



The Sandur Manganese & Iron Ores Limited

Estd: 1954

65th Annual Report 2018-19



*'Satyalaya', Registered Office
Sandur*

2014-15, 2015-16, 2016-17



• 5 STAR RATING

Awarded by
Ministry of Mines
& Indian Bureau of Mines

*"Continuing to do mining with
the heart and concern for environment,
welfare of its employees and the people of
Sandur and neighboring rural areas"*



The Sandur Manganese & Iron Ores Limited

ANNUAL REPORT 2018-19

DIRECTORS

S. Y. Ghorpade, Chairman
Nazim Sheikh, Managing Director
V. Balasubramanian, Director¹
(* Retired w.e.f. 1 April 2019)
B. Ananda Kumar, Director
S. S. Rao, Director
Vatsala Watsa, Director
K. V. Ramarathnam, Director
T. R. Raghunandan, Director
G. P. Kundargi, Director
Rajnish Singh, Director (Corporate)
P. Anur Reddy, Director²
(* Appointed w.e.f. 30 May 2018)
Lakshmi Venkatachalam, Director³
(* Appointed w.e.f. 27 June 2018)
Latha Pillai, Additional Director⁴
(* Appointed w.e.f. 8 March 2019)
H. L. Shah, Additional Director⁵
(* Appointed w.e.f. 27 May 2019)
Jagadish Rao Kote, Additional Director⁶
(* Appointed w.e.f. 27 May 2019)

COMPANY SECRETARY & COMPLIANCE OFFICER

Divya Ajith

CHIEF FINANCIAL OFFICER

Sachin D. Sanu

AUDITORS

R. Subramanian and Company LLP,
Chennai

SHARE TRANSFER AGENTS

M/s. Venture Capital & Corporate
Investments (P) Ltd. Hyderabad

AUDIT COMMITTEE

B. Ananda Kumar, Chairman
V. Balasubramanian, Member*
(* Retired w.e.f. 1 April 2019)
S. S. Rao, Member
Vatsala Watsa, Member
K. V. Ramarathnam, Member
T. R. Raghunandan, Member
G. P. Kundargi, Member
P. Anur Reddy, Member
Lakshmi Venkatachalam, Member

NOMINATION & REMUNERATION COMMITTEE

K. V. Ramarathnam, Chairman
S. S. Rao, Member
Vatsala Watsa, Member
G. P. Kundargi, Member
P. Anur Reddy, Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

Vatsala Watsa, Chairperson
S. Y. Ghorpade, Member
Nazim Sheikh, Member
T. R. Raghunandan, Member
G. P. Kundargi, Member
Rajnish Singh, Member
Latha Pillai, Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

T. R. Raghunandan, Chairman
S. Y. Ghorpade, Member
Nazim Sheikh, Member
V. Balasubramanian, Member*
(* Retired w.e.f. 1 April 2019)
Rajnish Singh, Member
Lakshmi Venkatachalam, Member

PROJECT COMMITTEE

S. S. Rao, Chairman
S. Y. Ghorpade, Member
Nazim Sheikh, Member
B. Ananda Kumar, Member
K. V. Ramarathnam, Member
Rajnish Singh, Member
Lakshmi Venkatachalam, Member

PRODUCT DEVELOPMENT COMMITTEE

G. P. Kundargi, Chairman
S. Y. Ghorpade, Member
Nazim Sheikh, Member
B. Ananda Kumar, Member
K. V. Ramarathnam, Member
Rajnish Singh, Member
Lakshmi Venkatachalam, Member

FINANCIAL PLANNING COMMITTEE

Lakshmi Venkatachalam, Chairperson
S. Y. Ghorpade, Member
Nazim Sheikh, Member
V. Balasubramanian, Member*
(* Retired w.e.f. 1 April 2019)
S. S. Rao, Member
Vatsala Watsa, Member
T. R. Raghunandan, Member
Rajnish Singh, Member

ENVIRONMENT COMMITTEE

P. Anur Reddy, Chairman
S. Y. Ghorpade, Member
Nazim Sheikh, Member
B. Ananda Kumar, Member
Rajnish Singh, Member

RISK MANAGEMENT COMMITTEE

K. V. Ramarathnam, Chairman
S. Y. Ghorpade, Member
Nazim Sheikh, Member
V. Balasubramanian, Member*
(* Retired w.e.f. 1 April 2019)
B. Ananda Kumar, Member
S. S. Rao, Member
Vatsala Watsa, Member
T. R. Raghunandan, Member
G. P. Kundargi, Member
Rajnish Singh, Member
P. Anur Reddy, Member
Lakshmi Venkatachalam, Member

REGISTERED OFFICE

'Satyalaya', Door No. 266 (Old No.80), Ward No.1, Behind Taluk Office, Sandur - 583 119, Ballari District, Karnataka, India
CIN: L85110KA1954PLC000759



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CHAIRMAN'S MESSAGE

S.Y. GHORPADE, Chairman
The Sandur Manganese & Iron Ores Limited

Dear Shareholders,

I extend to you all a very cordial welcome to the 65th Annual General Meeting of the Company.

Financial Performance

The year ended with a total income of about ₹ 720 crore (cr), an increase of ₹97 cr or 16% over the previous year. This is attributed to improved sales volume and prices of all products comprising ores and silico-manganese.

Production of ores were contained within the Maximum Permissible Annual Production (MPAP) limit of 1.6 million tonnes (Mt) for iron ore and 0.285 Mt for manganese ore. With sales of 1.5 Mt iron ore and 263 kilotonne (kt) of Mn ore, the turnover was ₹319 cr and ₹165 cr, respectively. This was bolstered by silicomanganese sales of 33 kt to yield a turnover of ₹203 cr. Higher Mn ore output and better grades helped this record sales.

Because the Company made a net profit after tax of about ₹ 142 cr against ₹ 107 cr in FY18, the Board of Directors are pleased to recommend 35% final dividend in addition to 35% interim dividend for FY19 as morale booster for better things to come.

Mining Prospects

To promote capital build-up and reinforce the Company's 1-Mt steel plant project in progress, it is important to pursue enhancement of iron ore production from 1.6 Mtpy to 3.85 Mtpy. This is all the more important in the light of

nearly 40 mining leases in Karnataka expiring in 2020 followed by e-auctioning. It is a gloomy prospect so far as supply disruption of iron ore goes. In this context, SMIORE had applied way back in 2009 for production enhancement, but processing the application was suspended due to the Supreme Court's ban on mining on 29 July 2011. The Company recently followed up the application, updating all clearances at the behest of Ministry of Environment, Forest and Climate Change (MoEFCC). Hopefully, the approval for enhancement to 3.85 Mtpy will be obtained soon.

The Government of Karnataka amending the penalty on buyers of ore by the Mines & Geology Department for delayed registration would certainly help not only the buyer but also the seller for enlarging the market potential.

This will strengthen the Company's resolve to undertake infrastructural development at mines such as (i) Downhill Conveyor System (DCS), mandatory for green transportation; (ii) concreting or blacktopping of about 30 km Mines' internal roads and joint participation in construction of about 35 km of vital evacuation routes, and (iii) housing for workers to improve their living conditions. The Company has allocated a budget of ₹80 cr for these projects out of the total capital outlay of ₹600 cr in Stage 1 of Phase 1 of the

1 Mtpa Steel Plant Project.

Industrial Development

On the industrial front, the 1-Mt Steel Project, approved by the Govt of Karnataka in 2014, took off with the construction work of 400-kt py vertical coke oven batteries (112 ovens) in July 2018. After crucial preheating of the ovens, 50% of coke output is expected in November from two sets of batteries and the remaining two by February 2020 to begin full scale commercial production. Once this is commissioned, the power generated by the hot gases from the coke covens will be fully utilized in the ferro alloy plant, which is undergoing installation of a new furnace, repair & refurbishment of two existing furnaces.

A new 24-MVA submerged arc furnace (No.5) is being installed on the site of the old 20-MVA furnace (No.2) by Ghalsasi Smelters (P) Ltd. The electrode regulation system of the old submerged arc furnaces (No.1 & 3) will be refurbished by the state-of-art technology, also by Ghalsasi Smelters (P) Ltd. These will be housed in a lower-hood design, protecting the components from hazardous heat atmosphere for trouble-free maintenance. This will also be equipped with the modern electrode regulation system, designed specifically for Mn alloy smelting. Purpose of this refurbishment and installation plan, is to ensure that at least two furnaces are in operation at any time to optimize the use of potential



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216 GWH of energy per year and restrict the sale of less viable surplus energy to the grid.

Cost of gas-fired power is substantially cheaper than the current coal-fired thermal power. Consequently, the production of ferroalloys will become more viable and will have a competitive edge when prices fluctuate, triggered by demand-supply forces.

Given the conditions for steady-state operations, both consistent quality and productivity are assured. Relatively maintenance-free operation is an elixir for continuous process operations.

The 400-kt metallurgical coke produced per annum would be sold to neighbouring steel plants and foundries. The installed capacity would constitute 50 per cent of local demand, other than that of JSW-the major steel producer. Once the power plant and the ferroalloy plant operations are stabilized, we could confidently proceed with the installation of the blast furnace for pig iron smelting in Stage II of Phase-1. This would require half the coke produced and promote value addition of iron ore by way of 70% sinter feed.

Steel production is a measure of economic health of a nation. It is heavily dependent on infra-structural growth. Planning for future challenges, the National Steel Policy 2017 envisages 300 Mt of steel production by 2030-31. This is aimed at raising the per capita consumption to 168 kg from 64 kg today, yet much lower than the

global average of 214 kg. Buoyancy in construction, housing rail and road making, ports and automobile sectors would ensure a healthy GDP (Gross Development Product).

Corporate Social Responsibility & Corporate Environment Responsibility

The Company has spent ₹ 1.7 cr in FY19 and is required to spend ₹3.1 cr in FY20 corresponding to 2% of previous three-years average net profit. Most of this will be expended for 600 scholarships (53%) to needy children under the Sandur Vidya Protsaha Scholarship Scheme and the MYG Special Training Centre for rehabilitation of child labour; the rest (47%) for Health and Sanitation Program and other local needs.

Besides CSR, the Company has also embarked upon local area development projects in the neighborhood of its ferroalloy and steel plant projects, including mining buffer zone areas, as part of its Corporate Environment Responsibility (CER), mandated by the Ministry of Environment, Forest and Climate Change. The budget for CER is ₹70 crore, representing 3% of the capital expenditure of the steel plant project. The Company has already spent ₹7 cr, and has earmarked ₹16 cr for FY20. The actual and budgetary expenditure are deployed towards education, health, hygiene and other developmental works crucial to the local area, and will progressively increase with capital investment in the steel project. Indeed, industrial growth in the region will promote

economic growth that benefits the community and the society at large.

Employee Welfare

As is customary, employee welfare is the Company's major ethos of business. To provide better and more effective food security, the Company has enlarged its ration supply scheme. The earlier package comprised rice, jowar, wheat, toor dal, jaggery, cooking oil, gram dal, chillies, and rava. Besides these nine essential commodities, six more are included in the new scheme-sugar, urad dal, puffed rice, moong dal, groundnuts, and fried gram dal (or puttane).

The nutritious diet of essential commodities is designed to meet the monthly requirement of a family of five persons. The hallmark of this revised scheme is providing an eligible employee with subsidized food package at ₹145 based on 1972 prices, as against actual cost of ₹3200 at today's market rates. Significantly, the employee's take-home salary is bolstered and his measure of satisfaction intensified. Thus, the Company's basic objective of raising the standard of living is achieved.

Acknowledgment

I take this opportunity to thank all Directors on the Board for their keen interest and valuable guidance. I would also like to thank our bankers who have come forward to support us in financing Stage 1 of the Project. We are indeed grateful to the Central and State Governments for their constant support. Also, I wish to convey my thanks to our loyal workforce which has extended its wholehearted cooperation for a better future.



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Registered Office: 'SATYALAYA', Door No. 266 (Old No. 80), Ward No. 1
Behind Taluk Office, Sandur - 583119, Ballari District, Karnataka
CIN:L85110KA1954PLC000759; Website: www.sandurgroup.com
Telephone: +91 8395 260301 Fax: +91 8395 260473

NOTICE

Notice is hereby given that the Sixty-fifth Annual General Meeting of Members of the Company will be held on Saturday, 21st day of September 2019 at 11.00 a.m. at Golden Jubilee Hall, Sandur Residential School, Palace Road, Shivapur, Sandur - 583 119 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt:
 - a. Audited Financial Statements of the Company for the financial year ended 31 March 2019, together with the Reports of the Board of Directors and the Auditors thereon; and
 - b. Audited Consolidated Financial Statements for the financial year ended 31 March 2019, together with the Report of the Auditors thereon.
2. To confirm interim dividend of ₹3.50/- per equity share already paid and declare final dividend of ₹3.50/- per equity share for the financial year ended 31 March 2019.
3. To appoint a Director in place of Vatsala Watsa (DIN : 02626457) who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS

4. **To approve appointment of Ms. Latha Pillai (DIN : 08378473) as an Independent Director:**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Latha Pillai (DIN: 08378473), who was appointed as an Additional Director of the Company with effect from 08 March 2019, and who holds office up to the date of ensuing Annual General Meeting, in terms of Section 161 of the said Act and in respect of whom, the Company has received a notice in writing, pursuant to the provisions of Section 160 of the said Act, proposing the candidature for the office of Director and whose candidature has also been recommended by the Nomination and Remuneration Committee, be and is hereby appointed as an Independent Director of the Company, to hold office for a period of five

consecutive years with effect from 08 March 2019 to 07 March 2024 and whose office shall not be liable to retirement by rotation."

5. **To consider appointment of Mr. Hemendra Laxmidas Shah (DIN:00996888) as a Non-Executive Director:**

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

"RESOLVED THAT pursuant to the provisions of Sections 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Hemendra Laxmidas Shah (DIN:00996888), who was appointed as an Additional Director of the Company with effect from 27 May 2019, and who holds office up to the date of ensuing Annual General Meeting, in terms of Section 161 of the said Act and in respect of whom, the Company has received a notice in writing, pursuant to the provisions of Section 160 of the said Act, proposing the candidature of Hemendra Laxmidas Shah for the office of Director and whose candidature has also been recommended by the Nomination and Remuneration Committee, be and is hereby elected and appointed as a Non-Executive Director of the Company liable to retire by rotation."

6. **To approve appointment of Mr. Jagadish Rao Kote (DIN:00521065) as an Independent Director:**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Jagadish Rao Kote (DIN: 00521065), who was appointed as an Additional Director of the Company with effect from 27 May 2019, and who holds office up to the date of



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ensuing Annual General Meeting, in terms of Section 161 of the said Act and in respect of whom, the Company has received a notice in writing, pursuant to the provisions of Section 160 of the said Act, proposing the candidature for the office of Director and whose candidature has also been recommended by the Nomination and Remuneration Committee, be and is hereby appointed as an Independent Director of the Company, to hold office for a period of three consecutive years with effect from 27 May 2019 to 26 May 2022 and whose office shall not be liable to retirement by rotation.”

7. To ratify approval of the Board of Directors fixing cost auditor's remuneration for financial year 2019-20:

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 ₹2 lakh 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 for the financial year 2019-20, as recommended by the Audit Committee and approved by the Board of Directors, be and is hereby ratified.”

NOTES

1. Relevant details of the person seeking re-appointment as Director under Item No. 3 of the Notice, as required under Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, are annexed hereto.
2. **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 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 appropriate resolution of the board of directors or other governing body.

3. Corporate members intending to send their Authorised Representatives to attend and vote at the meeting are requested to ensure that the Authorised Representative carries a duly certified true copy of the board resolution, power of attorney or such other valid authorization, authorizing him/her to attend and vote at the Meeting.
4. Pursuant to the provisions of Section 91 of the Companies Act, 2013 and Regulation 42 of the SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015, the Register of Members and Share Transfer Books of the Company will be closed from **Monday, 16 September 2019 to Saturday, 21 September 2019 (Both days inclusive)**.
5. The Company has fixed Saturday, 14 September 2019 as the 'Record date' for the purpose of determining the member's eligibility for final dividend, if declared at the Meeting. 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 Depository Participants will be used for distribution of dividend through ECS.
6. Members are requested to quote their Folio Number/ Client ID, in all correspondence and intimate any change, pertaining to their name, postal address, email address, telephone/ mobile numbers, mandates, nominations, bank details to the Share Transfer Agent/ Depository Participant promptly.
7. In accordance with the provisions of Section 72 of the Companies Act, 2013, Members are entitled to make nomination in respect of the equity shares held by them. Member holding shares in physical mode and desirous of making nomination may submit duly filled Nomination Form - Form SH-13 appended in the Annual Report to Venture Capital & Corporate Investments Private Limited, Share Transfer Agent of the Company. Member holding shares in electronic mode may contact their respective Depository Participants for availing the nomination facility.
8. In line with directions of the SEBI, the Company through its Registrar and Transfer Agent is required to collect copy of PAN, and bank account details of all securities holders holding securities in physical form. Accordingly, members are advised to provide bank account details (Name of Bank, Branch, Bank Account Number, MICR and IFSC) along with original cancelled cheque bearing your name or copy



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of bank passbook /statement attested by the bank along with self-attested copy of PAN for updating Company records.

9. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with Share Transfer Agent in case the shares are held by them in physical form.
10. 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 / 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.
11. Pursuant to the provisions of Sections 124(5) of the Companies Act, 2013, 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 Investor 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 27 May '19 (in ₹)	Date of declaration	Due date for transfer to IEPF
2013-14 (Final dividend)	1,38,108	27 Sept 2014	3 Nov 2021
2014-15 (Final dividend)	1,50,294	19 Sept 2015	26 Oct 2022
2015-16 (Final dividend)	1,55,082	14 Sept 2016	21 Oct 2023
2016-17 (Interim dividend-I)	2,06,160	12 Nov 2016	19 Dec 2023
2016-17 (Interim dividend-II)	86,890	31 Mar 2017	7 May 2024
2016-17 (Final Dividend)	1,59,230	26 Sept 2017	2 Nov 2024
2017-18 (Interim Dividend)	4,67,870	27 Dec 2017	2 Feb 2025
2017-18 (Final Dividend)	1,94,874	1 Sept 2018	07 Oct 2025
2018-19 (Interim Dividend)	2,82,177	14 Nov 2018	21 Dec 2025

Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the IEPF. The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in Form No. IEPF-5 available on www.iepf.gov.in.

12. The route map showing directions to reach the venue of the 65th Annual General Meeting is annexed.
13. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, 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 65th Annual General Meeting (AGM) through e-Voting Services provided by National Securities Depository Limited (NSDL). The voting period begins on 18 September 2019 at 10.00 AM and ends on 20 September 2019 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 14 September 2019, may cast their vote electronically.

VOTING THROUGH ELECTRONIC MODE

The details of the process and manner for remote e-voting are explained herein below:

Step 1: Log-in to NSDL e-voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-voting website?

- (A) Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- (B) Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
- (C) A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.



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Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.

(D) Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
(a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID. For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN 300***12*****
(b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID. For example, if your Beneficiary ID is 12***** then your user ID is 12*****
(c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company. For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

(E) Your password details are given below:

- If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - If your email ID is not registered, your 'initial

password' is communicated to you on your postal address.

(F) If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

(G) After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

(H) Now, you will have to click on "Login" button.

(I) After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-voting system?

- After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles.
- After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- Select "EVEN" of company for which you wish to cast your vote.
- Now you are ready for e-voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for Members

- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/



The Sandur Manganese & Iron Ores Limited

Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to postalballot@sandurgroup.com with a copy marked to evoting@nsdl.co.in.

(B) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

(C) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

14. 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.

15. The e-voting period commences on Wednesday, 18 September 2019 at 10.00 a.m. and ends on Friday, 20 September 2019 at 5.00 p.m. During this period, Members holding shares either in physical form or in dematerialized form, as on Saturday, 14 September 2019, i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he/she shall not be allowed to change it subsequently or cast the vote again.

16. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of voting, either through remote e-voting or voting at the AGM through ballot or polling paper.

17. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if

he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

18. 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.

19. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

20. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.sandurgroup.com and on the website of NSDL www.evoting.nsdl.com immediately. The Company shall simultaneously forward the results to BSE Limited, where the shares of the Company are listed. The results shall also be displayed on the notice board at the Registered Office of the Company.

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

DIVYA AJITH
Company Secretary

Place: Bengaluru
Date: 27 May 2019



The Sandur Manganese & Iron Ores Limited

ANNEXURE

(Refer Item No.3 of the Notice of AGM)

DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

Information required to be furnished in compliance with Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided hereunder:

Name of Director	Ms. Vatsala Watsa (DIN:02626457),
Date of Birth	01 January 1951
Date of Appointment in current term	26 September 2017
Qualifications	M. A. (English Language, Literature & Economics), Diploma in Business Administration
Experience	Retired I.A.S. officer who held the position of Chairperson of Bangalore Development Authority, Government of Karnataka (GoK) before her retirement from the Indian Administrative Service on 31 December 2012. During her 39 years in the Indian Administrative Service she held various important positions, including Deputy Commissioner, Tumkur, Secretary of the Karnataka Public Service Commission, Deputy Secretary (Budget & Resources) in the Finance Department, Director, Economics & Statistics, Managing Director of Karnataka Handicrafts Development Corporation and Karnataka Silk Industries Corporation, Secretary of Finance and Co-operation Departments, Principal Secretary of Tourism, Higher Education, Labour, Administrative Reforms and Home Departments and Additional Chief Secretary. She also held the position of Controller, Indian Satellite Research Organisation (ISRO), Department of Space. She is member of the Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee and Financial Planning Committee. She is also a director of Ansata Hotels Private Limited.
Expertise in specific functional areas	Accounting/Finance, Business Administration
Names of other listed entities in which the person holds the directorship and the membership of Committees of the board	Nil
Relationships between directors inter-se	She is related to T. R. Raghunandan, Non-Executive Director of the Company as a sibling.
Shareholding	She does not hold any shares in the Company.

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

Place : Bengaluru
Date : 27 May 2019

DIVYA AJITH
Company Secretary



The Sandur Manganese & Iron Ores Limited

STATEMENT UNDER SECTION 102 AND SECTION 110 OF THE COMPANIES ACT, 2013

ITEM No. 4

Ms. Latha Pillai (DIN: 08378473), born on 18 October 1959, graduated in B.A. (Psychology) and post-graduated in M.A. (Applied Psychology) and Doctor of Philosophy (Ph.D.) (Applied Psychology). She is an educational administrator with more than three decades of experience in the field of higher education. Her areas of professional interest include quality assessment and evaluation, promotion of women in governance and academic leadership. She has worked in institutions related to different aspects of higher education, Policy and Planning - University Grants Commission (UGC), Open and Distance Learning - Indira Gandhi National Open University (IGNOU) and Youth Development - Rajiv Gandhi National Institute of Youth Development (RGNIYD), and is presently working as Adviser, National Assessment and Accreditation Council (NAAC), Bengaluru. Dr. Latha Pillai is associated with NAAC since 1994 and has made significant contributions towards institution building. She is the recipient of Endeavour Australia Cheung Kong Research Fellowship, by the Australian Government, Monash University, Melbourne, Australia; USIA International Visitors Programme, USA; International Resident Fellow, University of Calgary, Canada and Jawaharlal Nehru Birth Centenary Award for 2012, instituted by the Indian Science Congress Association. She has participated in many national and international conferences / seminar as an invited speaker. Her contributions in the spheres of capacity building of women administrators in Higher education and mainstreaming vocational education have received academic acclaim. She has been nominated to various Committees of UGC; MHRD; FICCI and CII, to name a few.

