)	(-)

(Previous year figures are in brackets)

* Owned, unless otherwise stated

** includes building given on operating lease amounting to ₹ 288.30 lakh (As at 31.03.2015 ₹ 288.30 lakh), depreciation recognised in the consolidated statement of profit and loss for that asset ₹ 13.02 lakh (previous year - ₹ 13.69 lakh) and accumulated depreciation ₹ 41.13 lakh (As at 31.03.2015 ₹ 28.11 lakh).

₹ lakh

(c)	Depreciation and amortisation expenses	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	Depreciation as per 9(a)	899.09	958.57
	Amortisation as per 9(b)	6.44	-
		905.53	958.57



THE SANDUR MANGANESE & IRON ORES LIMITED **NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

	As at 31.03.2016 ₹ lakh	As at 31.03.2015 ₹ lakh
Note 10 - Non-current investments		
Investments in equity instruments		
Sandur Micro Circuits Limited (unquoted) 900,000 (As at 31.03.2015 : 900,000) equity shares of ₹10 each fully paid up (refer note 28)	90.00	90.00
Sandur Laminates Limited (quoted) 4,725,191 (As at 31.03.2015 : 4,725,191) equity shares of ₹10 each fully paid up (refer note 28) (Market value not ascertained as there was no trading)	879.67	879.67
HDFC Bank Limited (quoted) 2,500 (As at 31.03.2015 : 2,500) equity shares of ₹ 2 each fully paid up (Market value of ₹ 26.78 lakh (As at 31.03.2015 : ₹ 25.57 lakh))	0.05	0.05
	969.72	969.72
Less : Provision for diminution in the value of Investments	969.67	969.67
Total	0.05	0.05
Aggregate amount of quoted investments	0.05	0.05
Aggregate market value of listed and quoted investments	26.78	25.57
Note 11 - Long-term loans and advances		
Capital advances (Unsecured, considered good)	406.15	312.42
Security deposits (Unsecured, considered good)	130.60	320.67
Tax payments, net of provisions (Unsecured, considered good) of ₹24,083.51 lakh (As at 31.03.2015 : ₹ 23,693.51 lakh)	4,488.89	4,083.83
MAT credit entitlement (Unsecured, considered good)	60.00	60.00
Advances for strategic alliance		
- Secured, considered good	600.00	600.00
- Unsecured, considered good	2,570.03	2,522.21
	3,170.03	3,122.21
Total	8,255.67	7,899.13
Note 12 - Other non-current assets		
Deposits against guarantee with maturity of more than 12 months from the balance sheet date (refer note 16)	496.97	497.62
Interest accrued but not due on deposits	17.82	4.73
Total	514.79	502.35



THE SANDUR MANGANESE & IRON ORES LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31.03.2016 ₹ lakh			As at 31.03.2015 ₹ lakh		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Note 13 - Current investments						
Investments in Mutual Funds						
(At lower of cost and fair value unless otherwise stated)						
Tata Capital Protection Oriented Fund - Series I - Growth Nil units (As at 31.03.2015 : 1,500,000 units) of ₹10 each	-	-	-	150.00	-	150.00
DHFL Pramerica Credit Opportunities Fund Growth Option Nil units (As at 31.03.2015 : 39,387 units) of ₹1,269.45 each	-	-	-	500.00	-	500.00
DSP BlackRock Dual Advantage Fund-S11-36 Month Regular Plan-Growth 3,000,000 units (As at 31.03.2015 : 3,000,000 units) of ₹10 each	300.00	-	300.00	300.00	-	300.00
ICICI Prudential Regular Savings Fund Plan Nil units (As at 31.03.2015 : 4,030,665 units) of ₹12.40 each	-	-	-	500.00	-	500.00
Arthaveda Star Fund 29,663 units (As at 31.03.2015 : 19,775) of ₹1,000 each	-	296.63	296.63	-	197.75	197.75
Deutsche DWS Hybrid Fixed Term Fund-Series 14- Regular Plan Growth 1,000,000 units (As at 31.03.2015 : 1,000,000 units) of ₹10 each	100.00	-	100.00	100.00	-	100.00
Franklin Templeton India corporate Bond Opportunities Fund - Growth 4,206,807 units (As at 31.03.2015 : 4,206,807 units) of ₹11.89 each	500.00	-	500.00	500.00	-	500.00
Edelweiss Stressed & Troubled assets revival Fund 325 units (As at 31.03.2015 : 275 units) of ₹10,000 each	-	24.61	24.61	-	27.50	27.50
ICICI Pru Corporate Bond Fund Growth PlanA (G) 2,784,259 units (As at 31.03.2015 : 2,784,259 units) of ₹17.96 each	500.00	-	500.00	500.00	-	500.00
ICICI Pru MultiYield Fund -Sr.5-PIA-RegG 1,000,000 units (As at 31.03.2015 : 1,000,000 units) of ₹10 each	100.00	-	100.00	100.00	-	100.00
HSBC FTS -Series 106 (G) Nil units (As at 31.03.2015 : 1,000,000 units) of ₹10 each	-	-	-	100.00	-	100.00
ICICI Pru CPO Fund V-B Reg (G) 1,700,000 units (As at 31.03.2015 : 1,700,000 units) of ₹10 each	170.00	-	170.00	170.00	-	170.00
DSP BlackRock Dual Advantage Fund - Series 29 - 40M - Reg - Gr 2,000,000 units (As at 31.03.2015 : 2,000,000 units) of ₹10 each	200.00	-	200.00	200.00	-	200.00
HDFC Corporate Debt Opportunities Fund - Regular - Growth 4,846,511 units (As at 31.03.2015 : 4,846,511 units) of ₹10.32 each	500.00	-	500.00	500.00	-	500.00
ICICI Prudential Capital Protection Oriented Fund VI Pan B-1100 Days Regular 1,000,000 units (As at 31.03.2015 : 1,000,000 units) of ₹10 each	100.00	-	100.00	100.00	-	100.00
Kotak Medium Term Fund - Growth (Regular Plan) 3,918,419 units (As at 31.03.2015 : 3,918,419 units) of ₹10.21 each	400.00	-	400.00	400.00	-	400.00
Sundaram Hybrid Fund SR H 5 YRS Regular Growth 1,000,000 units (As at 31.03.2015 : 1,000,000 units) of ₹10 each	100.00	-	100.00	100.00	-	100.00
DWS Hybrid Fixed Term Fund -Series.23 - Regular Plan - Growth 1,000,000 units (As at 31.03.2015 : 1,000,000 units) of ₹10 each	100.00	-	100.00	100.00	-	100.00