In pursuance of Section 161 of the Companies Act, 2013, Ms. Pillai was co-opted as an Additional Director on the Board with effect from 08 March 2019, and holds office upto the date of ensuing 65th Annual General Meeting of the Company.

The Board has at its meeting held on 08 March 2019, based on the recommendation of the Nomination & Remuneration Committee, recommended for appointment of Ms. Latha Pillai, who is eligible to be appointed as an Independent Director of the Company to hold office from 08 March 2019 to 07 March 2024.

Presently, she does not hold directorship in any other company. She does not hold any shares in the Company. She is not related to any directors on the Board of the Company.

The Board is of the view that the Company stands to gain from the induction of Ms. Pillai on the Board. Declaration has been received from Ms. Pillai that she meets the criteria of Independence prescribed under Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of the Listing Regulations 2015. In the opinion of the Board, Ms. Pillai fulfils the conditions specified in the Act, the Rules thereunder and the Listing Regulations, 2015 for being appointed as an

Independent Director and that she is independent of the management of the Company.

The Board recommends the Ordinary Resolution at Item No. 4 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 Ms. Latha Pillai.

ITEM No. 5

Mr. Hemendra Laxmidas Shah (DIN:00996888), born on 25 November 1953, graduated in 1974 from N. M. College of Commerce & Economics, Mumbai (Affiliated to Mumbai University). Qualified as a Chartered Accountant in 1980 from 'The Institute of Chartered Accountants in England and Wales'(ICAEW) and is associate member of ICAEW and also, a Fellow Member of 'The Institute of Chartered Accountants of India'.

Mr. H. L. Shah has a rich experience of 38 years with A. F. Ferguson & Co. / Deloitte India of which he has served 30 years as a Partner. He joined the Firm in September 1981 and retired on 31 March 2019. During this period, he has gained all round experience in managing all aspects of professional practice.

He possesses a vast experience in Audit and Assurance function and has served Indian and Multinational clients (both small and large, listed and unlisted) covering industries such as Automobiles & Auto Ancillaries, Information Technology, Engineering, Power, Pharmaceuticals, Telecommunication, Fertilizers & Petrochemicals etc. He has exposure to Euro Issues, Indian Public Offerings, due diligence, Corporate Governance, etc.

In pursuance of Section 161 of the Companies Act, 2013, Mr. Shah was co-opted as an Additional Director on the Board with effect from 27 May 2019, and holds office upto the date of ensuing 65th Annual General Meeting of the Company.

The Board has further, based on the recommendation of the Nomination & Remuneration Committee, recommended for appointment of Mr. Shah as a Non-Executive Director, whose office shall be liable to retire by rotation.

The Board is of the view that the Company stands to gain from the induction of Mr. Shah on the Board of the Company.

The Board of Directors recommends the Ordinary Resolution at Item No.5 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 resolution except Mr. H. L. Shah, who is interested in this resolution relating to him.



The Sandur Manganese & Iron Ores Limited

ITEM No. 6

Mr. Jagadish Rao Kote (DIN:00521065), born on 15 May 1957, graduated in B. Tech (Electronics and Communications) from Mysore University where he secured first rank. He is also, the recipient of the Kirloskar Memorial Award for being an outstanding student. He completed his post-graduation in M. Tech (Industrial Electronics). He is also, a Fellow member of the Institute of Cost and Management Accountants of India and has completed professional level of the examination conducted by the Institute of Company Secretaries of India. He is presently, pursuing his Doctoral studies in Power systems under VTU. He is a result-oriented technocrat with over 35 years of industrial and techno-managerial experience in the areas of Strategy Planning, Project Management, Embedded Systems Design Engineering and Electronic Designs. He is currently associated as a professor at reputed college of engineering, Bangalore.

In pursuance of Section 161 of the Companies Act, 2013, Mr. Kote was co-opted as an Additional Director on the Board with effect from 27 May 2019, and holds office upto the date of ensuing 65th Annual General Meeting of the Company.

The Board has at its meeting held on 27 May 2019, based on the recommendation of the Nomination & Remuneration Committee, recommended for appointment of Mr. Jagadish Rao Kote, who is eligible to be appointed as an Independent Director of the Company to hold office from 27 May 2019 to 26 May 2022.

Presently, he does not hold directorship in any other company. He does not hold any shares in the Company. He is not related to any directors on the Board of the Company.

The Board is of the view that the Company stands to gain from his induction on the Board of the Company. Declaration has been received from Mr. Kote that he meets the criteria of Independence prescribed under Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of the Listing Regulations 2015. In the opinion of the Board, Mr. Kote fulfils the conditions specified in the Act, the Rules thereunder and the Listing Regulations, 2015 for being appointed as an Independent Director and that he is independent of the management of the Company.

The Board of Directors recommends the Ordinary Resolution at Item No.6 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 resolution except Mr. Jagadish Rao Kote, who is interested in this resolution relating to him.

ITEM No.7

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, the Board of Directors has accorded its approval for appointment of M/s. Kamalakara & Co., as Cost Auditor for the financial year 2019-20, at a remuneration of ₹2 lakh plus applicable taxes 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 been conducting audit of Company's cost records since 2012-13.

The Ordinary Resolution at Item No.7 for ratification of their remuneration is proposed and accordingly, recommended for approval.

Interest of Directors, Key Managerial Personnel and their relatives.

None of the Directors or Key Managerial Personnel of the Company including their relatives is interested or concerned in the Resolution.

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

DIVYA AJITH
Company Secretary

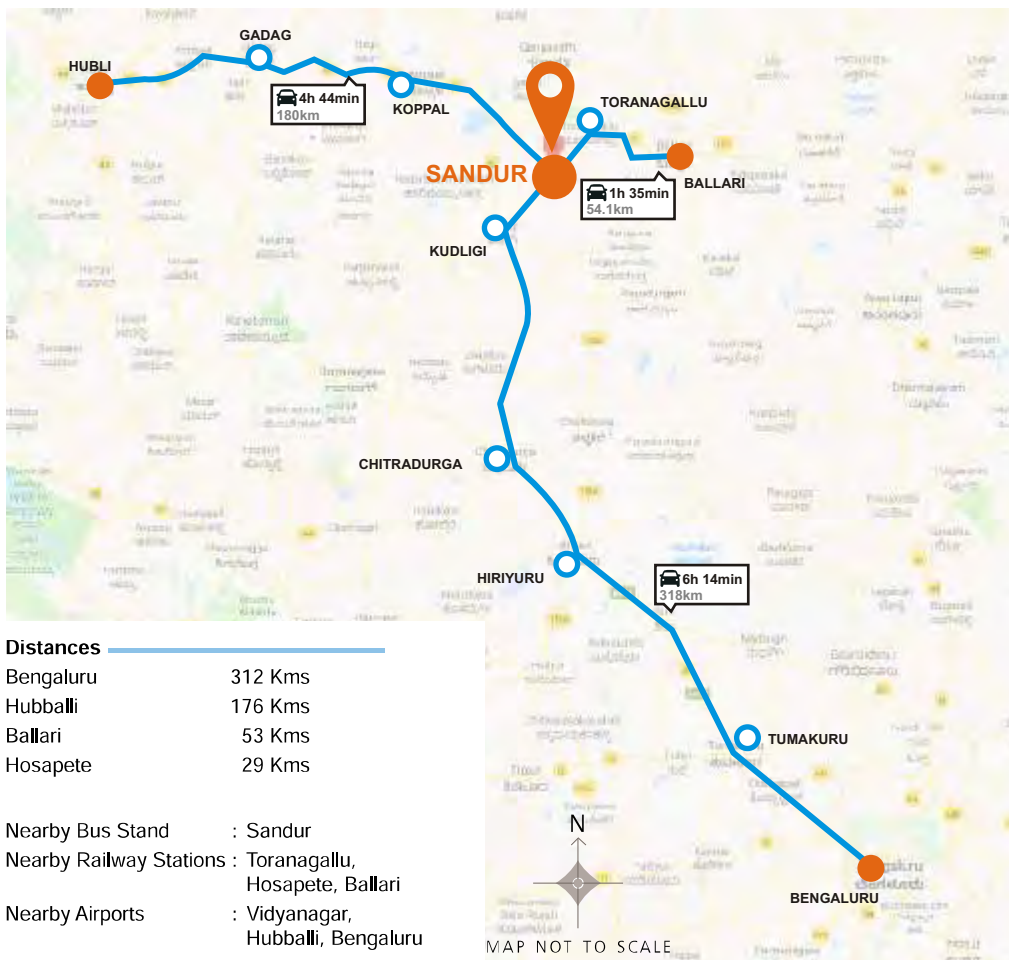
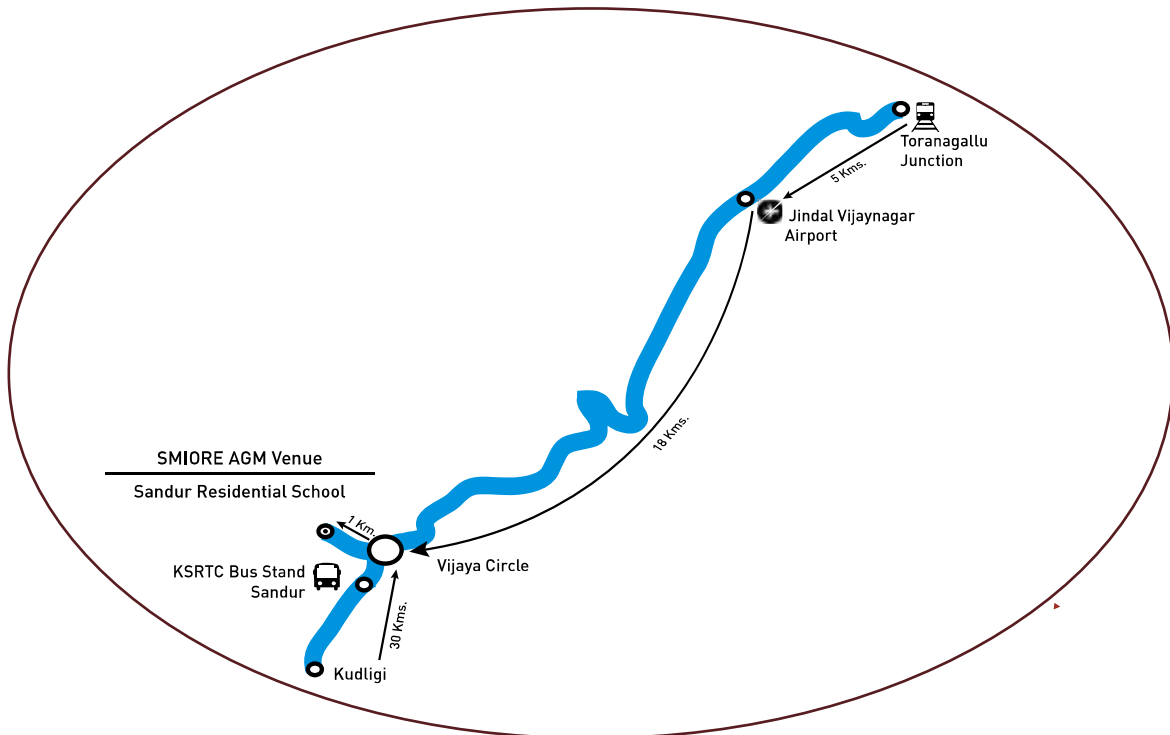
Place : Bengaluru
Date : 27 May 2019



The Sandur Manganese & Iron Ores Limited

ROUTE MAP - AGM Venue

Ph : 08395 260301





The Sandur Manganese & Iron Ores Limited



'Satyalaya' - Registered Office, Sandur

Glimpses of the Project



Coke Oven Plant under construction



Waste Heat Recovery Boiler under construction



The Sandur Manganese & Iron Ores Limited

Continued...



Battery 3 Refractory



Conveyor Gallery



24 MVA Furnace Electrode Assembly



Coke Oven Battery



Coke Oven Flue Tunnel



Reservoir



The Sandur Manganese & Iron Ores Limited

Glimpses of Mines



Environmental Protection Measures at Mines



Manganese Ores Mines



The Sandur Manganese & Iron Ores Limited

Corporate Environment Responsibility (CER) and Community Development Works



Almost 1000 toilets being constructed around the Metal and Ferroalloys (MFA) Plant;
Drinking Water Plant being set up in villages around the MFA Plant.



Newly constructed Galemmana Temple



The Sandur Manganese & Iron Ores Limited

Corporate Environment Responsibility (CER) and Community Development Works



1



2



3

1. Arogya Community Health Centre
2. Ambulance for Outreach Programme
3. Cataract Surgery at Arogya Community Health Centre

Sandur Residential School



New Diamond Jubilee Block,
Sandur Residential School

SMIOR sponsors more than 600 Sandur Vidya Protsaha Scholarships (SVPS), which provides 50 % of fees to children of Sandur.





The Sandur Manganese & Iron Ores Limited

Community Development Works



**Bharat Scouts and Guide Camp
held at Mines, Deogiri**

Inauguration of Diamond Jubilee Block, Sandur Residential School, Sandur



1



2



3

- 1 Inauguration of Diamond Jubilee Block of Sandur Residential School L-R: **Shri Nazim Sheikh** - Managing Director, **Smt. Suryaprabha A. Ghorpade**, **Smt. Yashodara S. Ghorpade**, Hon'ble Justice **Shri Santosh Hegde** - Former Lokayukta, Karnataka State, Hon'ble Justice **Shri P. Vishwanatha Shetty** - Lokayukta, Karnataka State, **Shri S. Y. Ghorpade** - Chairman, **Smt. Sumeira Sheikh**
- 2 Hon'ble Justice **Shri P. Vishwanatha Shetty** - Lokayukta, Karnataka State addressing the gathering at Diamond Jubilee Celebrations of Sandur Residential School, Sandur
- 3 Hon'ble Justice **Shri Santosh Hegde** - Former Lokayukta, Karnataka State delivering the SRS Diamond Jubilee Adarsha Lecture on 'Fall in social values and consequences thereof'



The Sandur Manganese & Iron Ores Limited

18th Mines Environment and Mineral Conservation Week Celebration (MEMC), 2018-19



INAUGURATION OF MEMC, 2018-19 HOSTED BY THE COMPANY

Left to Right: **Md. Abdul Saleem** - Vice President (Mines),
Nazim Sheikh - Managing Director,
Dr. K. Rajeshwar Rao - Additional Secretary, Minister of Mines, Government of India,
Controller General - Indian Bureau of Mines and Chairman - National Mineral Policy 2019,
S. Y. Ghorpade - Chairman,
G. C. Veena - Regional Controller of Mines, Indian Bureau of Mines,
G. P. Kundargi - Independent Director and Member - Expert Appraisal Committee,
Ministry of Environment, Forest and Climate Change.



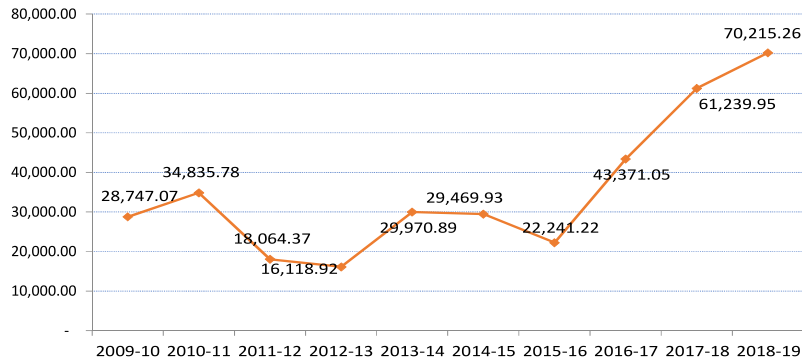
The Company receiving award at the Mines Environment and Mineral Conservation (MEMC) week celebration held under the aegis of the Indian Bureau of Mines.



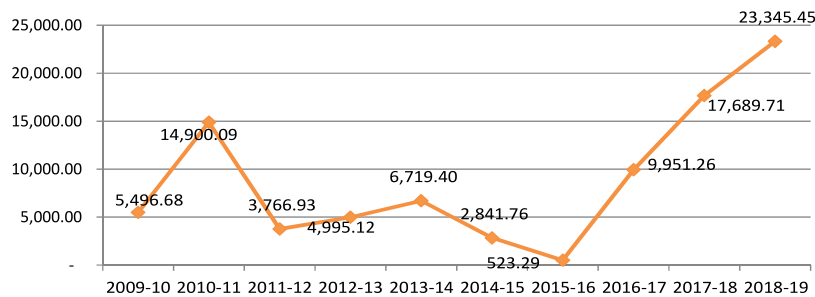
The Sandur Manganese & Iron Ores Limited

10 Years at a Glance

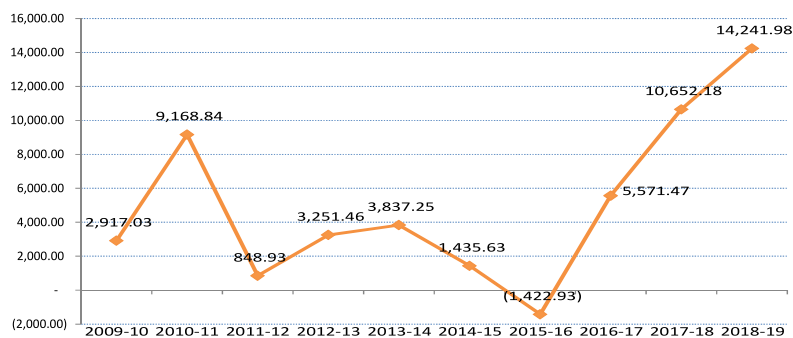
Revenue (₹ lakh)



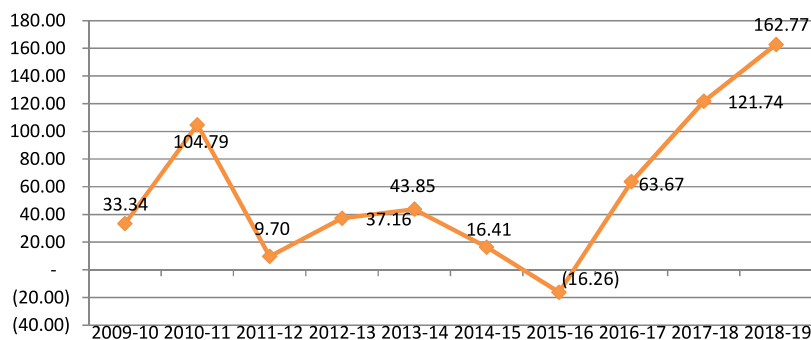
EBITDA (₹ lakh)



Net Profit (₹ lakh)



Earnings per Share (₹)

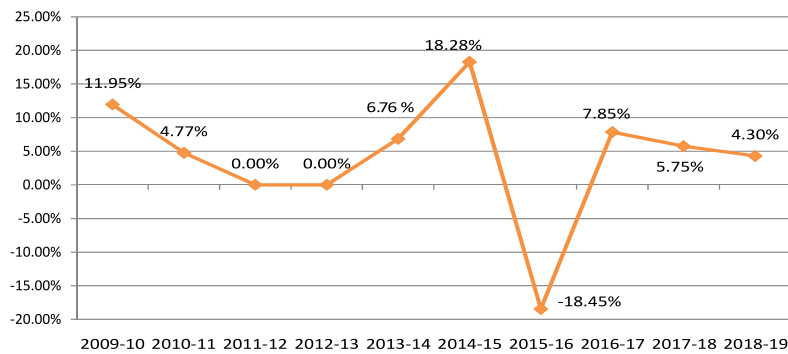




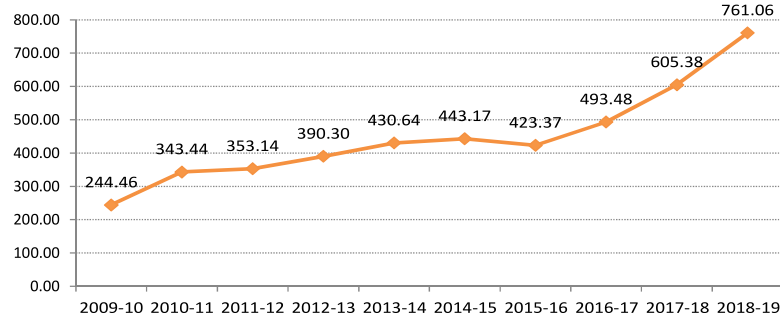
The Sandur Manganese & Iron Ores Limited

10 Years at a Glance

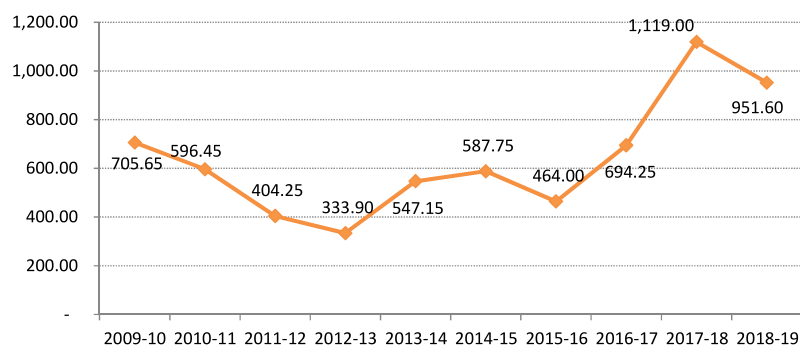
Dividend Payout Ratio



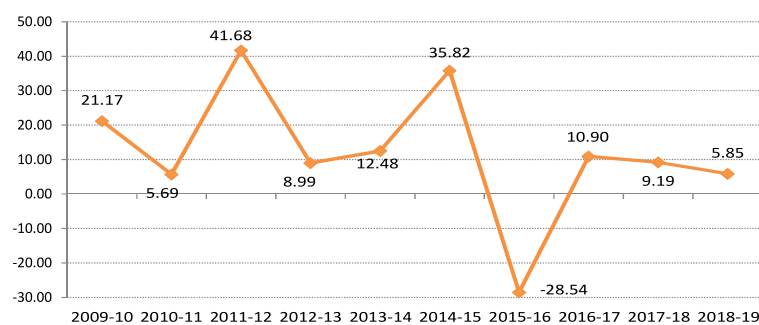
Book value per share (₹)



Stock Price (₹)



P/E Ratio





The Sandur Manganese & Iron Ores Limited

REPORT OF DIRECTORS FOR THE YEAR ENDED 31 MARCH 2019

Dear Shareholders,

The Directors are pleased to present their Report and Audited Statement of Accounts for the year ended 31 March 2019:

FINANCIAL RESULTS

₹ lakh

Sl. No.	Particulars	Current Year 2018-19	Previous Year 2017-18
a)	Net Sales / Income	70,215.26	61,239.95
b)	Other Income	1,807.86	1,109.53
	Total	72,023.12	62,349.48
c)	Expenditure		
	(i) Variable	32,450.31	30,047.12
	(ii) Fixed	16,227.36	14,612.65
	(iii) Depreciation Amortization	793.47	742.63
	(iv) Interest	639.00	494.90
	Total	50,110.14	45,897.30
d)	Profit Before Taxes	21,912.98	16,452.18
e)	Less:		
	(i) Current Tax	8,071.00	5,420.00
	(ii) Deferred Tax	(400.00)	380.00
f)	Net Profit / (Loss)	14,241.98	10,652.18
g)	Add: Balance brought forward from the previous year	52,095.90	42,304.91
h)	Profit before appropriation	66,337.88	52,957.09
i)	Less: Appropriations		
	(i) Dividend on Equity Shares	481.25	612.50
	(ii) Tax on Dividend	98.92	124.69
	(iii) Other comprehensive income / (loss)	40.16	124.00
	Total	620.34	861.19
j)	Profit carried to Balance Sheet	65,717.55	52,095.90

The Company earned profit before tax of ₹21,912.98 lakh after charging ₹793.47 lakh towards depreciation on fixed assets and ₹639.00 lakh towards finance costs. After charging of income tax of ₹8,071.00 lakh and deferred tax of ₹ (400.00) lakh, the profit for the current year is ₹14,241.98 lakh.