THE SANDUR MANGANESE & IRON ORES LIMITED **NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

	As at 31.03.2016 ₹ lakh			As at 31.03.2015 ₹ lakh		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
DSP BlackRock Income Opportunities Fund - Regular Plan - Growth Nil units (As at 31.03.2015 : 2,396,585 units) of ₹20.86 each	-	-	-	500.00	-	500.00
Reliance Corporation Bond Fund - Growth - Plan - CBGP 2,950,636 units (As at 31.03.2015 : 2,950,636 units) of ₹10.17 each	300.00	-	300.00	300.00	-	300.00
Axis Hybrid Fund -Series 14 (1274 days) - Growth - A4GP 2,000,000 units (As at 31.03.2015 : 2,000,000 units) of ₹10 each	200.00	-	200.00	200.00	-	200.00
DWS Hybrid Fixed Term Fund Series 32 - Regular Plan - Growth 2,000,000 units (As at 31.03.2015 : 2,000,000 units) of ₹10 each	200.00	-	200.00	200.00	-	200.00
UTI-Dual Advantage Fixed Term Fund - Series I - II Regular Plan- Growth 1,000,000 units (As at 31.03.2015 : 1,000,000 units) of ₹10 each	100.00	-	100.00	100.00	-	100.00
Kotak Medium Term Fund - Growth 4,400,246 units (As at 31.03.2015 : Nil units) of ₹11.36 each	500.00	-	500.00	-	-	-
Sundaram Hybrid Fund SR M Regular Growth 1,000,000 units (As at 31.03.2015 : Nil units) of ₹10 each	100.00	-	100.00	-	-	-
Total	4,470.00	321.24	4,791.24	5,620.00	225.25	5,845.25
Aggregate amount of quoted investments			4,470.00			5,620.00
Aggregate market value of listed and quoted investments			5,250.67			6,441.92
Aggregate amount of unquoted investments			321.24			225.25

Note 14 - Inventories

(At lower of cost and net realisable value)

Raw Materials and components (includes ₹ Nil lakh (As at 31.03.2015 ₹ 769.65 lakh) of material in transit)"	1,139.84	2,677.74
Work-in-progress (refer note below)	-	10.23
Finished goods	4,431.61	5,167.16
Stores and spares	468.89	491.25
Total	6,040.34	8,346.38

Note : Details of inventory of work-in-progress
Silico manganese

-	10.23
-	10.23

Note 15 - Trade receivables

(Unsecured)

Trade receivables outstanding for a period exceeding more than six months from the due date		
Considered good	133.36	127.51
Considered doubtful	49.57	49.57
	182.93	177.08
Less: Provision for doubtful trade receivables	49.57	49.57
	133.36	127.51
Other trade receivable (considered good)	619.91	444.62
Total	753.27	572.13



THE SANDUR MANGANESE & IRON ORES LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31.03.2016 ₹ lakh	As at 31.03.2015 ₹ lakh
Note 16 - Cash and bank balances		
Cash and cash equivalents		
Cash on hand	5.79	5.03
Balances with banks		
- In current accounts	1,848.65	2,338.19
- In EEFC accounts	0.63	-
- In deposit accounts	220.07	384.00
	<u>2,075.14</u>	<u>2,727.22</u>
Other bank balances		
Deposits against guarantees/margin money	1,076.97	684.48
Less: Amount disclosed under non-current assets (note 12)	496.97	497.62
	<u>580.00</u>	<u>186.86</u>
Total	<u>2,655.14</u>	<u>2,914.08</u>
Note 17 - Short-term loans and advances		
Security deposits (unsecured, considered good)	34.38	9.66
Loans and advances with employees (unsecured, considered good)	36.02	29.66
Prepaid expenses (unsecured, considered good)	8.80	17.41
Balance with government authorities (unsecured, considered good)	876.40	763.48
Advance to suppliers (unsecured)		
- Considered good	1,098.62	714.62
- Considered doubtful	2.96	2.96
	<u>1,101.58</u>	<u>717.58</u>
Less: Provision for doubtful advances	2.96	2.96
	<u>1,098.62</u>	<u>714.62</u>
Total	<u>2,054.22</u>	<u>1,534.83</u>
Note 18 - Other current assets		
Interest accrued on deposits	2.18	13.15
Interest accrued but not due on deposits	6.05	-
Unbilled revenue	912.60	-
Total	<u>920.83</u>	<u>13.15</u>
	For the year ended 31 March, 2016 ₹ lakh	For the year ended 31 March, 2015 ₹ lakh
Note 19 - Revenue from operations		
Sale of products (refer note (i) below)	26,895.30	35,729.01
Other operating revenues (refer note (ii) below)	500.00	370.24
Revenue from operations (gross)	27,395.30	36,099.25
Less : Excise duty	₹ 519.60	1,037.36
Revenue from operations (net)	<u>26,875.70</u>	<u>35,061.89</u>