OPERATIONS AT A GLANCE:

MINING

In Tonnes

	Opening stock	Produ- ction	Internal Consum- ption	Sales	Closing stock
Manga- nese Ore	1,40,401 (1,46,532)	2,84,785 (2,59,669)	46,092 (41,968)	2,62,641 (2,23,832)	1,20,132 (1,40,401)
Iron Ore	4,17,597 (1,70,254)	15,81,000 (15,80,021)	- (-)	14,91,016 (13,32,386)	5,07,581 (4,17,597)

NOTE: Previous year figures are in brackets.

The Company's production of manganese ore increased by 9.67% and iron ore increased by 0.06% during the financial year 2018-19. The Company witnessed an increase in sales of manganese ore by 17.34% and iron ore by 11.91% during the financial year 2018-19.

FERROALLOYS

In Tonnes

	Opening	Production stock	Sales	Closing stock
Silico- Manganese	993 (2,663)	32,254 (29,317)	32,669 (30,987)	578 (993)

NOTE: Previous year figures are in brackets.

The Company's production of Silico Manganese increased by 10.02% and sales increased by 5.43% as compared to previous year.

ENERGY

In MWh

	Generation	Captive Consumption		Grid Sales
		Ferroalloy Plant	Auxiliary	
Energy	1,73,853 (1,64,229)	1,32,713 (1,24,039)	24,982 (23,024)	16,158 (17,166)

NOTE: Previous year figures are in brackets.

Energy generation at the Power Plant increased by 5.86% compared to previous year and captive consumption at Ferroalloy Plant also increased by 7% as compared to previous year.

COKE OVEN PROJECT

The Company has embarked upon implementation of the Stage I of the Iron and Steel (I&S) Project (0.4 MTPA Coke Oven Plant (COP), 30 MW Waste Heat Recovery Boiler (WHRB) and Repair & Refurbishment of Ferroalloy Plant) aimed at ensuring long term sustainability of its ferroalloy business, together with ensuring sustained usage of its own manganese ore for producing value added ferroalloys.

Bhoomi Puja and Foundation Stone laying Ceremony for Phase 1 of 1 MTPA Steel Plant was held on 19 March 2018. Shri R. V. Deshpande, Minister for Large & Medium



The Sandur Manganese & Iron Ores Limited

Industries & Infrastructure Development, Government of Karnataka and Shri Sajjan Jindal, Chairman, JSW Group were Chief Guests for the occasion.

The Company is targeting commercial production from Coke Oven Plant by March 2020. Installation of the new 24 MVA furnace is expected to be completed by December 2019, and refurbishment of 20 MVA and 15 MVA furnaces by March 2020 and June 2020, respectively. On account of unexpected delay in clearance for forest lands required for setting up Downhill Conveyor System (DCS) and construction of Mines roads, the DCS Project and Mines road Project are now expected to be completed by June 2020.

'FIVE STAR' RATING

The Ministry of Mines and Indian Bureau of Mines have introduced the 'Sustainable Development Framework' (SDF) and have undertaken a system of rating mining leases. As part of this initiative, both the mining leases (Nos. 2678 and 2679) of the Company have been awarded 'Five Star' rating for 2016-17 at the 3rd National Conclave on Mines and Minerals held at New Delhi on 20 March 2018.

The evaluation system for star rating (1-5) under SDF programme commenced in 2014-15 and the Company has successively received 'Five Star' rating for all the last three years and is the only Mining Company in Karnataka to have done so.

The Company has qualified for 'Five Star' rating for 2017-18 and 2018-19 based on the template uploaded on website of Indian Bureau of Mines. The template for the year 2017-18 has been duly verified by the officers up to the zonal level. Formal presentation of awards is awaited. Inspection for the year 2018-19 is due.

ISO CERTIFICATION

The Indian Register Quality Systems (IRQS) has carried out due diligence and found that the Company's:

- Quality Management Systems are in conformity with the ISO 9001:2015 Standards;
- Environment Management Systems are in conformity with the ISO 14001:2015 Standards; and
- Occupational Health & Safety Management Systems are in conformity with the OHSAS 18001:2007 Standards;

and have issued the above three Certificates of Approval.

In addition to recognition that its procedures are of International Standards, this will also enable the Company to get higher score in the Sustainable Development Framework (SDF) of Indian Bureau of Mines (IBM) which entitles Star Rating of mines by the Ministry of Mines, Government of India. Presently, the Company is achieving a score of 92-93% for both the Mining Leases and with this ISO Certifications, the Company should be able to score up to 98% in SDF.

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 THESE 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 these financial statements relate and the date of this report.

DIVIDEND AND TRANSFER TO RESERVES

The Board of Directors at its meeting held on 14 November 2018 declared interim dividend of ₹3.50 per share. In addition to the above, the Board of Directors is pleased to recommend a final dividend of ₹3.50/- per share, out of the profits of the Company for the financial year ended 31 March 2019.

Accordingly, approval of the shareholders is being sought at the ensuing Annual General Meeting for dividend of ₹7.00 per share (including ₹3.5 paid as interim dividend) for the financial year 2018-19.

The Company does not propose to transfer any amounts to the reserves.

SUBSIDIARY

The Company has a Subsidiary Company - Star Metallics and Power Private Limited (SMPPL) in which it holds a stake of 80.58% (as at 31 March 2019). As mentioned earlier, the Company, in order to ensure long term viability of its business has commenced work on the I&S Project. In furtherance of this objective, it is proposed that the Company and SMPPL amalgamate. Accordingly, the Board of Directors at its meeting held on 14 February 2018 has approved the Draft Scheme of Amalgamation of SMPPL with the Company. An application, in pursuance of Regulation 37 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, [SEBI(LODR), Regulations, 2015] was made to BSE Limited seeking its No-objection to the Draft Scheme. the Company is in receipt of observation letter dated 18 March 2019 with 'No-adverse observation' from BSE Limited.

The Company is in the process of filing the application with Hon'ble National Company Law Tribunal, Bengaluru Bench. A statement containing the salient features of the financial statement of SMPPL in the prescribed format is appended as **Annexure- 'A'** to this Report.

PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARY

SMPPL has a ferroalloy plant and a 32 MW thermal power plant which is used as a captive unit for its ferroalloy operations. The entire fixed assets of SMPPL have been leased to the Company from 1 February 2016 on a short-term basis. As a result, SMPPL did not have any manufacturing operations during the period under review, and the main source of revenue is only lease rentals from the Company.



The Sandur Manganese & Iron Ores Limited

A brief extract of SMPPL's financial performance is given below:

₹ lakh

Particulars	Current Year 2018-19	Previous Year 2017-18
Income		
Revenue from Operations	1,020.00	1,020.00
Other Income	131.86	160.30
TOTAL	1,151.86	1,180.30
Expenditure		
Operating and Other Expenses	188.46	232.69
Finance Cost	-	0.03
Depreciation	509.54	506.61
TOTAL	698.01	739.34
Profit/(Loss) before Tax	453.87	440.96
Profit/(Loss) after Tax	453.87	440.96
Paid-up equity shares (₹10 per equity share)	9,337.97	9,337.97
Weighted average number of equity shares outstanding	9,33,79,705	9,33,79,705
Earnings Per Share - Basic & Diluted	0.49	0.47

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. During the year, the Company has not entered into any contract/ arrangement/transaction with related parties which are either considered to be not at arm's length or considered to be material in accordance with the policy of the Company on materiality of related party transactions. The information on transactions with related parties, in pursuance of the aforementioned provisions, are given in **Annexure – 'B'** in Form No. AOC-2 and the same forms part of this Report.

The policy on Related Party Transactions can be accessed on the Company's website at <http://sandurgroup.com/Policies.html>

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 find mention in Note No. 5 of the audited financial statements. There are no changes in these figures from the date of audited financials to the date of this report.

DEPOSITS

The Company has not accepted any 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 Indian Accounting Standard (Ind AS) 110 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 posted 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

As on date of this Report, the Board is constituted of one Managing Director, one Whole-Time Director, five Non-Executive Directors (including the Chairman, a woman director and the newly inducted non-executive director appointed on 27 May 2019), and seven Independent Directors (including two women directors and the newly inducted independent director appointed on 27 May 2019). The Managing Director, Whole Time Director, Chief Financial Officer and the Company Secretary constitute the Key Managerial Personnel of the Company

Inductions

P. Anur Reddy (DIN:05170191), was appointed as a non-executive director effective from 30 May 2018. The appointment was approved by the shareholders by way of Postal Ballot concluded on 21 July 2018.

Lakshmi Venkatachalam (DIN:00520608) was appointed as an independent director on 27 June 2018. The appointment was approved by the shareholders at the 64th Annual General Meeting held on 1 September 2018.

The Board has appointed Latha Pillai (DIN:08378473) as an Additional Director with effect from 08 March 2019. The Board has also, appointed H. L. Shah (DIN:00996888) and Jagadish Rao Kote (DIN:00521065) as additional directors effective from 27 May 2019. The Board has appointed Latha Pillai and Jagadish Rao Kote as independent directors and H. L. Shah as a non-executive director; subject to approval of the shareholders. Approvals of the shareholders for the aforesaid appointments are being sought in the Annual General Meeting.



The Sandur Manganese & Iron Ores Limited

Retirement/Cessation

V. Balasubramanian (DIN: 00026561), appointed as an Independent Director to hold office from 1 April 2014 to 31 March 2019, has completed his tenure and accordingly, has ceased to be a Director of the Company with effect from 1 April 2019.

Re-appointment

The shareholders have by way of postal ballot concluded on 31 March 2019 accorded its approval for re-appointment of B. Ananda Kumar (DIN:01711145) as an independent director for a second term to hold office from 1 April 2019 to 20 August 2022; and S. S. Rao (DIN:00150816) as an Independent Director for a second term to hold office from 1 April 2019 to 10 November 2022.

Vatsala Watsa (DIN:02626457), is liable to retire by rotation at the ensuing 65th AGM and being eligible, has offered herself for re-appointment. She is not disqualified from being appointed as a director as specified under Section 164 of the Companies Act, 2013. The Board recommends her re-appointment.

NUMBER OF MEETINGS OF THE BOARD

The Board met 6 (Six) 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 SEBI (LODR) Regulations, 2015.

POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

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, can be accessed on the Company's website at <http://sandurgroup.com/Policies.html>.

DECLARATION BY INDEPENDENT DIRECTORS

All seven independent directors of the Company meet the criteria of independence as provided under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI(LODR) Regulations, 2015. Declarations to this effect have been received from them.

BOARD EVALUATION

As mandated by the statutory provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Nomination and Remuneration Committee has devised a mechanism for carrying out formal annual evaluation of the Board, its Committees and individual directors. Evaluation of the Board, its Committees and individual directors for the year 2018-19 has been carried out based on this mechanism by the Board.

TRAINING OF INDEPENDENT DIRECTORS

On induction, the 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 active participation by the independent directors in management of the Company and accordingly, any advice or suggestion provided by any of the Independent Directors is taken seriously and diligently implemented, and any clarification sought by the Independent Directors with regard to the Company's operations is duly addressed.

Learning for Independent Directors and Company's learning from them is 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.

Details of training and familiarization programme are provided in the Report on Corporate Governance.

COMMITTEES OF THE BOARD

Currently, the Board has nine committees – namely Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Environment Committee, Corporate Social Responsibility Committee, Risk Management Committee, Project Committee, Financial Planning Committee and Product Development Committee.

DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM

As on date of this report, the Audit Committee comprises five independent directors, namely, B. Ananda Kumar as its Chairman, S. S. Rao, K. V. Ramarathnam, G. P. Kundargi, Lakshmi Venkatachalam and three non-executive directors, Vatsla Watsa, T. R. Raghunandan and P. Anur Reddy.

The Company believes in conduct of its affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethics. 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 if expressed by any of the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors, in the event of any such concern. 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 at <http://sandurgroup.com/Policies.html>.



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DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134 (3)(c) of the Companies Act, 2013, the Directors of the Board 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 2019 and of the profit and loss of the Company for the year ended 31 March 2019;
- (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 2019 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 are 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 Board of Directors has laid down internal financial controls to be followed by the Company and report that such internal financial controls are adequate and operating effectively. Your Company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the 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 disclosures.

The Company has a well-defined delegation of power with authority limits for approving revenue as well as capital expenditure. The Company uses a state-of-the-art Enterprise Resource Programming (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.

M/s. P. Chandrasekar LLP, Chartered Accountants, have been appointed to oversee and carry out internal audit of Company's activities. The audit is based on an internal audit plan, which is reviewed each year in consultation with the statutory auditors and approved by the audit committee. In line with international practice, the internal audit plan aims at review of 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. The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies.

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 – 'C'** attached to this Report.

STATUTORY AUDITORS

M/s. R. Subramanian and Company LLP, Chartered Accountants, Chennai (Firm Registration No. FRN004137S/S20041), were appointed as Statutory Auditors of the Company at the 63rd Annual General Meeting held on 26 September 2017 in terms of the provisions of Section 139 of Companies Act, 2013, to hold office until the conclusion of 68th Annual General Meeting, subject to ratification at each Annual General Meeting. In terms of Companies (Amendment) Act, 2017, effective from 7 May 2018, the requirement of seeking ratification of auditors' appointment at every annual general meeting has been dispensed with. In view of the above, the Board will not be placing any resolution seeking shareholders' ratification of appointment of M/s. R. Subramanian and Company LLP, Chartered Accountants, Chennai as Statutory Auditors of the Company at annual general meetings during the course of its remaining tenure.

STATUTORY AUDITORS' REPORT

Auditors' Report on the financial statements of the Company is forming part of this Annual 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.

N. D. Satish, Practicing Company Secretary (ICSI Membership No. F10003 and Certificate of Practice No.12400) has been appointed as Secretarial Auditor of the Company for the financial year 2018-19. The Secretarial Audit Report is forming part of this Annual Report as **Annexure- 'D'**.



The Sandur Manganese & Iron Ores Limited

Explanation to Secretarial Auditors qualification / observations / remarks made in the Report is furnished hereunder:

1. The Secretarial Auditor has observed non-compliance with Regulation 19(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to composition of Nomination and Remuneration Committee during the period 11 August 2018 to 13 November 2018.

In accordance with the aforesaid Regulation, the chairperson of the Committee is required to be an independent director. However, in this instance, the Board while re-constituting the Committees of the Board, inter-alia, inadvertently nominated a non-executive director to chair the Nomination and Remuneration Committee (NRC).

This matter was also observed by BSE Limited (Stock Exchange) and the Company held liable to pay a fine of ₹2,17,120/-. It was clarified to the Stock Exchange that during this period i.e. between 11 August 2018 to 13 November 2018, neither has any meeting of the Nomination and Remuneration Committee been convened nor has any meeting been chaired by the Non-executive Director. The composition of the Committee, has since been corrected by the Board in its meeting held on 14 November 2018 by nominating an independent director as the Chairman of the Nomination and Remuneration Committee. Though there was no non-compliance because no NRC meeting was actually held with a non-independent director in the chair, the Stock Exchange considered even the constitution of the Committee in the first instance as a non-compliance and the Company has paid a fine of ₹2,17,120/-.

2. The Secretarial Auditor has stated in his Report that there have been delays in filing of returns/e-forms with the Registrar of Companies in few instances. In this regard, the Board hereby states that the delays were either due to technical reasons or reasons which were beyond the control of the Company. The Company is striving to ensure timely filing of forms.
3. The Secretarial auditor has observed non-filing of Form RE-2 under Explosives Rules, 2008 for the month of April 2018 (four licenses) and May 2018 (2 licenses). In this respect, it is submitted that we were unable to implement or comply with the notification No.R.1(1)158-II/2015(ERS) dt.07.08.2017 issued by the Petroleum and Explosives Safety Organisation (PESO) due to technical difficulties. Since this compliance requirement is fairly recent, the PESO has not objected to the submissions and has also accepted the returns.

There is no further qualification or observations or 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 has, at its 325th meeting held on 30 May 2018, appointed M/s. K. S. Kamalakara & Co. as Cost Auditors for the Financial Year 2018-19. 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 and within thirty days from the date of receipt of the cost audit report, and the Company is required to file a copy of the same with the Ministry of Corporate Affairs (MCA). The Cost Audit Report for the Financial Year 2017-18 was filed with the MCA on 20 September 2018.

CORPORATE GOVERNANCE

The Directors' Report on Corporate Governance is annexed to this report. The certificate of the Auditors, M/s. R. Subramanian and Company LLP, Chartered Accountants, regarding compliance of conditions of Corporate Governance as stipulated in Clause E of Schedule V of SEBI (LODR) 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 SEBI (LODR) Regulations, 2015.

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

The Board constituted the Risk Management Committee on 28 May 2014. Though statutorily, only top 100 listed companies (based on the market capitalization) are required to have a Risk Management Committee, the Board has decided for continuation of the Risk Management Committee, so that the Company would align with practices followed by top 100 listed companies in the country.

The Board at its 256th meeting held on 28 October 2005 had 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, monitoring and reporting.

Company has also constituted Coordination Committee to monitor various departments and sections of the Company and specified operational responsibilities. The Risk Management Committee focuses on macro level and external risks, and the Coordination Committee consisting of Executive level of the Board i.e., the Whole-time directors, in association with Senior Management Personnel, take steps for identification, assessment, mitigation and monitoring of internal and operational risks.

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 betterment of the local area



The Sandur Manganese & Iron Ores Limited

and living standards of its people, and also protection and improvement of the Environment. Being socially, environmentally and ethically responsible 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 and 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- 'E'**.

The Company's Corporate Social Responsibility Policy can be accessed on Company's website at <http://sandurgroup.com/Policies.html>. There has been no change in the Policy during the year under review.

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- 'F'** 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
Final dividend	2010-11	2,94,950.00	14 November 2018

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 - 'G'**.

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 2019.

ACKNOWLEDGMENTS

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 their gratitude to the Central and State Governments for their support as well as confidence and recognitions bestowed on the Company.

The directors wish to place on record their appreciation of all its employees for their commendable team work, professionalism and dedication. And ultimately, the Board of Directors wish to thank all the government agencies, the promoters, business associates, banks and investors for their continued support and trust.

for and on behalf of the Board of Directors

S. Y. GHORPADE
Chairman
(DIN: 00080477)

Place : Bengaluru
Date : 27 May 2019



The Sandur Manganese & Iron Ores Limited

Annexure – 'A'

Form AOC - 1

(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 Metalics and Power Private Limited

Part "A": Subsidiary

1.	Name of the subsidiary	Star Metalics and Power Private Limited
2.	Date since when subsidiary was acquired	25 October 2008
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not applicable
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Not applicable
5.	Share capital	₹9,337.97 lakh
6.	Reserves & surplus	₹7,565.46 lakh
7.	Total assets	₹17,285.87 lakh
8.	Total Liabilities (excluding reserves & surplus)	₹ 382.44 lakh
9.	Investments	₹529.37 lakh
10.	Turnover	₹1,020.00 lakh
11.	Profit/(Loss) before taxation	₹453.87 lakh
12.	Provision for taxation	-
13.	Profit/ (Loss) after taxation	₹453.87 lakh
14.	Proposed Dividend	NIL
15.	Percentage of shareholding	80.58%

Additional Information:

1	Names of the subsidiaries which are yet to commence operations	Nil
2	Names of the subsidiaries which have been liquidated or sold during the year	Nil

Part "B":

Associates and Joint Ventures – Not applicable

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.	Date on which the Associate or Joint Venture was associated or acquired			
3.	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)			
4.	Description of how there is significant influence			
5.	Reason why the associate/ joint venture is not consolidated			
6.	Net worth attributable to Share holding as per latest audited Balance Sheet			
7.	Profit / Loss for the year i) Considered in Consolidation ii) Not considered in Consolidation			

Additional Information:

1	Names of the associates or joint ventures which are yet to commence operations	Nil
2	Names of the associates or joint ventures which have been liquidated or sold during the year	Nil

for and on behalf of Board of Directors

S. Y. GHORPADE
Chairman
DIN : 00080477

NAZIM SHEIKH
Managing Director
DIN : 00064275

DIVYA AJITH
Company Secretary

SACHIN SANU
Chief Financial Officer

Place: Bengaluru
Date : 27 May 2019



The Sandur Manganese & Iron Ores Limited

Annexure 'B'

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 transaction including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
NIL	NIL	NIL	NIL	NIL	NIL

Note: All related party transactions are benchmarked for arm's length, approved by Audit Committee and reviewed by Statutory Auditors. The above disclosures on material transactions are based on threshold of ten percent of consolidated turnover, as per the last audited financial statements of the Company.

Place : Bengaluru
Date : 27 May 2019

for and on behalf of the Board

S. Y. GHORPADE
Chairman
(DIN: 00080477)



The Sandur Manganese & Iron Ores Limited

Annexure 'C'

Form MGT 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31 March 2019

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	'SATYALAYA', Door No. 266 (Old No. 80), Ward No. 1 Behind Taluka Office, Sandur - 583119, Ballari District, Karnataka Tel : 08395 260301 Fax : 08395 260473 Email : secretarial@sandurgroup.com Website : www.sandurgroup.com
(vi)	Whether Listed Company	Yes
(vii)	Name, address & contact details of the Registrar & Transfer Agent, if any	Venture Capital and Corporate Investments Private Limited 12-10-167, Bharat Nagar, Hyderabad - 500018 Phone: 040-23818475/23818476/23868023 Fax : 040-23868024

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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	24
2	Mining of Iron Ore	07100	46
3	Manufacture of Ferro-alloys	24104	30

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 - 583119 Ballari District, Karnataka	U60210KA1974PTC002491	Holding Company	52.94%	2(87)(ii) of the Companies Act, 2013
2	Star Metallics and Power Private Limited Metal & Ferro Alloys Plant, P. O. Mariyammanahalli, Vyasankere Karnataka - 583222	U40102KA2007PTC043446	Subsidiary Company	80.58%	2(87)(ii) of the Companies Act, 2013



The Sandur Manganese & Iron Ores Limited

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				
	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	% change during the year
A Promoters									
1 Indian									
(a) Individuals/ Hindu Undivided Family	58745	100	58845	0.67%	58745	25	58770	0.67%	0.00%
(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	5992039	0	5992039	68.48%	5992039	0	5992039	68.48%	0.00%
(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%
i. Directors & Persons Acting in Concert	286680	0	286680	3.28%	288570	0	288570	3.30%	0.02%
Sub Total(A)(1)	6337464	100	6337564	72.43%	6339354	25	6339379	72.45%	0.02%
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/Financial 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	0.00%	0.00	0.00	0	0.00	0.00
Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)	6337464	100	6337564	72.43%	6339354	25	6339379	72.45%	0.02%
B Public Shareholding									
1 Institutions									
(a) Mutual Funds/ UTI	0	1150	1150	0.01%	0	650	650	0.01%	0.0%
(b) Financial Institutions/Banks	70000	2500	72500	0.83%	70000	2350	72350	0.83%	0.00%
(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	0	0	0	0.00%	0	0	0	0.00%	0.00%
(g) Foreign Institutional Investors	0	0	0	0.00%	0	0	0	0.00%	0.00%
(h) Foreign Venture Capital Investors	0	0	0	0.00%	0	0	0	0.00%	0.00%
(i) Any Other (specify)									
i. Foreign Portfolio Investors	109255	0	109255	1.25%	133440	0	133440	1.53%	0.28%
ii. Alternative Investment Funds	60000	0	60000	0.69%	60000	0	60000	0.69%	0.00%
Sub-Total (B)(1)	239255	3650	242905	2.78%	263440	3000	266440	3.05%	0.27%
2 Non-institutions									
(a) Bodies Corporate	298982	2000	300982	3.44%	262548	1550	264098	3.02%	-0.42%
(b) Individuals									
i. Individual shareholders holding nominal share capital up to ₹1 lakh	1136880	99370	1236250	14.13%	1133128	75481	1208609	13.81%	-0.32%
ii. Individual shareholders holding nominal share capital in excess of ₹1 lakh.	528561	40150	568711	6.50%	568135	26150	594285	6.79%	0.29%
(c) Any Other (specify)									
i. Clearing members	21103	0	21103	0.24%	12480	0	12480	0.14%	-0.10%
ii. Non Resident Individuals	33289	150	33439	0.38%	38589	0	38589	0.44%	0.06%
iii. Trusts	0	0	0	0.00%	302	0	302	0.00%	0.00%
iv. IEPF	9046	0	9046	0.10%	25818	0	25818	0.30%	0.30%
Sub-Total (B)(2)	2027861	141670	2169531	24.79%	2041000	103181	2144181	24.50%	-0.29%
(B) Total Public Shareholding (B) = (B)(1)+(B)(2)	2267116	145320	2412436	27.57%	2304440	106181	2410621	27.55%	-0.02%
TOTAL (A)+(B)	8604580	145420	8750000	100.00%	8643794	106206	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)	8604580	145420	8750000	100%	8643794	106206	8750000	100%	0.00%



The Sandur Manganese & Iron Ores Limited

(ii) Shareholding of Promoters & Promoter's Group

Sl No	Name of the Shareholder	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during 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	
1	M. Y. Ghorpade	100	0.00%	0.00%	0	0.00%	0.00%	0.00%
2	Ajai M. Ghorpade	16730	0.19%	0.00%	16755	0.19%	0.00%	0.00%
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	4200	0.05%	0.00%	4200	0.05%	0.00%	0.00%
6	S. Y. Ghorpade	26830	0.31%	0.00%	26830	0.31%	0.00%	0.00%
7	Yashodharadevi S. Ghorpade	5000	0.06%	0.00%	5000	0.06%	0.00%	0.00%
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	4632040	52.94%	0.00%	4632040	52.94%	40.00%	0.00%
11	Sandur Udyog Private Ltd.,	364529	4.17%	0.00%	364529	4.17%	0.00%	0.00%
12	Sandur Sales & Services Pvt Ltd	279126	3.19%	0.00%	279126	3.19%	0.00%	0.00%
13	Lohagiri Industrials Pvt Ltd.,	290539	3.32%	0.00%	290539	3.32%	0.00%	0.00%
14	Euro Industrial Enterprises Private Limited	425805	4.87%	0.00%	425805	4.87%	0.00%	0.00%
15	Nazim Sheikh & S. Y. Ghorpade	273300	3.12%	0.00%	273300	3.12%	0.00%	0.00%
16	Nazim Sheikh	8300	0.09%	0.00%	10090	0.12%	0.00%	0.02%
17	U. R. Acharya	2000	0.02%	0.00%	2000	0.02%	0.00%	0.00%
18	K. Raman	900	0.01%	0.00%	900	0.01%	0.00%	0.00%
19	Md. Abdul Saleem	2180	0.02%	0.00%	2280	0.03%	0.00%	0.00%
	TOTAL	6337564	72.43%	0.00%	6339379	72.45%	0.00%	0.02%

(iii) Change in Shareholding of Promoters & Promoter Group

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	M. Y. Ghorpade				
	At the beginning of the year	100	0.00%	100	0.00%
	Increase during the year	0	0.00%	100	0.00%
	Decrease during the year (Transmission of shares on 11 March 2019)	100	0.00%	0	0.00%
	At the end of the year			0	0.00%
2	Ajai M. Ghorpade				
	At the beginning of the year	16730	0.19%	16730	0.19%
	Increase during the year (Transmission of shares on 11 March 2019)	25	0.00%	16755	0.19%
	Decrease during the year	0	0.00%	16755	0.19%
	At the end of the year			16755	0.19%



The Sandur Manganese & Iron Ores Limited

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
3	Suryaprabha A. Ghorpade				
	At the beginning of the year	500	0.01%	500	0.01%
	Increase during the year	0	0.00%	500	0.01%
	Decrease during the year	0	0.00%	500	0.01%
	At the end of the year			500	0.01%
4	Bahirji A. Ghorpade				
	At the beginning of the year	4200	0.05%	4200	0.05%
	Increase during the year	0	0.00%	4200	0.05%
	Decrease during the year	0	0.00%	4200	0.05%
	At the end of the year			4200	0.05%
5	Ekambar A. Ghorpade				
	At the beginning of the year	4200	0.05%	4200	0.05%
	Increase during the year	0	0.00%	4200	0.05%
	Decrease during the year	0	0.00%	4200	0.05%
	At the end of the year			4200	0.05%
6	S Y Ghorpade				
	At the beginning of the year	26830	0.31%	26830	0.31%
	Increase during the year	0	0.00%	26830	0.31%
	Decrease during the year	0	0.00%	26830	0.31%
	At the end of the year			26830	0.31%
7	Yashodhara S.Ghorpade				
	At the beginning of the year	5000	0.06%	5000	0.06%
	Increase during the year	0	0.00%	5000	0.06%
	Decrease during the year	0	0.00%	5000	0.06%
	At the end of the year			5000	0.06%
8	Aditya S. Ghorpade				
	At the beginning of the year	500	0.01%	500	0.01%
	Increase during the year	0	0.00%	500	0.01%
	Decrease during the year	0	0.00%	500	0.01%
	At the end of the year			500	0.01%
9	Dhananjai S. Ghorpade				
	At the beginning of the year	785	0.01%	785	0.01%
	Increase during the year	0	0.00%	785	0.01%
	Decrease during the year	0	0.00%	785	0.01%
	At the end of the year			785	0.01%
10	Skand Private Limited				
	At the beginning of the year	4632040	52.94%	4632040	52.94%
	Increase during the year	0	0.00%	4632040	52.94%
	Decrease during the year	0	0.00%	4632040	52.94%
	At the end of the year			4632040	52.94%
11	Sandur Udyog Private Ltd.,				
	At the beginning of the year	364529	4.17%	364529	4.17%
	Increase during the year	0	0.00%	364529	4.17%
	Decrease during the year	0	0.00%	364529	4.17%
	At the end of the year			364529	4.17%



The Sandur Manganese & Iron Ores Limited

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
12	Sandur Sales & Services Pvt Ltd				
	At the beginning of the year	279126	3.19%	279126	3.19%
	Increase during the year	0	0.00%	279126	3.19%
	Decrease during the year	0	0.00%	279126	3.19%
	At the end of the year			279126	3.19%
13	Lohagiri Industrials Pvt Ltd.,				
	At the beginning of the year	290539	3.32%	290539	3.32%
	Increase during the year	0	0.00%	290539	3.32%
	Decrease during the year	0	0.00%	290539	3.32%
	At the end of the year			290539	3.32%
14	Euro Industrial Enterprises Private Limited				
	At the beginning of the year	425805	4.87%	425805	4.87%
	Increase during the year	0	0.00%	425805	4.87%
	Decrease during the year	0	0.00%	425805	4.87%
	At the end of the year			425805	4.87%
15	Nazim Sheikh & S. Y. Ghorpade				
	At the beginning of the year	273300	3.12%	273300	3.12%
	Increase during the year	0	0.00%	273300	3.12%
	Decrease during the year	0	0.00%	273300	3.12%
	At the end of the year			273300	3.12%
16	Nazim Sheikh				
	At the beginning of the year	8300	0.09%	8300	0.09%
	Increase during the year	1790	0.02%	10090	0.12%
	Decrease during the year	0	0.00%	10090	0.12%
	At the end of the year			10090	0.12%
17	U. R. Acharya				
	At the beginning of the year	2000	0.02%	2000	0.02%
	Increase during the year	0	0.00%	2000	0.02%
	Decrease during the year	0	0.00%	2000	0.02%
	At the end of the year			2000	0.02%
18	K. Raman				
	At the beginning of the year	900	0.01%	900	0.01%
	Increase during the year	0	0.00%	900	0.01%
	Decrease during the year	0	0.00%	900	0.01%
	At the end of the year			900	0.01%
19	Md. Abdul Saleem				
	At the beginning of the year	2180	0.02%	2180	0.02%
	Increase during the year	100	0.00%	2280	0.03%
	Decrease during the year	0	0.00%	2280	0.03%
	At the end of the year			2280	0.03%



The Sandur Manganese & Iron Ores Limited

(iv) Shareholding pattern of top ten shareholders other than promoters and directors

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	SAGAR MAL MALL				
	At the beginning of the year	144431	1.65%	144431	1.65%
	Increase during the year	4421	0.05%	148852	1.70%
	Decrease during the year	0	0.00%	148852	1.70%
	At the end of the year			148852	1.70%
2	ANAND SHANKAR MALL				
	At the beginning of the year	86731	0.99%	86731	0.99%
	Increase during the year	0	0.00%	86731	0.99%
	Decrease during the year	0	0.00%	86731	0.99%
	At the end of the year			86731	0.99%
3	THE NEW INDIA ASSURANCE COMPANY LIMITED				
	At the beginning of the year	70000	0.80%	70000	0.80%
	Increase during the year	0	0.00%	70000	0.80%
	Decrease during the year	0	0.00%	70000	0.80%
	At the end of the year			70000	0.80%
4	MINI DEVI MALL				
	At the beginning of the year	63745	0.73%	63745	0.73%
	Increase during the year	0	0.00%	63745	0.73%
	Decrease during the year	0	0.00%	63745	0.73%
	At the end of the year	0	0.00%	63745	0.73%
5	EQ India Fund				
	At the beginning of the year	60000	0.69%	60000	0.69%
	Increase during the year	0	0.00%	60000	0.69%
	Decrease during the year	0	0.00%	60000	0.69%
	At the end of the year			60000	0.69%
6	SCINDIA INVESTMENTS PVT LTD				
	At the beginning of the year	50000	0.57%	50000	0.57%
	Increase during the year	0	0.00%	50000	0.57%
	Decrease during the year	0	0.00%	50000	0.57%
	At the end of the year			50000	0.57%
7	GANESH SRINIVASAN				
	At the beginning of the year	46800	0.53%	46800	0.53%
	Increase during the year	0	0.00%	46800	0.53%
	Decrease during the year	0	0.00%	46800	0.53%
	At the end of the year			46800	0.53%
8	MSPL LIMITED				
	At the beginning of the year	17637	0.20%	17637	0.20%
	Increase during the year	22588	0.26%	40225	0.46%
	Decrease during the year	0	0.00%	40225	0.46%
	At the end of the year			40225	0.46%
9	MADHURI OMPRAKASH DAMANI				
	At the beginning of the year	37650	0.43%	37650	0.43%
	Increase during the year	0	0.00%	37650	0.43%
	Decrease during the year	7650	0.09%	30000	0.34%
	At the end of the year			30000	0.34%
10	JITENDRA BALDWA				
	At the beginning of the year	0	0.00%	0	0.00%
	Increase during the year	28369	0.32%	28369	0.32%
	Decrease during the year	0	0.00%	28369	0.32%
	At the end of the year			28369	0.32%



The Sandur Manganese & Iron Ores Limited

(v) Shareholding of Directors & Key Managerial Personnel

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	S. Y. Ghorpade - Chairman				
	At the beginning of the year	26830	0.31%	26830	0.31%
	Purchase during the year	0	0.00%	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 - Managing Director				
	At the beginning of the year	8300	0.09%	8300	0.09%
	Purchase during the year	1790	0.02%	10090	0.12%
	Sale during the year	0	0.00%	10090	0.12%
	At the end of the year			10090	0.12%
3	Rajnish Singh - Director (Corporate)				
	At the beginning of the year	100	0.00%	100	0.00%
	Purchase during the year	893	0.01%	993	0.01%
	Sale during the year	0	0.00%	993	0.01%
	At the end of the year			993	0.01%
4	B. Ananda Kumar - Independent Director				
	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%
5	Sachin Sanu - Chief Financial Officer				
	At the beginning of the year	750	0.01%	750	0.01%
	Purchase during the year	50	0.00%	800	0.01%
	Sale during the year	0	0.00%	800	0.01%
	At the end of the year			800	0.01%



The Sandur Manganese & Iron Ores Limited

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:

₹ lakh

Sl. No.	Particulars of Remuneration	Nazim Sheikh Managing Director	Rajnish Singh Director (Corporate)	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	42.60	24.48	67.08
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	86.29	48.98	135.27
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission - as % of profit	27.00	27.00	54.00
5	Others, please specify (Contributions)	11.50	6.61	18.11
	Total (A)	167.39	107.07	274.46
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.				2195.35

B. Remuneration to other directors

₹ lakh

Particulars of remuneration	V. Bala subra manian	B. Ananda Kumar	S. S. Rao	K. V. Rama ratham	G. P. Kundargi	P. Anur Reddy	Lakshmi Venkata chalam	Latha Pillai	Total Amount
3.Independent Directors									
Fee for attending board/committee meeting	7.10	6.50	6.70	7.10	7.70	5.00	5.60	0.00	45.70
Commission	22.85	22.85	22.85	22.85	22.85	19.04	17.14	0.00	150.43
Others, please specify	0	0	0	0	0	0	0	0	0.00
Total (1)	29.95	29.35	29.55	29.95	30.55	24.04	22.74		196.13
4. Other Non-Executive directors	S.Y. Ghorpade	Vatsala Watsa	T. R. Raghu nandan	-	-				
Fee for attending board/committee meeting	5.60	6.10	6.30	-	-				18.00
Commission	22.85	22.85	22.85	-	-				68.55
Others, please specify	0	0	0	-	-				0.00
Total (2)	28.45	28.95	29.15	-	-				86.55
Total(B) = (1)+(2)									282.68
Total Managerial Remuneration (exclusive of sitting fees paid to the Directors)									218.98
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)									219.54



The Sandur Manganese & Iron Ores Limited

C. Remuneration to Key Managerial Personnel other than Managing Director/ Manager/ WTD

₹ lakh

Sl. No.	Particulars of Remuneration	Sachin Sanu Chief Financial Officer	Divya Ajith Company Secretary
1	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6.48	3.17
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	17.07	8.08
	(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"	0	0
5	Others, please specify (Contributions)	1.72	0.83
	Total (C)	25.27	12.08

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 : Bengaluru
Date : 27 May 2019

S. Y. GHORPADE
Chairman
(DIN: 00080477)

Annexure 'D'

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH 2019

[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,
'SATYALAYA' Door No.266 (Old No. 80), Ward No. 1,
Behind Taluk Office, Sandur, Ballari, Karnataka - 583 119

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 & 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, 2019**, 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, 2019** and made available to me, according to the provisions of:

- The Companies Act, 2013 (the Act) and the Rules made thereunder.
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
- 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.
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. **(Not applicable during the audit period);**



The Sandur Manganese & Iron Ores Limited

- 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;
- 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, 2018 **(Not applicable during the audit period);**
- i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as 'SEBI (LODR) 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 BSE Limited.

During the period under review based on the explanations and representations made by the Management, the Company has complied with the provisions of the Companies Act, 2013 Rules, Regulations, Guidelines, Secretarial Standards etc. thereunder, as mentioned above *except in few instances where the e-forms have been filed with the Registrar of Companies after due dates.*

During the period under review, based on the explanations and representations made by the Management, the Company has complied with the provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment.

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 the following: During the audit period, from 11th August 2018 to 13th November 2018 the Nomination and Remuneration Committee's composition was not as per the provisions of Regulation 19 (2) of SEBI (LODR) 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, 1974;
- (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

During the period under review, based on the explanations and representations made by the Management, it is observed that the Company has complied with laws specifically applicable (provided herein above) *except non filing of returns in Form RE-2 under Explosives Rules, 2008 for the months of April 2018 and May 2018.*

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.

The Company has also 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, except in one instance, *during the audit period, the change of composition of Nomination and Remuneration Committee was not as per the provisions of Regulation 19 (2) of SEBI (LODR) Regulations, 2015.*

Adequate notice has been given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and wherever it was not sent, a consent was obtained for shorter notice from the 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.

The Board of Directors of the Company have approved the Scheme of Amalgamation of the Company with its Subsidiary company with appointed date of April 01, 2018 or such other date as may be approved by the Hon'ble National Company Law Tribunal (NCLT) and the same is pending for approval by the relevant authorities.

The Company has obtained an Observation Letter or No-objection letter (Letter No. DCS/AMAL/PB/R37/1431/2018-19 dated on March 18, 2019) from BSE Limited under Regulation 37 (1) of SEBI (LODR) 2015 for filing Scheme of Amalgamation with Star Metalics and Power Private Limited, a Subsidiary of the Company.

Name and Signature : **N.D Satish**
Designation : Practicing Company Secretary
Stamp : FCS No. 10003; CP No.12400

Place: Bengaluru

Date: 27 May 2019

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.



The Sandur Manganese & Iron Ores Limited

Annexure to Form No. MR-3

To
The Members,
THE SANDUR MANGANESE & IRON ORES LIMITED,
"SATYALAYA" Door No.266 (Old No.80),
Ward No. 1, Behind Taluk Office, Sandur, Ballari,
Karnataka - 583 119

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 true facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis to strengthen my opinion.

- (3) I have not verified the accuracy, correctness and appropriateness of financial records and Books of Accounts of the Company.
- (4) Wherever 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.

Name and Signature : N.D Satish
Designation : Practicing Company Secretary
Stamp : FCS No. 10003; CP No. 12400

Place: Bengaluru

Date: 27 May 2019

Note: As per SEBI circular No. CIR/CFD/CMD1/27/2019 dated on February 08, 2019, the Annual Secretarial Compliance Report annexed herewith forms an integral part of this report.

SECRETARIAL COMPLIANCE REPORT of The Sandur Manganese & Iron Ores Limited for the year ended 31 March 2019

I, have examined,

- a) all the documents and records made available to us and explanation provided by **The Sandur Manganese & Iron Ores Limited**;
- b) the filings/ submissions made by the listed entity to the stock exchanges,
- c) website of the listed entity,
- d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended **31st March 2019** ("Review Period") in respect of compliance with the provisions of

- a. the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- b. the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars /guidelines issued thereunder, have been examined, include:

- a. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; ("SEBI (LODR Regulations, 2015)")
- b. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (there were no events requiring compliance during the review

period);

- c. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- d. Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (there were no events requiring compliance during the review period);
- e. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (there were no events requiring compliance during the review period);
- f. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (there were no events requiring compliance during the review period);
- g. Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 (there were no events requiring compliance during the review period);
- h. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

and circulars/ guidelines issued thereunder;

and based on the above examination, I hereby report that, during the Review Period:

- a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:



The Sandur Manganese & Iron Ores Limited

Sr. No.	Compliance Requirement (Regulations/circulars/ guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1	Regulation 19 (2) of SEBI (LODR) Regulations, 2015	During the audit period, from 11 th August 2018 to 13 th November 2018 the Nomination and Remuneration Committee's composition was not as per the requirement	Since, the Chairman of the Committee during this period was a non-executive Director and not an independent Director as required by SEBI (LODR) Regulations, 2015

- b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.
- c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
1	BSE Ltd	During the audit period, from 11 th August 2018 to 13 th November 2018 the Nomination and Remuneration Committee's (NRC) composition was not as per the requirement under Regulation- 19 (2) of SEBI (LODR Regulations, 2015.	Imposed fine of INR 2,17,120/-	The Company has paid the fine as per required under Circular No. SEBI/HO/CFD/CMD/CIR /P/2018/77 dated May 3, 2018. Further, the Board of Directors corrected the composition of the Committee by appointing an Independent director as its Chairman on 14 th November 2018.

d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended 31st March 2018	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
Not applicable				

Date : 27 May 2019

Place : Bengaluru

Signature:

ND Satish

Practising Company Secretary

FCS No.: 10003 C.P. No.: 12400



The Sandur Manganese & Iron Ores Limited

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY Annexure – 'E'

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:

For us at The Sandur Manganese & Iron Ores Limited (SMIORE), reaching out to underprivileged community is part of our Philosophy and Culture. This entails transcending business interests and grappling with the "quality of life" challenges that under-served communities face, and working towards making a meaningful difference to them.

SMIORE, for over six decades, has been consciously contributing towards Social and Environmental improvement, and shall continue to do so in the future. As part of its Corporate Social Responsibility (CSR), the Company plans to undertake developmental activities, in the areas of Education, Healthcare, Sanitation, Community Development, Housing, Environment, Infrastructure etc, in the "buffer zone" around its mines, which comprises of 22 villages, and also the town of Sandur.

The Company, as part of its SMIORE Education Programme, sponsors scholarships for children from Sandur Town and surrounding villages on means-cum-merit basis under the Sandur Vidya Protsaha Scholarships programme implemented by Karnataka Seva Sangha, a social service organization set up by late M. Y. Ghorpade.

The Company also reimburses expenses over and above the Central and State Government Grants, to meet

expenses of M. Y. Ghorpade Special Training Centre (MYGSTC) towards prevention of child labour.

The Company is also pursuing SMIORE Health and Sanitation Programme, which involves construction of toilets in villages falling in the mining zones. The Company builds individual toilets as well as public toilets with 24/7 water and lighting.

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 consists of the following Directors:

- (a) T. R. Raghunandan- Chairman
- (b) S. Y. Ghorpade- Member
- (c) Nazim Sheikh- Member
- (d) S. S. Rao- Member
- (e) Rajnish Singh- Member
- (f) Lakshmi Venkatachalam- Member

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

The Company's average net profit for last three financial years 2015-16, 2016-17 and 2017-18 amounts to ₹8,349.45 lakh.

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

The Company is required to spend ₹166.99 lakh during the financial year 2018-19.