THE SANDUR MANGANESE & IRON ORES LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	For the year ended 31 March, 2016 ₹ lakh	For the year ended 31 March, 2015 ₹ lakh
Notes :		
(i) Sale of products comprises:		
(a) Manganese ore	3,225.55	4,190.58
(b) Iron ore (includes ₹ Nil lakh (previous year ₹ 731.20 lakh from sale of waste dumps))	12,605.23	14,520.27
(c) Silico-manganese	4,676.01	11,561.20
(d) Power	6,388.51	5,456.96
	<u>26,895.30</u>	<u>35,729.01</u>
(ii) Other operating revenues comprises:		
(a) Sale of scrap/ waste	6.36	54.99
(b) Other miscellaneous receipts	493.64	315.25
	<u>500.00</u>	<u>370.24</u>
Note 20 - Other income		
Interest income		
- On fixed deposits with banks	65.96	102.89
- On security deposits	2.13	2.26
- On long-term deposits	4.71	3.03
- On income-tax refunds	-	8.70
	<u>72.80</u>	<u>116.88</u>
Dividend income on current investments	228.96	268.40
Gain on sale of current investments (net)	127.85	-
Foreign currency fluctuations (net)	35.80	-
Profit on sale of fixed asset (net)	7.78	-
Other non operating income		
- Rental income from operating lease	69.09	58.85
- Duty drawback/ other schemes	-	83.48
- Provisions/ liabilities no longer required written back	8.20	1.32
- Sale of petroleum products (net of consumption/ expenses of ₹ 1,053.68 lakh (previous year : ₹ 1,494.02 lakh))	21.80	7.60
- Miscellaneous income	2.40	5.82
	<u>501.88</u>	<u>425.47</u>
Total	<u>574.68</u>	<u>542.35</u>
Note 21 - Cost of materials consumed		
Material consumed comprises:		
- Manganese ore	590.76	1,310.31
- Coke	491.38	1,595.92
- Coal	725.56	-
- Other materials	91.79	460.72
Total	<u>1,899.49</u>	<u>3,366.95</u>



THE SANDUR MANGANESE & IRON ORES LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	For the year ended 31 March, 2016 ₹ lakh	For the year ended 31 March, 2015 ₹ lakh
Note 22 - Changes in inventories of finished goods and work-in-progress		
Inventories at the beginning of the year		
Finished goods	5,167.16	3,198.40
Work-in-progress	10.23	-
	<u>5,177.39</u>	<u>3,198.40</u>
Inventories at the end of the year		
Finished goods	4,431.61	5,167.16
Work-in-progress	-	10.23
	<u>4,431.61</u>	<u>5,177.39</u>
Net (increase)/ decrease	<u>745.78</u>	<u>(1,978.99)</u>
Note 23 - Employee benefits expense		
Salaries, wages and bonus	4,128.65	4,202.89
Contribution to provident and other funds (refer note 29)	377.96	
Gratuity expenses (unfunded) (refer note 29)	7.58	9.32
Employee welfare expenses	912.42	776.13
Subsidy on food grains	477.93	431.64
Total	<u>5,904.54</u>	<u>6,082.74</u>
Note 24 - Finance costs		
Interest expense on delayed payment of taxes/ statutory dues	1.31	235.29
Interest expense on trade payables	28.75	0.97
Total	<u>30.06</u>	<u>236.26</u>
Note 25 - Other expenses		
Consumption of stores and spares (including water and consumables)	317.16	430.24
Subcontracting	315.58	433.34
Operation and maintenance charges	368.52	342.14
Power and fuel	93.50	42.43
Rent (refer note 32)	25.25	32.59
Repairs and maintenance to:		
Plant and machinery	160.84	60.14
Building	223.01	307.26
Others	136.86	168.87
	<u>520.71</u>	<u>536.27</u>
Mine running expenses	4,841.52	5,473.43
Insurance	44.92	49.43
Rates and taxes	2,189.92	2,944.22
Travelling and conveyance	609.79	522.18
Freight loading and siding charges	1,172.73	774.32
Advertisement and selling expenses	21.89	191.91
Donations and contributions	100.00	206.50
Legal and professional (refer note 35)	454.70	395.06
Loss on sale of fixed assets (net)	-	89.74