5. Details of CSR spent for the financial year:

(a) Total amount spent for the financial year: ₹176.60 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 Ballari Dist.	135.00	115.00	415.35	Karnataka Seva Sangha (Implementing Agency)
2		Prevention of Child Labour	Sandur Ballari Dist.	15.00	10.00		Karnataka Seva Sangha (Implementing Agency)
3	SMIORE Health & Sanitation Programme	Toilet Construction	Sandur Ballari Dist.	35.00	51.60	90.48	Karnataka Seva Sangha (Implementing Agency)
Total				185.00	176.60		

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 and CSR Committee

for and on behalf of the Board and CSR Committee

Place: Bengaluru
Date: 27 May 2019

NAZIM SHEIKH, Managing Director
Member, CSR Committee
DIN: 00064275

T.R. RAGHUNANDAN
Chairman of the CSR Committee
DIN: 003637265



The Sandur Manganese & Iron Ores Limited

Annexure – 'F'

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 | : | Use of energy efficient and star rated electrical equipment and use of CFL/LED lights, harnessing solar energy for lighting and other suitable uses. |
| (ii) Steps taken by the Company for utilization of alternate sources of energy | : | The Company has installed solar street lights, home lighting systems, solar pumps, off-grid and on-grid roof top solar plants at various suitable locations and installations of the Company, in aggregate about 180 Kw. |
| (iii) Capital Investment on energy Conservation Equipment | : | ₹111.48 lakh |

B. TECHNOLOGY ABSORPTION:

- | | | |
|--|---|----------------|
| (i) Efforts made in technology absorption | : | NIL |
| (ii) Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc. | : | Not Applicable |
| (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: | : | Not Applicable |
| (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 | : | Not Applicable |

C. FOREIGN EXCHANGE EARNINGS & OUTGO:

- | | | |
|-----------------------------|---|--------------|
| 1 Foreign Exchange Earnings | : | - |
| 2 Foreign Exchange Outgo | : | ₹ 29.24 lakh |

Place : Bengaluru
Date : 27 May 2019

for and on behalf of the Board of Directors

S. Y. GHORPADE
Chairman
(DIN: 00080477)



The Sandur Manganese & Iron Ores Limited

Annexure 'G'

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:

Median remuneration of the employees of the Company		₹ 3.59 lakh
	₹ lakh	Ratio
Nazim Sheikh	167.39	46.63
Rajnish Singh	107.07	29.83

- 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:

	2018-19 ₹ lakh	2017-18 ₹ lakh	% Increase
Nazim Sheikh, Managing Director	167.39	174.70	(4.18)
Rajnish Singh, Director (Corporate)	107.07	22.46	NA ¹
Sachin Sanu, Chief Financial Officer	25.27	NA ²	NA ²
Divya Ajith, Company Secretary	12.08	NA ³	NA ³
Total	311.81	197.16	(5.14)⁴

1 Appointed as Director (Corporate) w.e.f. 1 January 2018

2 Appointed as Chief Financial Officer w.e.f. 1 April 2018

3 Appointed as Company Secretary w.e.f. 1 April 2018

4 Percentage calculated based on remuneration paid to Managing Director alone. Remuneration paid to the Managing Director in 2017-18 is inclusive of encashment of accumulated leaves of over 60 days. Decline in remuneration in 2018-19 is attributed to this exceptional payment in 2017-18. This figure is net of increase of 8% in salaries, increase of 63.9% in commission and decrease of 96.30% on account of encashment of accumulated leaves in 2017-18.

- 3 The percentage increase in the median remuneration of employees in the Financial year: 2109

	2018-19 ₹ lakh	2017/18 ₹ lakh	% Increase
Median remuneration of employees	3.59	3.98	(9.80) ¹

- 1 Remuneration paid to the employees in 2017-18 is inclusive of wage revision effected on 1 July 2017, settlement of employees' pension obligation and gratuity based on actuarial valuation. Decline in remuneration in 2018-19 is attributed to these exceptional payments in 2017-18. This figure is net of yearly increments

- 4 Number of permanent employees on the rolls of company as on 31 March 2019: 1851

- 5 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. Average percentile increase, already made in the salaries of employees other than managerial remuneration	(9.80)
b. Percentile increase in the managerial remuneration	(5.14)

- 1 Please refer notes given above. The remuneration paid in 2017-18 is inclusive of wage revision effected on 1 July 2017, settlement of employees' pension obligation, gratuity based on actuarial valuation and encashment of accumulated leaves of over 60 days. The decline in remuneration of employees and that of managerial personnel is attributed to the exceptional payments in the year 2017-18.

- 6 Affirmation that the remuneration is as per the remuneration policy of the Company: Yes



The Sandur Manganese & Iron Ores Limited

7. NAMES OF THE TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN:

Sl. No.	Name of the Employee	Designation of the employee	Remuneration received ₹ lakh	Nature of employment, whether contractual or otherwise	Qualification and experience of the employee	Date of commencement of employment	Age of employee (in yrs.)	Last employment held by the employee before joining the company	% of equity shares held by the employee in the company within the meaning of clause (iii) of, sub-rule (2)	Whether the employee is a relative of any director or manager of the company and if so name of such director or manager
1	Nazim Sheikh	Managing Director	167.39	Permanent	B. E., 43 years	02 August 1976	65	--	--	--
2	Rajnish Singh	Director (Corporate)	107.07	Permanent	B. E., PGDM 27 Years	14 June 2017	51	Executive Vice President, Kotak Mahindra Bank	--	--
3	P. Sridaran	Senior Vice President (Plant)	68.83	Permanent	B. E., 45 years	01 February 2016	69	Director, Star Metallica & Power Pvt. Ltd.	--	--
4	Tamil Mani M.	Vice President (Iron & Steel Project)	35.02	Permanent	B. E., 31 Years	01 August 2016	53	Asst. Vice President, Jindal Stainless limited	--	--
5	Md. Abdul Saleem	Vice President (Mines)	30.96	Permanent	B. Com, FCS, BL 20 Years	01 September 2005	45	Company Secretary, VBC Ferroalloys Limited	--	--
6	Aditya S. Ghorpade	Vice President (Plant)	28.83	Permanent	B. Com., Diploma in Operations) Comp. Appl. 26 Years	16 August 1993	51	--	--	Son of S. Y. Ghorpade
7	H. Yellappa	General Manager (Mines)	26.95	Permanent	Dip in Mining, Ist Cls Cert 32 Years	9 April 1987	62	--	--	--
8	Jayaprakash V	Head Production - Mines	26.63	Permanent	Dip in Mining and Mines Survey, Ist Cls Mines Manager 32 Years	01 July 2002	56	General Foreman Officer, Bharat Gold Mines Limited	--	--
9	Sachin Sanu	Chief Financial Officer	25.27	Permanent	B. Com. ACA 18 Years	1 March 2013	41	Deloitte Haskins & Sells	--	--
10	Mubeen A Sheriff	Senior General Manager (Commercial)	25.10	Permanent	B. E., 17 Years	01 June 2013	40	Deputy General Manager (Commercial) Star Metallica & Power Pvt. Ltd.	--	Son-in-law of Nazim Sheikh



The Sandur Manganese & Iron Ores Limited

8NAME OF EVERY EMPLOYEE, WHO:

(i) employed throughout the financial year, was in receipt of remuneration for the year, in the aggregate, was not less than Rupees one crore and two lakh:

Sl. No.	Name of the Employee	Designation of the employee	Remuneration received ₹ lakh	Nature of employment, whether contractual or otherwise	Qualification and experience of the employee	Date of commencement of employment	Age of employee (in yrs.)	Last employment held by the employee before joining the company	% of equity shares held by the employee in the company within the meaning of clause (iii) of, sub-rule (2)	Whether the employee is a relative of any director or manager of the company and if so name of such director or manager
1	Nazim Sheikh	Managing Director	167.39	Permanent	B.E., 43 years	02 August 1976	65	--	--	--
2	Rajnish Singh	Director (Corporate)	107.07	Permanent	B. E., PGDM 27 Years	14 June 2017	51	Executive Vice President, Kotak Mahindra Bank	--	--

(ii) 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 Rupees eight lakh fifty thousand per month:

Sl. No.	Name of the Employee	Designation of the employee	Remuneration received ₹ lakh	Nature of employment, whether contractual or otherwise	Qualification and experience of the employee	Date of commencement of employment	Age of employee (in yrs.)	Last employment held by the employee before joining the company	% of equity shares held by the employee in the company within the meaning of clause (iii) of, sub-rule (2)	Whether the employee is a relative of any director or manager of the company and if so name of such director or manager
1	--	--	--	--	--	--	--	--	--	--

(iii) 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:

Sl. No.	Name of the Employee	Designation of the employee	Remuneration received ₹ lakh	Nature of employment, whether contractual or otherwise	Qualification and experience of the employee	Date of commencement of employment	Age of employee (in yrs.)	Last employment held by the employee before joining the company	% of equity shares held by the employee in the company within the meaning of clause (iii) of, sub-rule (2)	Whether the employee is a relative of any director or manager of the company and if so name of such director or manager
1	--	--	--	--	--	--	--	--	--	--

Place: Bengaluru
Date: 27 May 2019

for and on behalf of the Board of Directors
S. Y. GHORPADE, Chairman DIN: 00080477



The Sandur Manganese & Iron Ores Limited

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR 2018-19

1. Company's philosophy on code of governance

The Company believes that corporate governance is about maximizing shareholders' value legally, ethically and sustainably. 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 2019 the Board consisted of thirteen members, including a Managing Director, one whole time director, seven independent directors and four non-executive directors. The Board includes three women directors out of which two are independent directors. The Chairman is one of the promoters of the Company. All the directors are adequately 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	Board meetings attended	Meetings held during tenure	Last AGM
S.Y.Ghorpade	Non-executive Chairman	6	6	Yes
Nazim Sheikh	Managing Director	6	6	Yes
V. Balasubramanian ¹	Non-Executive & Independent	6	6	Yes
B. Ananda Kumar	Non-Executive & Independent	5	6	Yes
S. S. Rao	Non-Executive & Independent	5	6	No
Vatsala Watsa	Non-Executive Director	5	6	Yes
K. V. Ramarathnam	Non-Executive & Independent	6	6	Yes
T. R. Raghunandan	Non-Executive Director	6	6	Yes
G.P.Kundargi	Non-Executive & Independent	6	6	Yes
Rajnish Singh	Director (Corporate)	6	6	Yes
P. Anur Reddy ²	Non-Executive Director	6	6	Yes
Lakshmi Venkatachalam ³	Non-Executive & Independent	5	5	Yes
Latha Pillai ⁴	Non-Executive & Independent	0	1	NA ⁵

1 Completed tenure as an Independent Director and ceased to be a director from 1 April 2019.

2 Co-opted on the Board with effect from 30 May 2018.

3 Co-opted on the Board with effect from 27 June 2018.

4 Co-opted on the Board with effect from 08 March 2019. Appointment subject to approval of the Shareholders at the ensuing Annual General Meeting.

5 Appointed as a Director subsequent to the date of last AGM held on 1 September 2018.

● Number of directorships and committee memberships held by the directors in domestic public companies as at 31 March 2019 are as indicated below:

Name of Directors	Directorships (Excluding this Company)	Listed entities (excluding this Company) where the person is a director and the category of directorship	Committee Memberships ¹ (Excluding this Company)	
			As Chairman	As Member
S.Y.Ghorpade	1	-	-	-
Nazim Sheikh	1	-	-	-
V. Balasubramanian ²	5	The Ugar Sugar Works Ltd Non-executive & Independent Director	-	3
B. Ananda Kumar	1	-	-	-
S. S. Rao	5	JSW Energy Limited Non-executive & Independent Director	1	2
Vatsala Watsa	-	-	-	-
K. V. Ramarathnam	2	Marmagao Steel Limited Non-executive & Independent Director	-	2
T.R.Raghunandan	-	-	-	-
G.P.Kundargi	1	Nava Bharat Ventures Limited Non-executive & Independent Director	-	-
Rajnish Singh	-	-	-	-
P. Anur Reddy	-	-	-	-
Lakshmi Venkatachalam	2	Brigade Enterprises Limited Non-executive & Independent Director	-	1
Latha Pillai	-	-	-	-

1 Only membership in Audit Committee and Stakeholders Relationship Committee considered.

2 Completed tenure as an Independent Director and ceased to be a director from 1 April 2019.



The Sandur Manganese & Iron Ores Limited

● Board meetings:

Meetings of the Board of Directors are generally held at the Company's Corporate Office at Bengaluru or the Registered Office at Sandur 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 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 Obligations & 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 Managing Director and the Company Secretary regarding compliance with all laws applicable to the Company on a quarterly basis.

The Board of Directors met six times during the financial year on 30 May 2018, 11 August 2018, 01 September 2018, 14 November 2018, 07 February 2019, 08 March 2019. The time gap between any two successive Board Meetings did not exceed four months or one hundred and twenty days.

● Disclosure of relationships between directors inter-se:

Vatsala Watsa and T. R. Raghunandan are siblings. None of the other directors are related to any other Directors on the Board.

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

Among the non-executive directors, only the following hold shares in the Company:

Sl. No.	Name of the Director	Designation/ Category	No. of Shares held
1	S. Y. Ghorpade	Non-Executive Chairman	26,830
2	B. Ananda Kumar	Independent Director	500

● 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. The Directors 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, and responsibilities at the time of induction. Presently, no formal/structured training programme exists. Learning for the independent

directors on one hand, and the Company's and Whole Time Director's imbibement of experience and knowledge of the Independent Directors on the other hand, has been a pervasive ongoing phenomenon.

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

● Matrix setting out the skills / expertise / competence of the board of directors:

Matrix setting out the skills/expertise/competence of the directors on the Board as on 31 March 2019 is appended as **Annexure – 'A'** to the Report.

● Confirmation that in the opinion of the Board, the independent directors fulfill the conditions specified in these regulations and are independent of the management:

In the opinion of the Board, the independent directors fulfill the conditions specified in SEBI (LODR) Regulations, 2015 and are independent of the management.

● Detailed reasons for the resignation of an independent director who resigns before the expiry of his tenure along with a confirmation by such director that there are no other material reasons other than those provided:

Not Applicable

3 Audit Committee

● Powers of the Audit Committee:

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

● Terms of reference of the Audit Committee:

- 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.
- Recommending the appointment, remuneration and terms of appointment of auditors of the company.
- 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:
 - Matters required to be included in the Directors Responsibility Statement 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



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- Compliance with listing and other legal requirements relating to financial statements
- Disclosure of any related party transactions Qualifications 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, and monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take necessary 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, 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 after assessing the qualifications, experience and background of the candidate.
- t) Carrying out any other function as mentioned in the terms of reference of the Audit Committee.
- u) 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:
 - ✓ quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - ✓ 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	Design- ation	Category	No. of meetings attended	Held during Tenure
B.Ananda Kumar	Chairman	Non- Executive & Independent	4	5
V. Balasubramanian	Member	Non- Executive & Independent	5	5
S. S. Rao	Member	Non- Executive & Independent	4	5
Vatsala Watsa	Member	Non- Executive Director	4	5
K. V. Ramarathnam*	Member	Non- Executive & Independent	3	3
T. R. Raghunandan*	Member	Non- Executive Director	3	3
G. P. Kundargi	Member	Non- Executive & Independent	5	5
P. Anur Reddy*	Member	Non- Executive Director	2	3
Lakshmi Venkatachalam*	Member	Non- Executive & Independent	3	3

* Inducted to the Committee vide resolution passed by the Board of Directors at its 326th meeting held on 11.08.18.



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The Audit Committee is duly constituted in compliance with the SEBI (LODR) Regulations, 2015 with members who are financially literate and members having accounting or related financial management expertise. B. Ananda Kumar, a Non-Executive and Independent Director, is the Chairman of the Committee.

The Company Secretary acts as Secretary to the Committee.

The Audit Committee met five times during the financial year, on 30 May 2018, 11 August 2018, 13 November 2018, 06 February 2019 and 08 March 2019. The interval between any two successive meetings did not exceed one hundred and twenty days. The quorum as required under the Listing Regulations was maintained at all the meetings.

The meetings are scheduled well in advance and the statutory auditors and internal auditors are invited to attend the meetings.

The Chairman of the Audit Committee was present at the Annual General Meeting held on 01 September 2018 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:

- 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;
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of board of directors;
- 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/or removal.
- 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	Held during Tenure
K. V. Rama Rathnam	Chairman ¹	Non-Executive & Independent	4	4
V. Bala subramanian	Member ²	Non-Executive & Independent	1	1
S. S. Rao	Member	Non-Executive & Independent	3	4
VatsalaWatsa	Member ³	Non-Executive Director	3	4
G. P. Kundargi ⁴	Member	Non-Executive & Independent	3	3
P. Anur Reddy ⁵	Member	Non-Executive Director	3	3

1 Inducted as Chairman of the Committee consequent to re-constitution of the Committee vide resolution passed by the Board of Directors in its 328th meeting held on 14.11.2018

2 Ceased to be a Member and Chairman of the Committee consequent to re-constitution of the Committee vide resolution passed by the Board of Directors in its 326th meeting held on 11.08.18.

3 Served as Chairman of the Committee between 11.08.2018 and 12.11.2018.

4&5 Inducted as members consequent to re-constitution of the Committee vide resolution passed by the Board of Directors in its 326th meeting held on 11.08.2018

The Nomination and Remuneration Committee is duly constituted in compliance with the SEBI (LODR) Regulations, 2015, except for a brief digression from 11 August 2018 to 13 November 2018.

In terms of Regulation 19(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the chairperson of the Committee is required to be an independent director. However, in this instance, the Board while re-constituting the Committees of the Board, inter-alia, inadvertently nominated a non-executive director to chair the Nomination and Remuneration Committee (NRC).

This matter was also observed by BSE Limited (Stock Exchange) and the Company held liable to pay a fine of ₹2,17,120/-. It was clarified to the Stock Exchange that during this period i.e. from 11 August 2018 to 13 November 2018, neither has any meeting of the Nomination and Remuneration Committee been convened nor has any



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meeting been chaired by the Non-executive Director. The composition of the Committee, has since been corrected by the Board in its meeting held on 14 November 2018 by nominating an independent director as the Chairman of the Nomination and Remuneration Committee. Though there was no non-compliance because no NRC meeting was actually held with a non-independent director in the chair, the Stock Exchange considered even the constitution of the Committee in the first instance as a non-compliance and the Company has paid a fine of ₹2,17,120/-.

K. V. Ramarathnam, a Non-Executive and Independent Director, is the Chairman of the Committee. The Company Secretary acts as Secretary to the Committee.

During the year, the Committee met four times on 29 May 2018, 12 November 2018, 06 February 2019 and 08 March 2019.

The Chairman of the Nomination and Remuneration Committee was present at the Annual General Meeting held on 1 September 2018 to answer the queries of the shareholders.

● 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:

- Maintenance of independence and no conflict of interest.
- Exercise of objective independent judgment in the best interest of the company;
- Ability to contribute to and monitor corporate governance practice; and
- Adherence to the code of conduct for independent directors.

The Board also, evaluates the fulfilment of the independence criteria by the independent directors as specified in SEBI (LODR) Regulations, 2015 and their independence from the management.

Remuneration of Directors and KMP:

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

- the remuneration of the Managing Director, Whole-time Directors and KMPs
- the total level of remuneration of Non-Executive Directors and for individual remuneration for Non-Executive Directors;
- 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 can be accessed at the Company's website <https://www.sandurgroup.com/Policies.html>

● Remuneration to whole-time directors:

The whole-time directors are remunerated in accordance with special resolutions passed by the shareholders. During financial year 2018-19, the Managing Director has been remunerated in accordance with the special resolution passed by the shareholders at the 63rd Annual General Meeting held on 26 September 2017. Further, Director (Corporate) has been remunerated in accordance with approval of the shareholders accorded on 21 July 2018 vide postal ballot.

● Details of remuneration paid to the whole-time directors for the year 2018-19:

(₹ in lakh)

Name of Director	Salary	Perquisites	Contributions ¹	Commission	Term
Nazim Sheikh Managing Director	42.60	86.29	11.50	27.00	3 years from 1 April 2017
Rajnish Singh Director (Corporate)	24.48	48.98	6.61	27.00	3 years from 1 January 2018

¹ 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.

Presently, stock options do not form part of the remuneration package. Also, there is no variable component in the remuneration except for 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.

e) Remuneration to Non-Executive directors:

The non-executive directors receive sitting fee for attending meetings of the Board and its Committees, and reimbursement of expenses incurred on travelling and stay in case of outstation directors. The Company had no direct pecuniary relationship or transactions with any of the non-executive directors during the year under review except for payment of sitting fees and commission for attending meetings of the Board and its Committees. However, the Company has entered in lease agreement with S. Y. Ghorpade (HUF) and Yashodhara Devi Ghorpade for taking on lease properties for Company's use for a sum of ₹31.37 lakh and ₹29.88 lakh, respectively.



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f) Details of sitting fees and commission paid to non-executive directors for the financial year 2018-19:

₹ lakh

Sl. No.	Name of Director	Sitting Fees ¹	Commission
1	S. Y. Ghorpade	5.60	22.85
2	V. Balasubramanian	7.10	22.85
3	B. Ananda Kumar	6.50	22.85
4	S. S. Rao	6.70	22.85
5	Vatsala Watsa	6.10	22.85
6	K. V. Ramarathnam	7.10	22.85
7	T. R. Raghunandan	6.30	22.85
8	G. P. Kundargi	7.70	22.85
9	P. Anur Reddy	5.00	19.04
10	Lakshmi Venkatachalam	5.60	17.14
11	Latha Pillai ²	-	-

¹ excluding applicable taxes

² Appointed with effect from 8 March 2019, did not attend any meeting of the Board of Directors and its Committees during financial year 2018-2019

5. Stakeholders Relationship Committee

Investors Grievance and Share Transfer Committee was constituted on 26 July 2006 to oversee 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'.

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

Venture Capital and Corporate Investments Private Limited (VCCIP), 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 or Managing Director or Company Secretary approves the share transfer registers and a statement of share transfers / transmissions effected and 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.

● **Name and designation of Compliance Officer:**

Divya Ajith, Company Secretary and Compliance Officer

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

Name	Designation	Category	No. of meetings attended	Held during Tenure
V. Bala subramanian ¹	Chairman ²	Non-Executive & Independent	2	2
S.Y.Ghorpade	Member	Non-Executive Director	4	4
Nazim Sheikh	Member	Executive Director	4	4
B. Ananda Kumar ³	Chairman ⁴	Non-Executive & Independent	1	2
Vatsala Watsa ⁵	Member	Non-Executive Director	2	2
T.R.Raghunandan	Member	Non-Executive Director	4	4
G.P.Kundargi ⁶	Member	Non-Executive Independent	2	2
Rajnish Singh ⁷	Member	Executive Director	2	2

Consequent to re-constitution of the Committee vide resolution passed by the Board of Directors in its 326th meeting held on 11.08.18:

1&2 Inducted as Member & Chairman of the Committee.

3&4 Served as Chairman of Committee until 11.08.2018. Thereafter, ceased to be a Member and Chairman.

5,6&7 Inducted as members.

The Company Secretary acts as Secretary to the Committee.

The Stakeholders Relationship Committee met four times during the financial year on 30 May 2018, 11 August 2018, 13 November 2018 and 06 February 2019. The interval between any two successive meetings did not exceed four months.

● **Role of 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, resolved to the satisfaction of the shareholder and number of pending complaints:**

Complaints outstanding as on 1 April 2018	0
Complaints received during the year ended 31 March 2019	1
Complaints resolved during the year	1
Complaint not solved to the satisfaction of shareholders during the year ended 31 March 2019	0
Complaints pending as on 31 March 2019	0



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6. 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.2678 and 2679.

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 on 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. The same is referred to as Supplementary Environment Management Plan (SEMP) in the case of the Company, as both its Mining Leases are in "A" category and R & R becomes an ongoing process.

Accordingly, the Committee was formed for implementing and monitoring the progress of implementation of the R&R Plans (or SEMP) 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 further 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	Held during Tenure
P. Anur Reddy ¹	Chairman ²	Non-Executive Director	1	1
S.Y.Ghorpade	Member ³	Non-Executive Director	1	1
Nazim Sheikh	Member	Executive Director	1	1
B.Ananda Kumar ⁴	Member	Non-Executive & Independent	1	1
Rajnish Singh ⁵	Member	Executive Director	1	1
V. Bala subramanian ⁶	Member	Non-Executive & Independent	NA	0
G.P. Kundargi ⁷	Member	Non-Executive & Independent	NA	0

Consequent to re-constitution of the Committee vide resolution passed by the Board of Directors in its 326th meeting held on 11.08.18:

- 1&2 Inducted as Member & Chairman of the Committee.
- 3 Served as Chairman of Committee until 11.08.2018. Thereafter, ceased to be the Chairman of the Committee.
- 4&5 Inducted as members of the Committee
- 6&7 Ceased to be members of the Committee

The Company Secretary acts as Secretary to the Committee.

The Committee met once during the financial year on 31 August 2018. All the members attended the meeting.

7. Corporate Social Responsibility Committee:

The Corporate Social Responsibility Committee was constituted on 29 March 2014, in compliance with the provisions of Section 135 of the Companies Act 2013. 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 www.sandurgroup.com/Policies.html

The Committee recommends the amount of expenditure to be incurred on the said activities and monitors the Corporate Social Responsibility Policy of the Company from time to time.

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

Name	Designation	Category	No. of meetings attended	Held during Tenure
T.R.RaghuNandan ¹	Chairman ²	Non-Executive Director	0	1
S.Y.Ghorpade ³	Member ⁴	Non-Executive Director	1	1
Nazim Sheikh	Member	Executive Director	1	1
V.Bala subramanian	Member	Non-Executive & Independent	1	1
S.S.Rao ⁵	Member	Non-Executive & Independent	1	1
RajnishSingh ⁶	Member	Executive Director	NA	0
Lakshmi Venkatachalam ⁷	Member	Non-Executive & Independent	NA	0

Consequent to re-constitution of the Committee vide resolution passed by the Board of Directors in its 326th meeting held on 11 August 2018:

- 1&2 Designated as Chairman of the Committee.
- 3&4 Ceased to be a Chairman of the Committee. Continues to be a member.
- 5 Ceased to be member of the Committee
- 6&7 Inducted as Members of the Committee.

The CSR Committee met once during the financial year on 29 May 2018.

The Company Secretary acts as Secretary to the Committee.



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8. Risk Management Committee:

The Risk Management Committee was constituted by the Board of Directors in its meeting held on 28 May 2014. The SEBI (LO&DR) Regulations 2015, requires only the top 100 listed entities (based on the market capitalization) to constitute a Risk Management Committee. Nevertheless, the Board has continued with the Risk Management Committee which has been delegated the responsibility of monitoring and reviewing of the risk management plan.

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

Name	Designation	Category	No. of meetings attended	Held during Tenure
K.V.Ramarathnam ¹	Chairman ²	Non-Executive & Independent	1	1
S.Y.Ghorpade	Member ³	Non - Executive Director	1	1
NazimSheikh	Member	Executive Director	1	1
V.Bala subramanian ⁴	Member	Non-Executive & Independent	1	1
B.Ananda Kumar	Member	Non-Executive & Independent	1	1
S.S.Rao ⁴	Member	Non-Executive & Independent	1	1
Vatsala Watsa	Member	Non-Executive Director	1	1
T.R.Raghuandan ⁴	Member	Non-Executive Director	1	1
G.P.Kundargi ⁴	Member	Non-Executive & Independent	1	1
Rajnish Singh ⁴	Member	Executive Director	1	1
P.Anur Reddy ⁴	Member	Non-Executive Director	1	1
Lakshmi Venkatachalam ⁴	Member	Non-Executive & Independent	1	1

Consequent to re-constitution of the Committee vide resolution passed by the Board of Directors in its 326th meeting held on 11.08.2018:

1&2 Inducted as Chairman of the Committee

3 Ceased to be the Chairman.

4 Inducted as members of the Committee

The Company Secretary acts as Secretary to the Committee.

The Committee met once during the financial year on 08 March 2019. All members were present for the meeting.

9. Project Committee

The Project Committee was constituted on 31 March 2017 in order to periodically review the progress in implementation of the 1 Million Tonne Per Annum (MTPA) Iron and Steel Project.

The Board of Directors has envisioned a more stable and sustained future and have set an aim to consolidate its present business by upgradation of the current facilities and amplify the current business. The Plan is basically to integrate the various operations and products of the company for value addition and sustainability. The Committee is entrusted with the onerous task of setting up the 1MTPA Iron and Steel facility, in stages on a sure-footed basis, to secure and strengthen the future of the Company. Composition, names of the members and their attendance at meetings during the financial year are as under:

Name	Designation	Category	No. of meetings attended	Held during Tenure
S.S.Rao ¹	Chairman ²	Non-Executive & Independent	3	3
S.Y.Ghorpade ³	Member	Non-Executive Director	3	3
Nazim Sheikh	Member ⁴	Executive Director	6	6
B. Ananda Kumar	Member	Non-Executive & Independent	5	6
K.V.Ramarathnam	Member	Non-Executive & Independent	6	6
T.R.Raghuandan ⁵	Member	Non-Executive Director	2	3
G.P.Kundargi ⁶	Member	Non-Executive & Independent	3	3
Rajnish Singh	Member	Executive Director	6	6
Lakshmi Venkatachalam ⁷	Member	Non-Executive & Independent	3	3

Consequent to re-constitution of the Committee vide resolution passed by the Board in its 326th meeting held on 11.08.2018:

1&2 Inducted as Member and designated as Chairman

3&7 Inducted as Member consequent to resolution

4 Ceased to be the Chairman of the Committee and continues as Member.

5&6 Ceased to be Members.

The Company Secretary acts as Secretary to the Committee.

The Committee met six times during the financial year on 29 May 2018, 02 July 2018, 10 August 2018, 31 August 2018, 13 November 2018 and 10 January 2019.



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10. Financial Planning Committee

The Board in its 326th meeting held on 11 August 2018 constituted the Financial Planning Committee (the Committee) comprising of Directors with relevant expertise and experience. The purpose of the Committee is to advise and assist the Management and the Board in monitoring and reviewing debt servicing, status of debtors and creditors and financial investments and/or such other areas that may be prescribed by the Board from time to time.

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

Name	Designation	Category	No. of meetings attended	Held during Tenure
Lakshmi Venkatachalam	Chairperson	Non-Executive & Independent	2	2
S.Y.Ghorpade	Member	Non-Executive Director	2	2
Nazim Sheikh	Member	Executive Director	1	2
V.Bala subramanian	Member	Non-Executive & Independent	2	2
S.S.Rao	Member	Non-Executive & Independent	2	2
Vatsala Watsa	Member	Non-Executive Director	2	2
T.R.Raghunandan	Member	Non-Executive Director	2	2
Rajnish Singh	Member	Executive Director	2	2

The Company Secretary acts as Secretary to the Committee.

The Committee met two times during the financial year on 01 October 2018 and 14 January 2019.

11. Product Development Committee

The Board in its 326th meeting held on 11 August 2018 constituted the Product Development Committee (the Committee) comprising of Directors with relevant expertise and experience. The purpose of the Committee is to advise and assist the Management and the Board primarily in identifying strategies and projects for beneficiation of Iron Ores and Manganese Ore and value addition of ferro-alloys and/or such other areas that may be prescribed by the Board from time to time.

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

Name	Designation	Category	No. of meetings attended	Held during Tenure
G. P. Kundargi	Chairman	Non-Executive & Independent	1	1
S.Y.Ghorpade	Member	Non-Executive Director	1	1
Nazim Sheikh	Member	Executive Director	1	1
B.Ananda Kumar	Member	Non-Executive & Independent	1	1
K.V.Ramarathnam	Member	Non-Executive & Independent	1	1
Rajnish Singh	Member	Executive Director	1	1
Lakshmi Venkatachalam	Member	Non-Executive & Independent	1	1

The Company Secretary acts as Secretary to the Committee.

The Committee met one time during the financial year on 09 March 2019.

12. General Body Meetings

- Location and time of the last three Annual General Meetings of the Company:

	Location	Date & Time
64 th AGM	Golden Jubilee Hall Sandur Residential School, Palace Road, Shivapur, Sandur - 583 119	01 September 2018 at 11.00 A.M
63 rd AGM	Golden Jubilee Hall Sandur Residential School, Palace Road, Shivapur, Sandur - 583 119	26 September 2017 at 11.00 A.M
62 nd AGM	Golden Jubilee Hall Sandur Residential School, Palace Road, Shivapur, Sandur - 583 119	14 September 2016 at 11.00 AM



The Sandur Manganese & Iron Ores Limited

● Special resolutions passed in the previous three annual general meetings

AGM	Whether Special Resolution passed thereat	Special Resolutions
64 th AGM held on 01 September 2018	No	Nil
63 rd AGM held on 26 September 2017	Yes	1.Re-appointment of Nazim Sheikh (DIN – 00064275) as Managing Director for a term of 3 years with effect from 1 April 2017. 2. Re-appointment of U. R. Acharya (DIN – 00135676) as Director (Commercial) for a term of 1 year with effect from 1 April 2017. 3.Delegation of borrowing powers to the Board of Directors in terms of Section 180(1)(c) of the Companies Act, 2013 to borrow amounts not exceeding ₹1200 crore.
62 nd AGM held on 14 September 2016	No	Nil

● Resolution passed last year through postal ballot and details of voting pattern:

During the previous year, the Company approached the shareholders for voting through postal ballot. The details are as follows:

Date of Postal Ballot Notice : 30 May 2018

Voting period : 21 June 2018 to 21 July 2018

Date of declaration of result : 23 July 2018

Date of Approval : 21 July 2018

S. No.	Particulars of Resolutions Resolution	Type of Resolution	No.of Votes polled	Votes in favor (In numbers)	Votes in favour (In Percentage)	Votes cast against (In Number)	Votes cast again (In Percentage)
1.	To appoint Mr. Rajnish Kumar Singh (DIN: 05319511) as Director of the Company.	Ordinary	64,71,539	6470398	99.98237	1,141	0.01763
2.	To appoint Mr. Rajnish Kumar Singh (DIN: 05319511) as Whole-Time Director for a period of three years.	Special	64,71,538	6470978	99.99135	560	0.00865
3.	To appoint Mr. Pamudurthy Anur Reddy (DIN - 05170191) as Non-Executive Director of the Company.	Ordinary	64,71,539	6451312	99.68745	20,227	0.31255
4.	To approve creation of security interest in favour of the financial institutions and authorisation to carry out such acts and deeds as may be deemed necessary for the creation of such security.	Special	64,71,439	6469756	99.97399	1,683	0.02601
5.	To ratify approval of the board of directors fixing cost auditor's remuneration for financial year 2018-2019	Ordinary	64,71,539	6470979	99.99135	560	0.00865

Date of Postal Ballot Notice : 20 December 2018

Voting period : 31 December 2018 to 30 January 2019

Date of declaration of result : 31 January 2019

Date of Approval : 30 January 2019

S. No.	Particulars of Resolutions Resolution	Type of Resolution	No.of Votes polled	Votes in favor (In numbers)	Votes in favour (In Percentage)	Votes cast against (In Number)	Votes cast again (In Percentage)
1.	To approve contribution to Charitable and other funds.	Ordinary	6,467,186	63,69,484	98.4893	97,702	1.5107
2.	To approve renewal of agreement with Star Metallica and Power Private Limited (SMPPL), a Subsidiary of the Company, for leasing its ferro-alloy plant and power plant	Special	64,67,744	64,67,704	99.9994	40	0.0006



The Sandur Manganese & Iron Ores Limited

Date of Postal Ballot Notice : 07 February 2019

Voting period : 02 March 2019 to 31 March 2019

Date of declaration of result : 01 April 2019

Date of Approval : 31 March 2019

S. No.	Particulars of Resolutions Resolution	Type of Resolution	No. of Votes polled	Votes in favor (In numbers)	Votes in favour (In Percentage)	Votes cast against (In Number)	Votes cast against (In Percentage)
1	To approve continuation of Mr. S. Y. Ghorpade (DIN:00080477) as a non-executive director.	Special	64,67,063	64,41,914	99.6111	25,149	0.3889
2	To consider re-appointment of Mr. B. Ananda Kumar (DIN:01711145) as an independent director.	Special	64,67,063	63,69,322	98.4886	97,741	1.5114
3	To consider re-appointment of Mr. S. S. Rao (DIN:00150816) as an independent director.	Special	64,67,063	63,74,351	98.5664	92,712	1.4336

● **Person who conducted the postal ballot exercise:**

Mr. N. D. Satish, Practicing Company Secretary

● **Whether any special resolution is proposed to be conducted through postal ballot?**

The Company proposes to seek shareholders' approval by way of special resolution through postal ballot for authorising the Board of Directors in terms of Section 180(1)(a) of the Companies Act, 2013 to create security/ mortgage/ charge over the assets of the Company to secure the borrowings sought to be availed by the Company.

● **Procedure for postal ballot:**

In compliance with Sections 108 and 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules, the Company provides electronic voting (e-voting) facility, in addition to physical ballot, to all its members. For this purpose, the Company has engaged the services of NSDL.

Postal ballot notices and forms are dispatched, along with postage-prepaid business reply envelopes to registered members / beneficiaries. The same notice is sent by email to members who have opted for receiving communication through the electronic mode. The Company also publishes a notice in the newspaper declaring the details and requirements as mandated by the Act and applicable rules.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Members who want to exercise their votes by physical postal ballot are requested to return the forms, duly completed and signed, to the scrutinizer on or before the close of the voting period. Those using the e-voting option are requested to vote before the close of business hours on the last date of e-voting.

The scrutinizer completes his scrutiny and submits his report to the Chairman, and the voting results are announced by the Chairman / authorized person. The results are also displayed on the Company website, <https://www.sandurgroup.com/Annual-General-Meetings-and-Postal-Ballots.html>, besides being communicated to the stock exchange. The last date for the receipt of postal ballot forms or e-voting is reckoned to be the date on which the resolution would be deemed to have been passed, if approved.

13. Subsidiary Company

Star Metalics and Power Private Limited (SMPPL) is a subsidiary of the Company with 80.58% of its paid-up equity share capital held by the Company as on 31 March 2019.

As on 31 March 2019, the following directors of the Company - S. Y. Ghorpade, Nazim Sheikh, V. Balasubramanian, S. S. Rao and B. Ananda Kumar held directorship in SMPPL.

S. Y. Ghorpade, holds the position of Non-Executive Chairman of SMPPL. In compliance with the Listing Regulations, requiring a listed holding company to nominate an independent director on the board of its subsidiary, B. Ananda Kumar - an Independent Director of the Company, has been nominated to hold the office of Nominee Director on the Board of SMPPL. Nazim Sheikh serves as a non-executive Director on the Board of SMPPL. Further, V. Balasubramanian and S. S. Rao, Independent Directors of SMIOR have been appointed as non-executive and Independent Directors on the Board of SMPPL.

In terms of sub-regulation (6) of Regulation 24 stipulating corporate governance requirements with respect to subsidiary of listed entity, the Company adheres to the following:

- 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.

14 Means of Communication

- Quarterly financial results are being regularly sent to BSE 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 intimated to BSE Limited and also, displayed on the website of the Company at www.sandurgroup.com.
- No presentation has been made to institutional investors or to the analysts.



The Sandur Manganese & Iron Ores Limited

15 General Shareholder Information

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

21 September 2019 at 11.00 a.m. at Golden Jubilee Hall, Sandur Residential School, Palace Road, Shivapur, Sandur - 583 119.

ii) Financial Year: 1 April 2018 to 31 March 2019

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

Financial Reporting for the quarter ending 30 June 2019	On or before 14 August 2019
Financial Reporting for the quarter ending 30 September 2019	On or before 14 November 2019
Financial Reporting for the quarter ending 31 December 2019	On or before 14 February 2019
Financial Reporting for the quarter ending 31 March 2020	On or before 30 May 2020

iv) Dates of Book Closure: 16 September 2019 to 21 September 2019 (both days inclusive)

v) Dividend Payment Date: On or after 21 September 2019

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

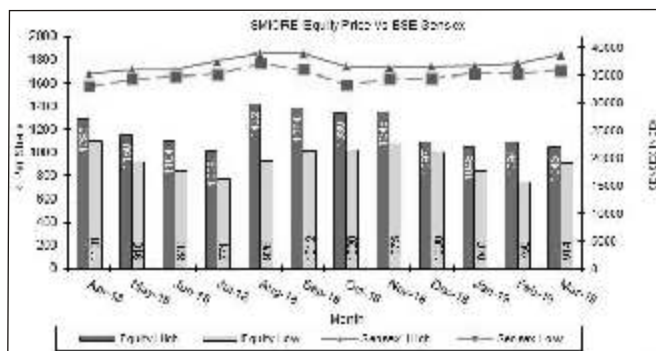
Listing Fee: The Company has paid annual listing fee for the year 2018-19 to BSE Limited where the securities of the Company are listed.

vii) Stock Code: BSE 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 Sensex (Average)
Apr-18	1108	1295	1101	1133	79436	3986	34093
May-18	1121	1150	918	1075	94573	3488	35148
Jun-18	1104	1104	840	875	78890	3450	35331
Jul-18	865	1009	771	950	79469	4613	36376
Aug-18	948	1422	926	1342	327508	17004	38059
Sep-18	1368	1384	1012	1067	173342	12851	37460
Oct-18	1056	1339	1020	1311	166690	13356	34954
Nov-18	1320	1348	1075	1086	145241	13662	35346
Dec-18	1095	1097	1000	1031	37395	2731	35491
Jan-19	1021	1048	840	876	53453	3785	36038
Feb-19	900	1094	750	915	99067	4939	36230
Mar-19	925	1045	914	952	72310	2991	37338

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



x) Distribution of Equity Shareholding as on 31 March 2019:

Shareholding of Nominal Value (in ₹)	No. of share holders	No. of Shares	% to total Capital
Up to 5000	9,200	6,01,974	6.88
5001 to 10000	32	2,17,459	2.49
10001 to 20000	127	1,87,802	2.15
20001 to 30000	50	1,26,231	1.44
30001 to 40000	23	82,458	0.94
40001 to 50000	11	51,606	0.59
50001 to 100000	32	2,17,459	2.49
100001 and Above	38	72,65,011	83.03
Total	9,150	87,50,000	100.00

xi) Shareholding pattern as on 31 March 2019:

Categories	No. of Shares	% to Total
Promoters, Directors and their relatives and persons acting in concert	63,41,322	72.47
Banks and Financial Institutions	72,350	0.83
Mutual Funds	650	0.01
Insurance Companies	-	-
Foreign Institutional Investors	-	-
Other bodies corporate	4,70,018	5.37
Public	18,65,660	21.32
TOTAL	87,50,000	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 (VCCIPL), 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 or Managing Director or Company Secretary approves the share transfer registers and statements 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 2019, 86,43,794 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: In connection with the setting up of 0.4MTPA Coke Oven Plant, the Company is required to incur a capital expenditure to the tune of USD 15 million (or ₹110 crore) on plant and machineries being imported from China. In order to mitigate the exposure to foreign exchange fluctuations, the Company has entered into option contracts.



The Sandur Manganese & Iron Ores Limited

xvii) **Plant location:** Mines at Deogiri, SB Halli & Ramgad located around Sandur and Metal & Ferroalloy plant at Vyasankere, near Hosapete.

xviii) **Address for correspondence:**

Registered Office: 'SATYALAYA', Door No. 266 (Old No. 80), Ward No.1, Behind Taluka Office, Sandur - 583 119, Ballari District, Karnataka

xix) **Credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.**

The Company has not issued any debt instruments or instituted any fixed deposit programme or any scheme or proposal involving mobilization of funds, in India or abroad and accordingly, has not obtained any credit rating thereof.

16. Other Disclosures

- **Materially significant related party transactions that may have potential conflict with the interests of listed entity at large:** No materially significant related party transactions have been entered into by the Company that may have potential conflict with the interest of the Company at large. 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 share holding.
- **Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years:** 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 have 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 (LODR) 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:** In compliance with Regulation 27(1) read with clause 'A' of Part E of Schedule II of the SEBI (LO&DR) Regulations, 2015, S. Y. Ghorpade, Non-Executive Chairman is allowed to maintain a chairperson's office at Company's expense and also allowed reimbursement of expenses incurred in performance of his duties.
- ii) **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 (LODR) Regulations, 2015. A copy of complete Annual Report is sent to each and every shareholder of the Company. The Company hopes to move to a regime of sending a half- yearly declaration of the financial performance, including summary of the significant events, to each household of its shareholders.
- iv) **Modified Opinion(s) in the Audit Report:** During the year under review, there was no audit qualification / modification in the Audit Report.
- v) **Separate posts of Chairman and Managing Director/CEO:** The Company has appointed separate persons to the posts of Chairman and Managing Director or Chief Executive Officer. S. Y. Ghorpade is occupying the position of Non- Executive Chairman and Nazim Sheikh serves as the Managing Director.
- vi) **Reporting of Internal Auditor:** The Company has appointed M/s. P. Chandrasekar LLP, 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 (LODR) 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: www.sandurgroup.com/Policies.html
- **Policy on dealing with related party transactions:** The Board of Directors first formulated the Policy on Related Party Transaction, as per the requirement of Clause 49 of the Listing Agreement, in its meeting held on 28 May 2014. The said Policy was amended to incorporate the changes in provisions governing related party transactions, as stipulated in the SEBI (LODR) Regulations, 2015, by the Board in its meeting held on 14 November 2015. The Policy was once again revised by the Board in its meeting held on 13 September 2017 to incorporate the changes in applicable accounting standard from the existing Accounting Standard - 18 to Indian Accounting Standard (IndAS) - 24. The Policy also, incorporates the provisions of the Companies Act, 2013 dealing with Related Party Transactions. The Policy can be accessed at: www.sandurgroup.com/Policies.html



The Sandur Manganese & Iron Ores Limited

- **Disclosure of commodity price risks and commodity hedging activities:** Not applicable
- **Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):** Not applicable
- A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

Mr. N. D. Satish, Practicing Company Secretary, has issued a certificate as required under the Listing Regulations, confirming that none of the directors on the Board of the Company has been debarred or disqualified by the SEBI/Ministry of Corporate Affairs or any such statutory authority from being appointed or continuing as director of companies. The certification is appended as **Annexure - 'B'** to the Report.