THE SANDUR MANGANESE & IRON ORES LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	₹ lakh	₹ lakh
Assets discarded	1.31	19.07
Bad trade receivables and advances written off	42.61	19.67
Foreign exchange fluctuations (net)	-	112.41
Security charges	303.65	293.77
Provision for doubtful trade receivables and loans and advances	-	14.47
Expenditure on corporate social responsibility (refer note 37)	253.58	597.16
Prior-period expenses (represents exchange fluctuations in current year and repairs and maintenance in previous year)	32.82	91.27
Increase of excise duty on inventory	10.00	-
Miscellaneous expenses	359.01	497.48
Total	12,079.17	14,109.10

Note 26 - Contingent liabilities and commitments (to the extent not provided for)

(i) Contingent liabilities

₹ lakh

a) Claims against the group not acknowledged as debts	As at 31.03.2016	As at 31.03.2015
Income tax (relating to disallowance of certain deductions claimed)	2,039.29	1,322.71
Service tax (relating to applicability of tax)	293.35	293.35
Contribution to District Mineral Foundation (relating to its applicability)	807.42	-
Interest on royalty (relating to applicable rate of sale consideration)	549.06	-
Customs duty (relating to demand towards differential duty payable on import of coal)	293.79	-
Others (relating to provident fund and other matters)	22.85	22.85

The above amounts have been arrived at based on the notice of demand or the Assessment Orders, as the case may be, and the Group is contesting these claims with the respective authorities. Outflows, if any, arising out of these claims would depend on the outcome of the decisions of the appellate authorities and the Group's rights for future appeals before the judiciary. No reimbursements are expected.

₹ lakh

Particulars	As at 31.03.2016	As at 31.03.2015
b) Corporate guarantee issued to Customs authorities on behalf of a subsidiary company	1,050.00	1,050.00

The Company has given the said guarantee in respect of fulfilment of the export obligations by the subsidiary company. There are no defaults as at the year end and no liability is expected.

(ii) Capital commitments:

₹ lakh

Particulars	As at 31.03.2016	As at 31.03.2015
Estimated amount of contracts remaining to be executed on capital account and not provided for	1,148.89	692.88



THE SANDUR MANGANESE & IRON ORES LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 27 - Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at 31.03.2016 ₹ lakh	As at 31.03.2015 ₹ lakh
- Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
- Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
- The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
- The amount of interest due and payable for the year	-	-
- The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
- The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Dues to micro enterprises and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

Note 28 - As per the draft rehabilitation scheme of Sandur Laminates Limited and Sandur Micro Circuits Limited, the Company has given an undertaking not to dispose of its share holdings in Sandur Laminates Limited and Sandur Micro Circuits Limited without prior approval of Board for Industrial and Financial reconstruction (BIFR).

Note 29 - Employee Benefits :

a) Defined Contribution Plan

The Group makes Provident Fund, Superannuation Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The Group recognised ₹ 178.73 lakh (2014-15 ₹ 146.95 lakh) for provident fund contributions, ₹ 39.32 lakh (2014-15 ₹ 34.89 lakh) for superannuation fund contributions in the consolidated statement of profit and loss as part contribution to provident and other funds in note 23 and ₹ 0.61 lakh (2014-15 ₹ 0.74 lakh) for employee state insurance scheme contributions included as part of employee welfare expenses in note 23. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

The Group makes contributions at predetermined rates to SMIORE Provident Fund Trust and to the regional Provident Fund Commissioner in respect of Employee Provident Fund and to the Life Insurance Corporation of India in respect of Superannuation Fund.

In case of SMIORE Provident Fund Trust interest rate payable by the Trust to the beneficiaries is as notified by the Government. The Group has an obligation to make good the short fall, between the return from the investments of trust and the notified interest rate and recognise such shortfall as an expense. Based on management assessment, there is no shortfall in the interest payable by the trust to the beneficiaries as on the balance sheet date.

b) Defined Benefit Plan

The Company makes annual contributions to an Insurance Managed Fund. The scheme provides for lump sum payment to vested employees on retirement, death while in employment or on termination of employment as per the Company's Gratuity Scheme, vesting occurs upon completion of three years of service.

The gratuity benefit of the subsidiary is not funded.

The following table sets out the funded status and amount recognised in the Group's consolidated financial statements for Gratuity.



THE SANDUR MANGANESE & IRON ORES LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