- **Instances where the Board has not accepted any recommendation of any Committee of the Board which is mandatorily required, in the relevant financial year:** Not Applicable
- **Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm / network entity of which the statutory auditor is a part.**

M/s. R. Subramanian and Company LLP, Chartered Accountants, Chennai (Firm Registration No. FRN004137S/S200041) have been appointed as the Statutory Auditors of the Company.

The particulars of payment of Statutory Auditors' fees, on consolidated basis is given below:

S. No.	Particulars	Amount (In ₹)
1	Statutory Auditors Fee for the Audit of Standalone Financial Statements	24,00,000
2	Statutory Auditors Fee for the Audit of Consolidated Financial Statements	3,00,000
3	Statutory Auditors Fee for Limited Review of Quarterly financials	15,00,000
4	Statutory Auditors Fee for the Corporate Governance Audit	2,00,000
5	Fee for Tax Audit	4,00,000
	TOTAL	47,00,000

- Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
 - a) Number of complaints filed : Nil during the financial year
 - b) Number of complaints disposed of during the financial year : Not Applicable
 - c) Number of complaints pending : Nil as on end of the financial year

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

18. CEO / CFO Certification:

The Managing Director and the Chief Financial Officer (CFO) have certified to the Board in accordance with Regulation 17 (8) of the SEBI (LODR) Regulations, 2015 for the financial year 2018-19. The CEO/CFO certification is appended as **Annexure - 'C'** to the Report.

19. Affirmation of compliance with Code of Conduct:

In compliance with Regulation 17 (8) of the SEBI (LODR) Regulations, 2015, the Company has framed and adopted the Code of Conduct for Board Members and Senior Management Personnel ("Code of Conduct"). All members of the board of directors and senior management personnel have affirmed compliance with the Code of Conduct. 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 2018-19 and the same were placed before the Board at its meeting held on 27 May 2019. A copy of the said certificate is appended as **Annexure - 'D'** to the Report.

20. Auditor's certificate on compliance with corporate governance requirements of the SEBI (LODR) Regulations, 2015:

Auditor's Certificate is appended as **Annexure - 'E'** to the Report.

for and on behalf of the Board of Directors

NAZIM SHEIKH
Managing Director
(DIN 00064275)

Place : Bengaluru
Date : 27 May 2019



The Sandur Manganese & Iron Ores Limited

Annexure – 'A'

MATRIX SETTING OUT THE SKILLS/EXPERTISE/COMPETENCIES OF THE BOARD OF DIRECTORS

Skills/ Expertise/Competencies identified by the Board	SYG	NS	BAK	SSR	VW	KVR	TRR	GPK	RS	PAR	LV	LP	Whether identified skills/ expertise/ competencies are present on Board (Y/N)
Skills	Domain Skills												Y
Competency	Professional Experience												Y
Industry Exposure													Y

Note: SYG: S. Y. Ghorpade; NS: Nazim Sheikh; BAK: B. Ananda Kumar; SSR: S. S. Rao; VW: Vatsala Watsa; KVR: K. V. Ramarathnam; TRR: T. R. Raghunandan; GPK: G.P. Kundargi; RS: Rajnish Singh; PAR: P. Anur Reddy; LV: Lakshmi Venkatachalam; LP: Latha Pillai.



The Sandur Manganese & Iron Ores Limited

Annexure – 'B'

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS (pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
THE SANDUR MANGANESE & IRON ORES LIMITED,
'SATYALAYA' Door No.266 (Old No.80),
Ward No. 1, Behind Taluk Office,
Sandur, Ballari,
Karnataka - 583 119

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **The Sandur Manganese & Iron Ores Limited** having CIN L85110KA1954PLC000759 and having registered office at 'SATYALAYA' Door No.266 (Old No.80), Ward No. 1, Behind Taluk Office, Sandur, Ballari, Karnataka - 583 119 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr.No.	Name of Director	DIN	Date of appointment in Company
1.	Shivarao Yeshwanthrao Ghorprade	00080477	04/07/1996
2.	Nazim Sheikh	00064275	31/01/2001
3.	Ramarathnam Varadharajan Kovathakudi	00097892	28/05/2016
4.	Sattiraju Seshagiri Rao	00150816	01/09/2013
5.	Lakshmi Venkatachalam	00520608	27/06/2018
6.	Ananda Kumar Bussa	01711145	15/07/2013
7.	Gururaj Pandurang Kundargi	02256516	12/11/2016
8.	Vatsala Watsa	02626457	01/09/2013
9.	Raghunandan Raghavan Thoniparambil	03637265	28/05/2016
10.	Pamudurthy Anur Reddy	05170191	30/05/2018
11.	Rajnish Kumar Singh	05319511	01/01/2018
12.	Latha Pillai	08378473	08/03/2019
13.	Venkatachalam Balasubramanian*	00026561	10/09/2011

* Completed tenure as an Independent Director and ceased to be a director from 1 April 2019.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: 27 May 2019
Place: Bangalore

Signature
Name: **N.D. Satish**
Designation: Practising Company Secretary
Membership No.: FCS No. 10003
CP No.:12400



The Sandur Manganese & Iron Ores Limited

Annexure – 'C'

CEO AND CFO CERTIFICATION

We, Nazim Sheikh, Managing Director and Sachin Sanu, Chief Financial Officer, certify that:

- 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) They are 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 or propose to be taken to rectify these deficiencies.

- d) We have indicated to the Auditors and Audit Committee
 - (i) Significant change in internal control over financial reporting during the year under reference;
 - (ii) Significant change in accounting policies during the year requiring disclosures in the notes to the financial statements; and
 - (iii) Instances of significant fraud during the year with involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place : Bengaluru
Date : 27 May 2019

for The Sandur Manganese & Iron Ores Limited

NAZIM SHEIKH
Managing Director

SACHIN SANU
Chief Financial Officer

Annexure – 'D'

CERTIFICATE ON COMPLIANCE WITH CODE OF CONDUCT

I, Nazim Sheikh, 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 2018-19 and the same are being placed before the Board at its meeting held on 27 May 2019.

Place : Bengaluru
Date : 27 May 2019

for The Sandur Manganese & Iron Ores Limited

NAZIM SHEIKH
Managing Director



The Sandur Manganese & Iron Ores Limited

Annexure – 'E'

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER PROVISIONS OF CHAPTER IV OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The Members

The Sandur Manganese and Iron ores Limited

1. The accompanying Corporate Governance Report for the year ended March 31, 2019 prepared by The Sandur Manganese and Iron Ores Limited (hereinafter referred to as the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") with respect to Corporate Governance ('Applicable criteria').

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditors' Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 1 above.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that perform Audits and Reviews of Historical Financial Information, and other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:
 - a. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;
 - b. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive Directors has been met throughout the reporting period;
 - c. Obtained and read the Register of Directors and Key Managerial Personnel as on March 31, 2019 and verified that at-least one women director is on the Board during the year;

- d. Obtained and read the minutes of the following meetings of the Board of Directors and its Committees held from April 1, 2018 to March 31, 2019;
 - Board of Directors ;
 - Audit Committee;
 - Nomination and Remuneration Committee; and
 - Stakeholders' Relationship Committee.; and
- e. Obtained necessary representations and declarations from Directors of the Company including the Independent Directors ; and
- f. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

8. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, *Except for the matter specified in para 9 below* we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable as at March 31, 2019, referred to in paragraph 1 above
9. *During the period August 11, 2018 to November 13, 2018 the Nomination and Remuneration Committee's composition was not as per the provision of Regulation 19 (2) of SEBI (LODR), 2015.*

Other matters and Restriction on Use

10. This report 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.
11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to Corporate Governance Report accompanied with by a report thereon from the statutory auditors and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For R Subramanian and Company LLP,
Chartered Accountants
ICAI Firm Regn. No.: 004137S/S200041

Gokul S Dixit, Partner
Membership No.: 209464

Place: Bangalore
Date: May 27, 2019



The Sandur Manganese & Iron Ores Limited

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. BACKGROUND

The Management Discussion and Analysis Report dwells on the developments in related business, market and the Company's performance during the year of reporting (2018-19), and 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, and 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 economic conditions affecting demand and supply, judicial pronouncements, change in government regulations and revision in policies, taxation and any force majeure situations, over which the Company does not have any control.

2. INDUSTRIAL OVERVIEW, MARKET SCENARIO, OPPORTUNITIES AND THREATS

Iron Ore

Iron ore production in Karnataka during 2018-19 was around 29.5 million tonnes (Mt) as against permissible production limit of 35 Mt. Production came down mainly on account of stoppage of production at Donimalai mines of NMDC whose lease had expired. Although Government of Karnataka (GoK) renewed the lease on time before its expiry date, it demanded a premium of 80% (average of premium it received from auction of other mines to private sector). NMDC did not agree to pay the premium and went to Court against the state Government's order. GoK argued that it is losing revenue by giving the lease to NMDC, if it had auctioned the mines. Sale of iron ore through e auction in Karnataka was about 26 million tonnes, and the total inventory carried as at the end of the year was to the tune of 6 Mt. Sale could not take place mainly from additional production in Chitradurga sector which had some quality issues like higher Mn. Stocks of state Government undertaking-KMDCL (formerly MML) also went up since it did not lower the price in line with market situation. These factors have led to higher unsold stocks. Buyers in Karnataka prefer to use imported ore in preference to locally produced ore. While the buyers have complete freedom to import the ore from anywhere in the world or purchase from other states, sellers are not allowed to export the iron ore. Miners have approached Supreme Court to permit exports to clear the stocks. Supreme Court has sought a report from Monitoring Committee on non-salability of iron ore in Karnataka and its view on permitting exports. Monitoring committee has

recommended exports to the extent imports take place, either by lessees directly or canalizing agencies.

The Company was able to sell all the quantity produced due to timely adjustment of prices to market situation.

Manganese ore

Production of Manganese (Mn) ore in India has remained at a level of 2.5 million tonnes. and supply continues to be lower than the demand. Consequently, import of Mn ore continues.

The Company's production increased to 285 kt in 2018-19 compared to 260 kt during 2017-18. International prices have marginally dropped during 2018-19 to a level of about 7 to 7.25 \$/dmu. Grade of the Mn ore lumps sold by the Company during 2018-19 improved by 1.0 unit of Mn, and consequently realization on sale of Mn ore lumps in E-auction rose by nearly ₹2000 per tonne (t). The Company was also able to sell larger quantities of Mn ore fines compared to 2017-18. Overall increase in realization including fines rose by nearly ₹1000/t. Increase in realization was both due to improvement in quality as well market condition. Realization per unit of Mn increased from ₹162 to 198 per %Mn, an increase of ₹36 or 23%.

Grade of manganese ore production by the Company during 2019-20 is expected to improve further and after meeting captive requirement for the Fe alloy production, the grade of ore available for the market is also expected to go up.

Ferro alloys

While Ferro alloys production in India is about 3.5 Mt, Manganese alloy production in India is about 2.5 Mt, which is higher than domestic requirement, leaving the surplus for export or stockpile. The Company improved its Silicomanganese (SiMn) sales to about 32 kt compared to 29 kt during the previous year. Market conditions during the year were favorable and saw an increase in prices. Higher dependence on imported manganese ore and higher exchange rate for rupee led to higher level of alloy prices. The Company was able to improve the average realization by 9%. The savings available to the Company by not importing Mn ore at higher cost is, to some extent, offset by the disadvantage of power and reductant cost, and also higher logistic costs for the Company.

Energy

Prices obtainable in the open market sale of energy continues to be less than the variable cost of generation. The Company's power plant being dependent on coal prices, saw considerable increase in cost of generation. As a result, sale of energy was not viable. Therefore, Mn



The Sandur Manganese & Iron Ores Limited

alloys production was carried out in two furnaces while generation of power was restricted to meet captive demand only.

3. SEGMENT-WISE PERFORMANCE

a) Mining

As of 31 March 2019, the performance of the Company's Mines is given below:

- (i) Produced 285 kt of manganese ore and sold 263 kt.
- (ii) Produced 1581 kt of iron ore and sold 1491 kt.

b) Conversion of Manganese ore to Silicomanganese

During the year under review, Mn ore produced at Company's mines was used to produce 32254 tonnes of Silicomanganese and sold 32,669 tonnes SiMn mostly to domestic industries.

4. OUTLOOK, RISKS AND CONCERNS

Iron Ore

Iron and Steel industry in Karnataka is importing iron ore and also procuring from Odisha, in spite of higher freight. Fall in off take by domestic steel industry, could result in decline in production in Karnataka. Imports of iron ore by the Karnataka users is likely to result in lowering of prices, affecting saleability of low-grade ores. Overall profitability of iron ore operations is expected to be under strain. If exports are permitted iron ore scenario will change because there is buoyancy in the international market. The tailing dam disaster resulting in closure of Vale in Brazil caused ore prices to soar, peaking at \$100/t.

Manganese ore

Mn ore prices in the international market is expected to marginally drop from current level, Eramet a major producer is planning to open one more plateau next to its existing mine and increase Mn ore capacity to about 7 million tonnes. Last year they produced about 4.2 million tonnes and are expected to increase production to 4.5 million tonnes this year. Their production will go up substantially after the expansion. As they do not have much captive requirement, more Mn ore will come into the market, dropping prices. Apart from Eramet, there are several other mines have opened up in Africa and Brazil. Increased availability of Mn ore will witness a marginal fall in prices. The Company's Mn ore is expected to realize stable prices. During 2019-20, the Company hopes to produce Mn ore of higher Mn content to meet captive requirement.

Ferro alloys

Mn alloy business is expected to continue as in 2018-19, despite excess capacity in the country. Indian ferroalloy industry is operating at about 65% capacity utilization. Prices which picked up during 2018-19 may decline

marginally during 2019-20. Company's ferroalloy business is expected to maintain current level of production and also sales volume having developed a stable market for its SiMn. But may witness of fall in price of SiMn due to market condition.

The products of the Company namely Iron ore, Mn ore and Silicomanganese are dependent on the health of the steel market, and prospects appears to be good due to thrust given by the Government to boost steel production. Requirement of high-grade Mn ore is a challenge for the Company's mines. Efforts are on to beneficiate medium grade ore to meet the ferroalloy plant's requirement.

5. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a well-developed internal control system and has clearly allocated responsibilities among its executives. The Company has an internal audit department, which is independently monitoring compliances with approved internal control procedures and exercise of delegated 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 P. Chandrasekar LLP, Chartered Accountants, as its internal auditor, which reports on a quarterly basis to the Audit Committee.

6. FINANCIAL PERFORMANCE

Information provided in the Directors' Report.

7. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS

As on 1 April 2019, the Company's employee strength was 2000. During the year, 229 employees were recruited while 120 employees separated. This resulted in the strength going up to 2109 by end of FY19. Right from its inception, the Company has a record of cordial relations with its employees.

for and on behalf of the Board of Directors

S. Y. GHORPADE
Chairman
(DIN: 00080477)

Place : Bengaluru
Date : 27 May 2019



The Sandur Manganese & Iron Ores Limited

Independent Auditor's Report

To the Members of The Sandur Manganese and Iron Ores Limited Report on the audit of Standalone Financial Statements

Opinion

We have audited the standalone financial statements of The Sandur Manganese and Iron Ores Limited ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss, including the statement of Other Comprehensive Income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("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, 2019, and profit including Other Comprehensive Income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter (KAM)	Response to Key Audit Matter and Conclusion
Evaluation of uncertain tax positions The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.	Principal Audit Procedures Obtained details of completed tax assessments and demands for the year ended March 31, 2019 from management. We involved our internal experts to analysis the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. We also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2018 to evaluate whether any change was required to management's position on these uncertainties.
Inventory Measurement The Company measures closing quantity of its mineral ores on actual weightment basis at the time of production and the ore grade is determined based on the average grade of the ore constituting each production lot.	Principal Audit Procedures Closing quantity of Ore inventories are verified by applying following procedure ● Physical verification of stock on a volumetric basis is determined and material difference, if any between the book quantity and physically verified quantity is adjusted in the book of accounts. ● Certain lots are randomly selected on a sample basis, and the lot as per books are reconciled with the heap production report to the lot quality and reported grade. ● Cut off procedures are also performed to verify weather closing stocks are accounted for in the appropriate period.



The Sandur Manganese & Iron Ores Limited

Information Other Than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the Director's report and its annexures, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that if there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation



The Sandur Manganese & Iron Ores Limited

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:

- 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.
- 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.
- The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- 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.

- With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- 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:

- The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27 to the financial statements;

- The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

- There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company {or, following are the instances of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company or there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

- As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

For R Subramanian and Company LLP
Chartered Accountants
Firm Regn.No004137S/S200041

Gokul Dixit
Partner
M. No. 209464

Place: Bangalore
Date: May 27, 2019



The Sandur Manganese & Iron Ores Limited

“ANNEXURE-A” To the Independent Auditors’ Report

(Referred to in paragraph 1 f) under ‘Report on Other Legal and Regulatory requirements’ section of our report of even date to the Ind AS financial statements of the company for the year ended March 31, 2019.)

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

We have audited the internal financial controls with reference to the Ind AS financial statements of **The Sandur Manganese and Iron Ores Limited** (“the Company”) as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is primarily responsible for establishing and maintaining internal financial controls with reference to the Ind AS financial statements. These responsibilities include the design, implementation and maintenance of internal financial controls with reference to the Ind AS financial statements 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 Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s existence and operating efficiency of internal financial controls systems with reference to the Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls With Reference to Ind AS Financial Statements (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 internal financial controls with reference to the Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about existence of the internal financial controls with reference to the Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of the internal financial controls with reference to the Ind AS financial statements, 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 with

reference to the Ind AS financial statements.

Meaning of Internal Financial Controls With Reference To Ind AS Financial Statements

A Company’s internal financial controls with reference to the Ind AS financial statements 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 including the Ind AS. A company’s internal financial controls with reference to the Ind AS financial statements 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of un authorized acquisition, use, or disposition of the company’s assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to the Ind AS financial statements, 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 with reference to the Ind AS financial statements to future periods are subject to the risk that the internal financial controls with reference to the Ind AS financial statements 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 explanation given to us, the Company has, in all material respects, there exists an adequate internal financial controls with reference to the Ind AS financial statements and such internal financial controls with reference to the Ind AS financial statements were operating effectively as at March 31, 2019, based on the internal financial controls with reference to the Ind AS financial statements 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 R Subramanian and Company LLP
Chartered Accountants
Firm Regn.No004137S/S200041

Gokul Dixit
Partner
M. No. 209464

Place: Bangalore
Date: May 27, 2019



The Sandur Manganese & Iron Ores Limited

“ANNEXURE-B” To the Independent Auditors’ Report

Referred to in paragraph (2) under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the Ind AS financial statements of the company for the year ended March 31, 2019.

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and Situation of fixed assets.
- (b) 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 on 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/conveyance deed provided to us, we report that, the title deeds, comprising all immovable properties of land and building, 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 asst in the financial statements.
2. 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.
3. As informed, 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. Accordingly, reporting under clause 3(iii)(a) to (c) of the Order are not applicable to the Company.
4. The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause 3(iv) of the order is not applicable.
5. According to the information and explanations given to us, the Company has not accepted any deposits from the public and doesn't have any unclaimed deposits. Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.
6. The Maintenance of cost records have been specified by the central government under section 148(1) of The Companies Act 2013. 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 Section 148(1) of the Companies Act 2013, 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.
7. According to the information and explanations given to us and on the basis of examination of the records of the Company, in respect of statutory dues:
 - (a) The company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Sales Tax, Income Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Goods and Service Tax, cess and other material statutory dues with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Sales Tax, Income Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Goods and Service Tax, cess and other material statutory dues in arrears as at 31st March 2019 for a period of more than six months from the date they became payable.

(c) Details of dues of Sales Tax, Income Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax and Goods and Service Tax which have not been deposited as on 31st March 2019 on account of disputes are given below:

Name of Statute	Nature of Dues	Amount (₹ Lakhs)	Period to which the amounts relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax including Interest	427.79*	2010-11 to 2011-12	Income Tax Appellate Tribunal Commissioner of Income Tax (Appeals)
		707.62**	2012-13, 2013-14 and 2015-16	
Customs Act, 1952	Customs duty Including Interest	339.30***	1986-2019	Hon'ble High Court of Andhra Pradesh
The Central Excise Act, 1944	Service Tax Including Interest	293.34	April 2005 to September 2007	Hon'ble Supreme Court of India
Service Tax	Service Tax on Royalty	670.16#	April 2016 to June 2017	Hon'ble High Court of Karnataka

* Net of ₹182 lakhs Paid under protest.