₹ lakh

	Particulars	2015-16		2014-15	
		Funded	Unfunded	Funded	Unfunded
I	Net asset/ (liability) recognised in the consolidated balance sheet				
1	Present value of obligations - A	1,801.28	6.19	1,891.53	23.29
2	Fair value of plan Asset - B	1,438.80	-	1,410.61	-
3	(Deficit)/surplus (B-A)	(362.48)	(6.19)	(480.92)	(23.29)
4	Net asset/(liability)				
	- Asset	-	-	-	-
	- Liability				
	Current	362.48	5.53	480.92	1.28
	Non-current	-	0.66	-	22.01
		362.48	6.19	480.92	23.29
II	Expenses recognised in the consolidated statement of profit and loss as part of contribution to provident and other funds in Note - 23				
1	Current service cost	67.31	5.46	42.42	3.98
2	Interest on defined benefit obligation	122.11	1.70	100.14	1.15
3	Expected return on plan assets	(81.02)	-	(83.47)	-
4	Net actuarial losses/(gains) recognised during the year	51.51	0.42	421.83	4.19
5	Past service cost	-	-	-	-
6	Losses/(gains) on "curtailments & settlements	-	-	-	-
	Total	159.91	7.58	480.92	9.32
III	Actual return on plan Assets	94.09	-	134.79	-
IV	Change in defined benefit obligation (DBO) during the year				
1	Present value of DBO at the beginning of the year	1,891.53	23.29	1,370.96	15.61
2	Service cost	67.31	5.46	42.42	3.98
3	Interest cost	122.11	1.70	100.14	1.15
4	Actuarial losses/ (gains)	64.56	0.42	473.15	4.19
5	Liabilities assumed on transfer of employees from subsidiary company	21.65	(21.65)	-	-
6	Actuarial losses/ (gains) due to curtailment	-	-	-	-
7	Benefits paid	(365.88)	(3.03)	(95.14)	(1.64)
8	Present value of DBO at the end of the year	1,801.28	6.19	1,891.53	23.29
V	Change in fair value of plan assets				
1	Opening fair value of plan assets	1,410.61	-	1,354.95	-
2	Expected return	81.02	-	83.47	-
3	Actuarial gains /(losses)	13.05	-	51.32	-
4	Assets distributed on settlements	-	-	-	-
5	Contributions by employer	300.00	-	16.01	-
6	Benefits paid	(365.88)	-	(95.14)	-
7	Closing fair value of plan assets	1,438.80	-	1,410.61	-
VI	The major categories of plan assets as a percentage of total plan assets:				
1	Government of India Securities	47.93%	NA	38.00%	NA
2	Corporate Bonds	47.39%	NA	54.56%	NA
3	Others	4.68%	NA	7.44%	NA
VII	Principal actuarial assumptions:				
1	Discount Rate	7.85% pa	7.50%	7.95% pa	7.80%
2	Expected Rate of Return on Plan Assets	8.00% pa	NA	8.00% pa	NA
3	Salary escalation	6.00% pa	5.00%	6.00% pa	5.00%
4	Attrition rate	2.00% pa	5.00%	2.00% pa	5.00%
VIII	Estimate of amount of contribution in the immediate next year	362.48	NA	480.92	NA
IX	The employees are assumed to retire normally at the age of 60 years				
X	The mortality rates considered are as per the published rates under the Indian Assured Life Mortality (2006-08) UIT tables.				



THE SANDUR MANGANESE & IRON ORES LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

₹ lakh

XI	Particulars	Summary of defined benefit obligation/plan assets and experience adjustments				
		31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
1	Defined Benefit Obligation	1,807.47	1,914.82	1,386.57	1,377.49	1,263.67
2	Plan Assets	1,438.80	1,410.61	1,354.95	1,313.12	1,149.67
3	Surplus / (Deficit)	(368.67)	(504.21)	(31.62)	(64.37)	(114.00)
4	Experience adjustments on Plan Liabilities	33.77	360.62	19.27	(0.71)	35.69
5	Experience adjustments on Plan Assets	13.05	51.32	(25.46)	48.52	46.21

Expected rate of return on plan assets is based on average yield on investments.

c) Other long term benefits - Unfunded

The defined benefit obligations which are provided for but not funded are as under:

₹ lakh

	Liability as at 31.03.2016	Liability as at 31.03.2015
Compensated absences		
-Current	181.45	178.68
-Non Current	265.69	296.85
Total	447.14	475.53
Pension		
-Current	128.03	127.38
-Non Current	1,313.30	1,322.59
Total	1,441.33	1,449.97

The actuarial valuation has been carried out using projected unit credit method in respect of compensated absences based on assumptions given in respect of gratuity valuation.

Note: The discount rate for defined benefit plan and other long term benefits is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of obligations. The estimate of future salary increases considered for defined benefits plan and other long term benefits takes into account the inflation, seniority, promotion, increments and other relevant factors.

Note 30 - Related party disclosures:

a) Names of related parties and description relationship:

1	Holding Company	Skand Private Limited (w.e.f 28 March, 2016)
2	Enterprise having significant influence	Skand Private Limited (upto 27 March, 2016)
3	Key Management Personnel (KMP)	i) S. Y. Ghorpade, Chairman & Managing Director
		ii) Nazim Sheikh, Joint Managing Director
		iii) S.H. Mohan, Executive Director (Projects) (upto 7 September, 2015)
		iv) S.R.Sridhar, Executive Director (Mines) (upto 5 September, 2015)
		v) U. R. Acharya, Director (Commercial)
		vi) K. Raman, Director (Finance) (upto 19 September, 2015)
4	Relative of KMP	Aditya Shivrao Ghorpade
		Dhananjai Shivrao Ghorpade
		Mubeen A. Sheriff



THE SANDUR MANGANESE & IRON ORES LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

b) Details of related party transactions during the year ended 31 March, 2016 and balance outstanding as at 31 March, 2016

Holding Company/ enterprise having significant influence

₹ lakh

Particulars	2015-16	2014-15
Transactions during the year		
- Purchase of fixed assets	-	870.08
- Reimbursement of expenses	1.29	25.00
Closing balance at the year end		
-Loans and advances	1.79	0.50

Key Management Personnel (KMP)

₹ lakh

SI No.	Name of KMP	Remuneration		Amounts payable at the year end	
		31.03.16	31.03.15	31.03.16	31.03.15
1	S. Y. Ghorpade	120.00	113.22	7.50	5.17
2	Nazim Sheikh	111.40	103.05	5.17	5.91
3	S. H. Mohan	76.96	100.68	-	4.00
4	S. R. Sridhar	46.89	67.35	-	3.96
5	U.R. Acharya	63.02	59.32	3.54	4.29
6	K. Raman	29.80	58.73	-	3.84
	Total	448.07	502.35	16.21	27.17

Relative of KMP

₹ lakh

SI No.	Name of KMP	Remuneration		Amounts payable at the year end	
		31.03.16	31.03.15	31.03.16	31.03.15
1	Aditya Shivrato Ghorpade	22.32	20.26	1.94	0.73
2	Dhanunjaya Shivarao Ghorpade	14.42	13.22	0.97	0.90
3	Mubeen A. Sheriff	17.10	14.11	2.01	1.50



THE SANDUR MANGANESE & IRON ORES LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 31 - Segment reporting

a) Primary segments (business segments)

₹ lakh

Particulars	Mining		Ferroalloy & Power		Steel		Unallocable		Elimination		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
REVENUE												
External sales	16,284.25	18,997.26	10,548.86	16,038.68	-	-	42.59	25.95	-	-	26,875.70	35,061.89
Inter segment revenue	320.41	1,080.60	-	-	-	-	-	-	(320.41)	(1,080.60)	-	-
Total revenue	16,604.66	20,077.86	10,548.86	16,038.68	-	-	42.59	25.95	(320.41)	(1,080.60)	26,875.70	35,061.89
RESULT												
Segment	2,210.38	4,440.25	(1,332.07)	373.37	(4.18)	-	-	-	-	-	874.13	4,813.62
Unallocated corporate (expense) / income (net)	-	-	-	-	-	-	(939.07)	(1,102.83)	-	-	(939.07)	(1,102.83)
Operating profit	2,210.38	4,440.25	(1,332.07)	373.37	(4.18)	-	(939.07)	(1,102.83)	-	-	(64.94)	3,710.79
Finance costs	-	-	-	-	-	-	(30.06)	(236.26)	-	-	(30.06)	(236.26)
Profit/ (loss) before tax	2,210.38	4,440.25	(1,332.07)	373.37	(4.18)	-	(969.13)	(1,339.09)	-	-	(95.00)	3,474.53
Tax expenses	-	-	-	-	-	-	930.43	681.48	-	-	930.43	681.48
Exceptional item	(1,723.00)	-	-	-	-	-	-	-	-	-	(1,723.00)	-
Net profit/ (loss)	3,933.38	4,440.25	(1,332.07)	373.37	(4.18)	-	(1,899.56)	(2,020.57)	-	-	697.57	2,793.05
OTHER INFORMATION												
Segment assets	5,945.78	6,131.74	20,056.97	22,363.59	3,170.46	3,168.81	21,672.33	21,635.29	-	-	50,845.54	53,299.43
Segment liabilities	8,162.70	10,416.43	4,564.00	6,279.03	2.02	0.04	1,754.53	670.23	-	-	14,483.25	17,365.73
Capital expenditure including capital work-in-progress	32.05	340.64	201.36	77.73	-	-	784.68	1,145.86	-	-	1,018.09	1,564.23
Depreciation/amortisation	124.84	182.72	509.69	508.62	1.70	-	269.30	267.23	-	-	905.53	958.57
Other significant non-cash expenses	-	17.42	42.61	16.72	-	-	1.31	108.81	-	-	43.92	142.95

Note 1 : Primary business segments have been identified on the basis of distinguishable businesses in which the Group is engaged.

Note 2 : Inter segment transfer from the mining segment is measured at cost.

b) The Group majorly operates in a single geographical segment and accordingly, secondary segments for geographical segment, as envisaged in Accounting Standard- 17 on Segment Reporting are not applicable.

Note 32 - Details of leasing arrangements:

As Lessor

The Group has entered into operating lease arrangements for certain surplus facilities. The lease is non-cancellable for a period of 3 years and is renewable by mutual consent.

Future minimum lease payments

₹ lakh

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Not later than one year	46.34	59.58
Later than one year and not later than five years	-	46.34

As Lessee

The Group has entered into operating leases in respect of office premises and residential premise. The leasing arrangements are cancellable and are renewable by mutual consent. The lease rentals charged to the consolidated statement of profit and loss in respect of these leases amounts to ₹ 25.25 lakh (2014-15 ₹ 32.59 lakh)

Note 33 - Earnings per share

Particulars	2015-16	2014-15
Net profit after tax - ₹ Lakh	738.80	2,548.11
Weighted average number of equity shares	8,750,000	8,750,000
Nominal value of share - ₹	10.00	10.00
Basic and diluted earnings per share - ₹	8.44	29.12



THE SANDUR MANGANESE & IRON ORES LIMITED

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 34 - Accounting for taxes on income

Details of deferred tax assets/ (liabilities) are as below:

₹ lakh

	Opening balance	Tax effect for the year	As at 31.03.2016
Deferred tax (liability)			
Fixed assets	(1,936.17)	19.44	(1,955.61)
Sub total	(1,936.17)	19.44	(1,955.61)
Deferred tax asset			
Provision for employee benefits	656.13	5.88	650.25
Unabsorbed depreciation, allowance and business loss	1,984.10	(32.79)	2,016.89
Others	1,996.37	547.90	1,448.47
Sub total	4,636.60	520.99	4,115.61
Net deferred tax asset / (liability)	2,700.43	540.43	2,160.00

Note 35 - Payment to Auditors : (included under legal and professional note 25)

₹ lakh

Auditor's remuneration	2015-16	2014-15
For Statutory audit	43.00	30.50
For taxation matters	7.50	6.50
For other services	23.00	23.00
Reimbursement of		
- out of pocket expenses	0.68	0.65
- levies	8.43	8.12
	82.61	68.77

Note 36 - During the previous year, pursuant to the notification of Schedule II to the 2013 Act with effect from April 1, 2014, the Group had revised the estimated useful life of its assets to align the useful life with those specified in Schedule II. Pursuant to the transition provisions prescribed in Schedule II to the 2013 Act, the Group had fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and had adjusted an amount of ₹ 28.71 lakh (net of deferred tax of ₹ 11.91 lakh) against the opening surplus balance in the statement of profit and loss.

Note 37 - Expenditure on corporate social responsibility (as per section 135 of the 2013 Act)

(a) Gross amount required to be spent by the company during the year ₹ 77.62 lakh (previous year ₹ 80.69 lakh).

(b) Amount spent during the year on; (included under expenditure on corporate social responsibility note 25)

₹ lakh

	In Cash	Yet to be paid in cash	Total
1. Construction / acquisition of any asset	- (-)	- (-)	- (-)
2. On purposes other than (1) above	79.68 (102.91)	- -	79.68 (102.91)

Previous year figures are in bracket



THE SANDUR MANGANESE & IRON ORES LIMITED

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 38 - Provisions - Disclosure of particulars as per Accounting Standard 29 are as under:

₹ lakh

Particulars of provisions	Opening balance as on 01.04.2015	Provision	Provision written back/ used	Closing balance as on 31.03.2016
Mine closure expenses	-	118.60	-	118.60

Note 39 - Exceptional item of ₹ 1,723 lakh relates to write back of provision (net of estimated expenses) towards Forest Development Tax for the years 2008 - 09 to 2011 - 12 in view of the Order of The Hon'ble High Court of Karnataka.

Note 40 - Additional information as required by Paragraph 2 of the General Instructions for preparation of consolidated financial statements to schedule III to the 2013 Act.

For the year ended March 31, 2016

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of profit	
	As % of consolidated net assets	Amount ₹ lakh	As % of consolidated profit	Amount ₹ lakh
Parent :The Sandur Manganese & Iron Ores Limited	66.38	24,141.80	129.67	957.99
Subsidiary :Indian - Star Metallica And Power Private Limited	41.56	15,112.23	(35.25)	(260.42)
Minority interest	(7.95)	(2,891.74)	5.58	41.23
Total	100.00	36,362.29	100.00	738.80

For the year ended March 31, 2014

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of profit	
	As % of consolidated net assets	Amount ₹ lakh	As % of consolidated profit	Amount ₹ lakh
Parent :The Sandur Manganese & Iron Ores Limited	61.22	21,998.15	56.34	1,435.63
Subsidiary :Indian - Star Metallica And Power Private Limited	46.94	16,868.52	53.27	1,357.42
Minority interest	(8.16)	(2,932.97)	(9.61)	(244.94)
Total	100.00	35,933.70	100.00	2,548.11

Note 41 - (a) Figures pertaining to SMPPL have been reclassified, where necessary, to bring them in line with the consolidated financial statements.

(b) The figures of the previous year have been regrouped/ reclassified, where necessary, to conform to the current year's classification.

Signature to notes 1 to 41
for and on behalf of the Board of Directors

S. Y. GHORPADE
Chairman & Managing Director

NAZIM SHEIKH
Joint Managing Director

Place : Bangalore
Date : 28 May 2016

MD. ABDUL SALEEM
CS & CGM (Mines)

K. RAMAN
Chief Financial Officer



Nomination Form

Form No. SH-13

[Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies
(Share Capital and Debentures) Rules, 2014]

To
The Sandur Manganese & Iron Ores Limited
Lakshmipur, Sandur – 583 119
Ballari District, Karnataka

I/We the holder(s) of the securities particulars
of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom
shall vest, all the rights in respect of such securities in the event of my/our death.

(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)

Nature of Securities	Folio No.	No. of Securities	Certificate No.	Distinctive No.

(2) PARTICULARS OF NOMINEE/S —

- (a) Name:
- (b) Date of Birth:
- (c) Father's/Mother's/Spouse's name:
- (d) Occupation:
- (e) Nationality:
- (f) Address:
- (g) E-mail id:
- (h) Relationship with the security holder:

(3) IN CASE NOMINEE IS A MINOR

- (a) Date of birth:
- (b) Date of attaining majority
- (c) Name of guardian:
- (d) Address of guardian:

Name of the Security

Holder (s) _____

Signature _____

Witness Name:

and signature: _____

Witness Address: _____



Cancellation or Variation of Nomination

Form No. SH-14

[Pursuant to sub-section (3) section 72 of the Companies Act, 2013 and rule 19(9) of the Companies (Share Capital and Debentures) Rules, 2014]

To
The Sandur Manganese & Iron Ores Limited
Lakshmipur, Sandur – 583 119
Ballari District, Karnataka

I/We hereby cancel the nomination(s) made by me/us in favor of _____

(name and address of the nominee) in respect of the below mentioned securities.

Or

I/We hereby nominate the following person in place of _____
as nominee in respect of below mentioned securities in whom shall vest all rights in respect of such securities in the event of my/our death.

(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)

Nature of Securities	Folio No.	No. of Securities	Certificate No.	Distinctive No.

(2) (a) PARTICULARS OF THE NEW NOMINEE/S:

- Name:
- Date of Birth:
- Father's/Mother's/Spouse's name:
- Nationality:
- Address:
- E-mail id:
- Relationship with the security holder:

(b) IN CASE NOMINEE IS A MINOR

- Date of birth:
- Date of attaining majority
- Name of guardian:
- Address of guardian:

Name of the Security

Holder (s) _____

Signature _____

Witness Name:

and signature: _____

Witness Address: _____



The Sandur Manganese & Iron Ores Limited

Regd. Office: Lakshmipur, Sandur - 583 119, Ballari District, Karnataka

ELECTRONIC CLEARING SERVICE (CREDIT CLEARING) ECS Mandate for payment of dividend on Equity Shares

1. First Shareholder's Name
(IN BLOCK LETTERS) :
2. Shareholders Folio No. :
3. Particulars of Bank Account
 - A Bank Name :
 - B Branch Name, Address & Phone Number :
 - C Account No.
(as appearing on the cheque book) :
 - D Account Type
(SB Account / Credit A/c or Cash Credit).
Please tick the correct box : ☐ S.B A/c ☐ Current A/c ☐ CC or Other A/c
 - E Ledger Folio No. of the Bank A/c.
(as if appearing on the Cheque Book) :
 - F 9 Digit Code No. of the Bank &
Branch appearing on the MICR
Cheque issued by the bank. :

I hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete information, I would not hold the Company responsible.

Date:

Signature of the First Shareholder

Note: Please attach photocopy of a cheque or a blank cancelled cheque relating to your above account for verifying the accuracy of the MICR.





The Sandur Manganese & Iron Ores Limited

CIN: L85110KA1954PLC00075

Registered office: Lakshmipur, Sandur – 583119, Ballari District, Karnataka

PROXY FORM

Form MGT-11

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s) :

Registered Address :

E-mail Id :

Folio No / Client Id :

DP ID. :

I / We, being the member(s) of _____ shares of the above named Company, hereby appoint

1. Mr./Ms. _____, _____
(name of the proxy) (signature of proxy)

Address

Email:

or failing him/her

2. Mr./Ms. _____, _____
(name of the proxy) (signature of proxy)

Address

Email:

or failing him/her

3. Mr./Ms. _____, _____
(name of the proxy) (signature of proxy)

Address

Email:

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 62nd Annual General Meeting of the Company, to be held on Wednesday, 14 September 2016, at 11.00 a.m.IST, and at any adjournment thereof in respect of such resolution as are indicated below:

RESOLUTIONS	FOR	AGAINST
Item No.1		
Item No.2		
Item No.3		

RESOLUTIONS	FOR	AGAINST
Item No.4		
Item No.5		
Item No.6		
Item No.7		

Signed this _____ day of _____ 2016

Signature of Shareholder _____

Signature of Proxy Holder(s) _____

Affix
Revenue
Stamp

NOTE: THIS FORM OF PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DULY COMPLETED AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.



The Sandur Manganese & Iron Ores Limited

Registered office: Lakshmipur, Sandur – 583119, Ballari District, Karnataka.
CIN: L85110KA1954PLC00075

Form No. MGT-12

Polling Paper

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1) (c) of the Companies (Management and Administration) Rules, 2014]

BALLOT PAPER

Sl. No.

1.	Name(s) of Shareholder(s) (in BLOCK LETTERS) (including Joint Holders, if any)	
2.	Registered Address of the Sole / First Named Shareholder	
3.	Regd. Folio / DP ID & Client ID No.:	
4.	Number of Shares held:	

I/We hereby exercise my/our vote in respect of the ordinary resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

Sl. No.	ITEM	No. of Shares	I / We "ASSENT" to the resolution (FOR)	I / We "DISSENT" to the resolution (AGAINST)
1	Adoption of a.) Audited Financial Statement of the Company for the financial year ended 31 March 2016 together with the reports of Auditors and the Directors b.) Audited Consolidated Financial Statements for the financial year ended 31 March 2016 together with the reports of Auditors thereon			
2	To declare dividend on equity shares.			
3	To appoint a Director in place of U.R. Acharya (DIN-00135676) who retires by rotation and being eligible, offers himself for re-appointment			
4	To ratify the appointment of Deloitte Haskins & Sells LLP, Chartered Accountants, as Statutory Auditors, of the Company to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting.			
5	To ratify the remuneration payable to the Cost Accountants, M/s. Kamalakara & Co for conducting Cost Audit for the Financial Year 2016-17 as recommended by the Audit Committee and approved by the Board of Directors.			
6	To consider appointing K.V. Ramarathnam (DIN-00097892) as a Non-Executive Director, liable to retire by rotation			
7	To consider appointing T.R. Raghunandan (DIN-03637265) as a Non-Executive Director, liable to retire by rotation			

Place :

Date :

Signature of the Shareholder