** Net of ₹186.50 lakhs Paid under protest.

*** Net of ₹42.22 lakhs Paid under protest # excluding Interest



The Sandur Manganese & Iron Ores Limited

8. In our opinion and according to the information and explanations given to us, the Company has neither taken any loans or borrowings from financial institutions, banks and government nor has issued any debentures. Hence reporting under clause 3(viii) of the Order are not applicable to the Company.
9. To the best of our knowledge and according to the information and explanations given to us, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans during the year and hence, the provisions of clause 3(ix) of the Order are not applicable to the Company.
10. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.
11. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act 2013;
12. The Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
13. In our opinion and according to the information and explanations given to us and based on our examination of the record of the company, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and details of such transactions have been disclosed in the Financial Statements as required by the applicable Indian Accounting Standards.
14. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
15. Based upon the audit procedures performed and the information and explanations given by the management, 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 Companies Act, 2013 are not applicable.
16. In our opinion, the company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

For R Subramanian and Company LLP
Chartered Accountants
Firm Regn.No004137S/S200041

Gokul Dixit
Partner
M. No. 209464

Place: Bangalore
Date: May 27, 2019



The Sandur Manganese & Iron Ores Limited

Balance Sheet as at 31 March 2019

Particulars	Note No.	₹ lakh	
		As at 31 March 2019	As at 31 March 2018
I ASSETS			
1 NON-CURRENT ASSETS			
(a) Property, plant and equipment	2	7,444.93	7,107.87
(b) Capital work-in-progress		20,205.54	1,185.62
(c) Investment property	3	4,920.62	4,947.15
(d) Other intangible assets	4	144.84	222.08
(e) Financial assets			
(i) Investments	5	12,806.05	12,795.53
(ii) Other financial assets	6	1,089.33	442.83
(f) Deferred tax assets (net)	7	2,450.00	2,050.00
(g) Other non-current assets	8	10,581.26	5,840.32
Total non-current assets		59,642.57	34,591.40
2 CURRENT ASSETS			
(a) Inventories	9	6,479.28	8,705.78
(b) Financial assets			
(i) Investments	5	5,903.31	17,462.17
(ii) Trade receivables	10	2,086.64	426.40
(iii) Cash and cash equivalents	11	2,269.48	1,878.56
(iv) Other bank balances	11	2,723.60	389.98
(v) Other financial assets	6	343.73	79.44
(c) Other current assets	8	3,230.06	2,161.99
Total current assets		23,036.10	31,104.32
Total assets		82,678.67	65,695.72
II EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity share capital	12	875.00	875.00
(b) Other equity	12	65,717.55	52,095.90
Total equity		66,592.55	52,970.90
LIABILITIES			
2 NON-CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Other financial liabilities	13	28.50	4.50
(b) Provisions	14	595.54	451.77
Total non-current liabilities		624.04	456.27
3 CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Trade payables	15	-	-
(a) Total Outstanding due of Micro and Small Enterprises		-	-
(b) Total Outstanding dues other than (i) (a) above		7,882.27	5,189.83
(ii) Other financial liabilities	13	438.93	20.50
(b) Provisions	14	56.81	86.07
(c) Current tax liabilities (Net)	16	968.38	839.51
(d) Other current liabilities	17	6,115.69	6,132.64
Total current liabilities		15,462.08	12,268.55
Total liabilities		16,086.12	12,724.82
Total equity and liabilities		82,678.67	65,695.72

The accompanying notes 1 to 41 are an integral part of the financial statements

In terms of our report attached

For R. Subramanian and Company LLP
Chartered Accountants
FRN: 004137S/ S200041

Gokul S. Dixit
Partner
Membership No. 209464

For and on behalf of the Board of Directors

S.Y. Ghorpade
Chairman

Nazim Sheikh
Managing Director

Place : Bengaluru
Date : 27 May 2019

Sachin Sanu
Chief Financial Officer

Divya Ajith
Company Secretary



The Sandur Manganese & Iron Ores Limited

Statement of profit and loss for the year ended 31 March 2019

Particulars	Note No.	₹ lakh	
		For the year ended 31 March 2019	For the year ended 31 March 2018
I Revenue from operations	18	70,215.26	61,239.95
II Other Income	19	1,807.86	1,109.53
III Total revenue (I + II)		72,023.12	62,349.48
IV Expenses			
(a) Cost of materials consumed	20(a)	12,446.30	11,742.61
(b) Changes in stock of finished goods, work-in-progress and stock-in-trade	20(b)	674.38	1,619.20
(c) Employee benefit expense	21	8,134.07	8,279.24
(d) Finance costs	22	639.00	494.90
(e) Depreciation and amortisation expense	23	793.47	742.63
(f) Other expenses	24	27,422.92	23,018.72
V Total expenses		50,110.14	45,897.30
VI Profit before tax (III - IV)		21,912.98	16,452.18
VII Tax expense			
(1) Current tax	25	8,071.00	5,420.00
(2) Deferred tax	25	(400.00)	380.00
Total tax expense		7,671.00	5,800.00
VIII Profit after tax for the year (VI-VII)		14,241.98	10,652.18
IX Other comprehensive income			
Items that will not be reclassified to the statement of profit and loss			
(i) Remeasurement of post-employment benefit obligations		8.91	(194.00)
(ii) Income tax relating to these items		(3.00)	70.00
Items that may be reclassified to the statement of profit and loss			
(i) Cost of hedging		(70.08)	-
(ii) Income tax relating to these items		24.00	-
X Total comprehensive income (net of tax) for the year		14,201.81	10,528.18
XI Earnings per equity share of ₹ 10:			
(1) Basic	26	162.77	121.74
(2) Diluted	26	162.77	121.74

The accompanying notes 1 to 41 are an integral part of the financial statements

In terms of our report attached

For R. Subramanian and Company LLP

Chartered Accountants

FRN: 004137S/ S200041

For and on behalf of the Board of Directors

Gokul S. Dixit
Partner
Membership No. 209464

S.Y. Ghorpade
Chairman

Nazim Sheikh
Managing Director

Place : Bengaluru
Date : 27 May 2019

Sachin Sanu
Chief Financial Officer

Divya Ajith
Company Secretary



The Sandur Manganese & Iron Ores Limited

Statement of changes in equity for the year ended 31 March 2019

(a) Equity share capital

₹ lakh

Particulars	As at 31 March 2019	As at 31 March 2018
Opening Balance	875.00	875.00
Closing Balance	875.00	875.00

(b) Other equity

₹ lakh

Particulars	Reserves and surplus				Items of other comprehensive income		Total other equity
	Capital redemption reserve	Securities premium reserve	General reserve	Retained earnings	Remeasurement of post-employment benefit obligations (net of tax)	Hedging Reserve (net of tax)	
Balance As at 1 April 2017	100.65	967.23	3,788.11	37,464.92	(16.00)	-	42,304.91
Profit / (loss) for the year	-	-	-	10,652.18	-	-	10,652.18
Other comprehensive income/(loss)	-	-	-	-	(124.00)	-	(124.00)
Dividend paid on equity shares (refer note 13)	-	-	-	(612.50)	-	-	(612.50)
Dividend distribution tax (refer note 13)	-	-	-	(124.69)	-	-	(124.69)
As at 31 March 2018	100.65	967.23	3,788.11	47,379.91	(140.00)	-	52,095.90
Profit / (loss) for the year	-	-	-	14,241.98	-	-	14,241.98
Total comprehensive income for the year	-	-	-	-	5.91	(46.07)	(40.16)
Dividend paid on equity shares (refer note 13)	-	-	-	(481.25)	-	-	(481.25)
Dividend distribution tax (refer note 13)	-	-	-	(98.92)	-	-	(98.92)
As at 31 March 2019	100.65	967.23	3,788.11	61,041.72	(134.09)	(46.07)	65,717.55

The accompanying notes 1 to 41 are an integral part of the financial statements

In terms of our report attached

For R. Subramanian and Company LLP

Chartered Accountants

FRN: 004137S/ S200041

For and on behalf of the Board of Directors

Gokul S. Dixit
Partner
Membership No. 209464

S.Y. Ghorpade
Chairman

Nazim Sheikh
Managing Director

Place : Bengaluru
Date : 27 May 2019

Sachin Sanu
Chief Financial Officer

Divya Ajith
Company Secretary



The Sandur Manganese & Iron Ores Limited

Statement of cash flows for the year ended 31 March 2019

₹ lakh			
Particulars	Note No.	For the year ended 31 March 2019	For the year ended 31 March 2018
Cash flows from operating activities			
Profit before tax for the year		21,912.98	16,452.18
Adjustments for:			
Depreciation and amortisation expense	23	793.47	742.63
Finance costs	22	639	494.80
Allowance for credit losses on financial assets	24	-	12.98
Gain on disposal of property, plant and equipment	19	(516.66)	(2.02)
Interest income	19	(120.16)	(47.55)
Dividend income	19	(322.31)	(175.92)
Gain on investments carried at fair value	19	(495.92)	(807.43)
Rental Income from Investment Properties	19	(59.62)	(29.97)
Liabilities no longer required written back	19	(86.13)	-
Profit on sale of non-current investments (net of loss on non current investment sold)	19	(9.45)	-
Net fair value losses on derivatives not designated as hedges		421.20	-
Unwinding of discount on provisions	22	25.00	12.00
Net foreign exchange (gain)/loss	24	-	5.33
Operating profit before working capital changes		22,181.40	16,657.13
Adjustments for (increase)/ decrease in operating assets:			
Other non-current financial assets	6	(28.06)	(214.01)
Other non-current assets	8	0.90	3,166.17
Inventories	9	2,226.50	160.69
Trade receivables	10	(1,660.24)	185.84
Other current financial assets	6	(723.15)	(39.98)
Other current assets	8	(1,068.07)	(1,125.12)
Adjustments for (increase)/ decrease in operating liabilities:			
Other non-current financial liabilities	14	24.00	4.50
Non-current provisions	15	143.77	(1,233.44)
Trade payables	16	2,778.57	1,951.63
Other current financial liabilities	14	0.41	(33.11)
Current provisions	15	(54.26)	(299.49)
Other current liabilities	17	(8.04)	(998.82)
Cash generated from operations		23,813.73	18,181.99
Income taxes paid	16	(7,803.71)	(5,980.72)
Net cash generated by operating activities		16,010.02	12,201.27

... Continued on next page



The Sandur Manganese & Iron Ores Limited

Statement of cash flows for the year ended 31 March 2019

₹ lakh

Particulars	Note No.	For the year ended 31 March 2019	For the year ended 31 March 2018
Cash flows from investing activities			
Additions to property, plant and equipment, intangible assets (including capital work-in-progress and capital advances)	2,4	(25,211.60)	(2,674.43)
Proceeds from sale of property, plant and equipment	2	1,240.35	4.84
Payments for investment property		-	(3,485.12)
Bank balances not considered as cash and cash equivalents	11	(2,907.36)	108.49
(Purchase)/ sale of investments (net)	5	12,044.27	(4,776.82)
Interest received	19	43.04	47.78
Proceeds from sale of investment	19	9.45	-
Rental Income from Investment Properties	19	59.62	29.97
Dividends received	19	322.31	175.92
Net cash (used in)/generated by investing activities		(14,399.93)	(10,569.38)
Cash flows from financing activities			
Finance costs	22	(639.00)	(494.90)
Dividends paid	12	(481.25)	(700.00)
Tax on dividends	12	(98.92)	(143.00)
Net cash used in financing activities		(1,219.17)	(1,337.90)
Net increase in cash and cash equivalents		390.92	294.00
Cash and cash equivalents at the beginning of the year	11	1,878.56	1,584.56
Cash and cash equivalents at the end of the year	11	2,269.48	1,878.56

The accompanying notes 1 to 41 are an integral part of the financial statements

In terms of our report attached

For R. Subramanian and Company LLP

Chartered Accountants

FRN: 004137S/ S20041

For and on behalf of the Board of Directors

Gokul S. Dixit
Partner
Membership No. 209464

S.Y. Ghorpade
Chairman

Nazim Sheikh
Managing Director

Place : Bengaluru
Date : 27 May 2019

Sachin Sanu
Chief Financial Officer

Divya Ajith
Company Secretary



The Sandur Manganese & Iron Ores Limited

Notes to the financial statements for the year ended March 31, 2019

All amounts are in ₹ lakh unless otherwise stated

1. Corporate information and significant accounting policies

The Company is engaged in mining of manganese and iron ores in Deogiri village of Sandur taluk, Bellary District, Karnataka. The Company is also engaged in the manufacture of ferroalloys at the Metal & Ferroalloy Plant located at Vyasanakere, Hospet. The Company is a public limited company incorporated and domiciled in India. The Company has its Registered Office at 'Satyalaya', Door No. 266 (old No.80), Behind Taluka Office, Ward No.1, Palace Road, Sandur 583 119, Bellary District, Karnataka and its Corporate Office at 1A & 2C, Rediffice Signature, No. 6, Hospital Road, Shivajinagar Bangalore 560 001. As at March 31, 2019, Skand Private Limited, the holding company owned 52.94% of the Company's equity share capital.

The Board of Directors approved the financial statements for the year ended March 31, 2019 and authorised for issue on May 27, 2019.

1.1 Significant accounting policies

(i) Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

(ii) Basis of preparation of the financial statements

These financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain financial instruments which are measured at fair value or amortised cost at the end of each reporting period, as explained in the accounting policies below. This financial statements comply in all material aspects with Ind AS notified under section 133 of the Companies Act, 2013 (the Act) (to the extent notified) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. All assets and liabilities are classified into current and non current based on the operating cycle of less than twelve months all based on the criteria of realisation / settlement within twelve month period from the balance sheet date.

Accounting policies have been consistently applied except where a new accounting standard is initially adopted or revision to an existing accounting standard, requires a change in the accounting policy hitherto in use.

1.2 Use of estimates and judgements

"The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make judgements, estimates and

assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may diverge from these estimates. Estimates and assumptions are reviewed on a periodic basis. Appropriate changes in estimates are made when the management of the Company becomes aware of the changes in the circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which the changes are made and, if material, their effects are disclosed in the notes to the financial statements."

1.3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Ores: Revenue from sale of ores is recognised on completion of e-auction and receipt of money from the customer. In case of sale of sub-grade ores the revenue from sale of ores is recognised on despatch 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.

Ferro alloys: Revenue from sale of goods is recognised on dispatch of ferro alloys to customers from plant, when significant risks and rewards of ownership are considered to be transferred and realisation is reasonably assured.

Energy : Revenue from sale of energy 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.

1.3.1 Rendering of services:

In case of service income, revenue is recognised when the service is rendered to the customer.

1.4 Dividend and interest income

Dividend income from investments is recognised when the Company's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.



The Sandur Manganese & Iron Ores Limited

Notes to the financial statements for the year ended March 31, 2019

All amounts are in ₹ lakh unless otherwise stated

1.5 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

1.5.1 The Company as lessor

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.5.2 The Company as lessee

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.6 Foreign currency transactions and balances

Transactions in foreign currency are recorded at exchange rates prevailing on the date of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit and loss and reported within foreign exchange gains/ (losses). Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

1.6.1 Functional Currency

The financial statements are presented in Indian rupees, the national currency of India, which is the functional currency of the Company. Functional currency of an entity is the currency of the primary economic environment in which the entity operates.

1.7 Employee benefits

1.7.1 Retirement benefit costs and termination benefits

Employee benefits include provident fund, employee state insurance scheme, pension, gratuity, superannuation and compensated absences.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. For defined benefit retirement benefit plans, the cost of

providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs. The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

1.7.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

1.8 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.



The Sandur Manganese & Iron Ores Limited

Notes to the financial statements for the year ended March 31, 2019

All amounts are in ₹ lakh unless otherwise stated

1.8.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision.

1.8.2 Minimum alternate tax

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

1.8.3 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

1.8.4 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in

other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

1.9 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets at head office and mines (including assets transferred to plant from these locations other than freehold land and properties under construction) less their residual values over their useful lives. The Company's assets 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 manner prescribed in Schedule II to the 2013 Act. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Items such as spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment when they meet the definition of property, plant and equipment under Ind AS 16. i.e., Property, plant and equipment are tangible items that:

- (a) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
- (b) are expected to be used during more than one period.

If the above said definition is not met, they are classified as inventories in accordance with Ind AS 2 Inventories.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are



The Sandur Manganese & Iron Ores Limited

Notes to the financial statements for the year ended March 31, 2019

All amounts are in ₹ lakh unless otherwise stated

expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

When an item of property, plant and equipment is acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary assets, the cost of that item is measured at fair value (even if the entity cannot immediately derecognise the asset given up) unless the exchange transaction lacks commercial substance or the fair value of neither the asset received nor the asset given up is reliably measurable. If the acquired item is not measured at fair value, its cost is measured at the carrying amount of the asset given up.

1.10 Investment property

Investment properties are properties held to earn rentals and/ or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

1.11 Intangible assets

1.11.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

1.11.2 Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

1.11.3 Useful lives of intangible assets

Intangible assets are amortised over their estimated useful

life on straight line method as follows:

Software Licenses : 5 years"

1.12 Inventories

Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including all levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty. Cost is determined as follows:

Stores, spares and consumables : Monthly weighted average rates;

Raw materials : Monthly weighted average rates;

Work in progress & finished goods : Full absorption costing method based on annual cost of production

1.13 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

The financial obligation 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.

1.14 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

1.15. 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



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All amounts are in ₹ lakh unless otherwise stated

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.

1.16. Segment accounting:

Operating segments are reported in the manner consistent with the internal reporting to the chief operating decision maker (CODM). 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.

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

1.17 Operating cycle

As mentioned in para 1, the Company based on the normal time between acquisition of assets and their realisation in cash or cash equivalents, has determined its operating cycle as one year. The above basis is used for classifying the assets and liabilities into current and non-current as the case may be.

1.18. 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.

1.19. Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three

months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets. Financial assets at fair value through profit or loss Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue cost.

Hedge accounting

The Company designates currency options and futures contracts as hedge instruments in respect of foreign exchange risks. These hedges are accounted for as cash flow hedges.

The Company uses hedging instruments that are governed by the policies of the Company which are approved by the Board of Directors. The policies provide written principles on the use of such financial derivatives consistent with the risk management strategy of the Company.

The hedge instruments are designated and documented as hedges at the inception of the contract. The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash



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flows. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at inception and on an ongoing basis. If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified in net foreign exchange gains in the statement of profit and loss.

The effective portion of change in the fair value of the designated hedging instrument is recognised in the other comprehensive income and accumulated under the heading cost of hedging.

The Company separates the intrinsic value and time value of an option and designates as hedging instruments only the change in intrinsic value of the option. The change in fair value of the time value and intrinsic value of an option is recognised in the statement of other comprehensive income and accounted as a separate component of equity. Such amounts are reclassified into the statement of profit and loss when the related hedged items affect profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity till that time remains and is recognised in statement of profit and loss when the forecasted transaction ultimately affects the profit or loss.

1.20. Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from April 1, 2019:

Ind AS 116 – Leases

The Ministry of Corporate Affairs has notified the Ind AS 116, Leases which will be effective from April 1, 2019. Ind AS 116 would replace the existing leases standard Ind AS 17. The Standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit and loss.

Ind AS 12 - Income Taxes

On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes'. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The

income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment will come into force for accounting periods beginning on or after April 1, 2019.

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments

On March 30, 2019, the Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendments Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognised and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective for annual periods beginning on or after April 1, 2019.

Amendment to Ind AS 19 'Employee Benefits'

On March 30, 2019, the Ministry of Corporate Affairs ("MCA") has notified limited amendments to Ind AS 19 'Employee benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment is effective for annual periods beginning on or after April 1, 2019.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

The Company is currently in process of evaluating and determining the quantitative effect of the above on its financial statements.



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Notes to the financial statements for the year ended 31 March 2019

Note No. 2 - Property, plant and equipment

₹ lakh

Description of Assets	Land - Freehold	Buildings - Freehold	Plant and Equip - ment - Freehold	Office Equip - ment	Furniture and Fixtures	Vehicles	Total
I. Owned assets							
As at 1 April 2018	3,416.35	2,037.71	1,492.48	242.65	140.96	993.12	8,323.27
Additions	734.32	338.59	280.27	179.26	135.50	74.07	1,742.01
Disposals/ adjustments	20.34	978.82	-	3.98	-	-	1,003.14
Balance as at 31 March 2019	4,130.33	1,397.48	1,772.75	417.93	276.46	1,067.19	9,062.14
II. Accumulated depreciation and impairment							
As at 1 April 2018	-	203.23	503.56	122.00	63.32	323.29	1,215.40
Depreciation expense for the year	-	120.71	222.22	78.01	36.14	224.18	681.26
Eliminated on disposal of assets	-	275.67	-	3.78	-	-	279.45
Balance as at 31 March 2019	-	48.27	725.78	196.23	99.46	547.47	1,617.21
III. Net carrying amount (I-II)	4,130.33	1,349.21	1,046.97	221.70	177.00	519.72	7,444.93

I. Gross Carrying Amount							
Balance as at 1 April 2017	2,906.54	1,978.83	1,281.29	184.51	128.02	685.61	7,164.80
Additions 509.81	58.88	211.19	59.30	12.94	360.96	1,213.08	
Disposals/ adjustments	-	-	-	1.16	-	53.45	54.61
Balance as at 31 March 2018	3,416.35	2,037.71	1,492.48	242.65	140.96	993.12	8,323.27
II. Accumulated depreciation and impairment							
Balance as at 1 April 2017	-	102.32	271.57	58.80	33.83	149.66	616.18
Depreciation expense for the year	-	100.91	231.99	64.23	29.49	224.39	651.01
Eliminated on disposal of assets	-	-	-	1.03	-	50.76	51.79
Balance as at 31 March 2018	-	203.23	503.56	122.00	63.32	323.29	1,215.40
III. Net carrying amount (I-II)	3,416.35	1,834.48	988.92	120.65	77.64	669.83	7,107.87

Notes:

- For depreciation methods used and the useful lives or the depreciation refer note 1.9 of financial statements
- Property Plant and equipment held pledged as security. Refer Note no. 39 of the financial statements

Note No. 3 - Investment Property

₹ lakh

Description of Assets	Land	Buildings	Total
I. Gross Carrying Amount			
Balance as at 1 April 2018	4,401.71	604.90	5,006.61
Addition	-	-	-
Disposals	-	-	-
Balance as at 31 March 2019	4,401.71	604.90	5,006.61
II. Accumulated depreciation and impairment			
Balance as at 1 April 2018	-	59.46	59.46
Addition	-	26.53	26.53
Disposals	-	-	-
Balance as at 31 March 2019	-	85.99	85.99
III. Net carrying amount (I-II)	4,401.71	518.91	4,920.62



The Sandur Manganese & Iron Ores Limited

Notes to the financial statements for the year ended 31 March 2019

Note No. 3 - Investment Property (...Continued)

₹ lakh

Description of Assets	Land	Buildings	Total
I. Gross Carrying Amount			
Balance as at 1 April 2017	916.59	604.90	1,521.49
Addition	3,485.12	-	3,485.12
Disposals	-	-	-
Balance as at 31 March 2018	4,401.71	604.90	5,006.61
II. Accumulated depreciation and impairment			
Balance as at 1 April 2017	-	31.23	31.23
Addition	-	28.23	28.23
Disposals	-	-	-
Balance as at 31 March 2018	-	59.46	59.46
III. Net carrying amount (I-II)	4,401.71	545.44	4,947.15

- The Company's investment properties consist of one commercial & one residential properties in India. Management determined that the investment properties consist of two classes of assets – commercial and residential– based on the nature, characteristics and risks of each property.
- For depreciation methods used and the useful lives or the depreciation refer note 1.9 of financial statements
- Fair market value investment property have been arrived at on the basis of valuations carried out by the Company internally on the basis of market value and the details are as below.

₹ lakh

Particulars	31-Mar-19	31-Mar-18
Land	7,131.38	6,923.67
Buildings	763.52	741.28
Total	7,894.90	7,664.95

- The company has no restrictions on the realis ability of its investment properties and no contractual obligations to either purchase, construct or develop investment properties or for repairs, maintenance and enhancements.
- Amounts recognised in profit or loss for Investment property

₹ lakh

Particulars	31-Mar-19	31-Mar-18
Rental Income	59.62	29.97
Direct Operating Expenses from Investment Property	-	-
Depreciation	26.53	28.23

- Investment Property pledged as security. Refer Note No. 39 of the financial statements.

Note No. 4 - Other intangible assets

₹ lakh

Description of Assets	Computer software	Total
I. Gross Carrying Amount		
Balance as at 1 April 2018	342.93	342.93
Additions	8.44	8.44
Disposals	-	-
Balance as at 31 March 2019	351.37	351.37



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Notes to the financial statements for the year ended 31 March 2019

Note No. 4 - Other intangible assets (...Continued)

		₹ lakh
Description of Assets	Computer software	Total
II. Accumulated depreciation and impairment		
Balance as at 1 April 2018	120.85	120.85
Amortisation expense for the year	85.68	85.68
Balance as at 31 March 2019	206.53	206.53
III. Net carrying amount (I-II)	144.84	144.84
I. Gross Carrying Amount		
Balance as at 1 April 2018	292.55	292.55
Additions	50.38	50.38
Disposals	-	-
Balance as at 31 March 2019	342.93	342.93
II. Accumulated depreciation and impairment		
Balance as at 1 April 2018	57.46	57.46
Amortisation expense for the year	63.39	63.39
Eliminated on disposal of assets	-	-
Balance as at 31 March 2019	120.85	120.85
III. Net carrying amount (I-II)	222.08	222.08

Note: For depreciation methods used and the useful lives or the depreciation refer note 1.11.3 of financial statement Additions.

Note No. 5 - Investments

₹ lakh						
Particulars	As at 31 March 2019			As at 31March 2018		
	QTY	Amount Current	Amount Non Current	QTY	Amount Current	Amount Non Current
I. Quoted investments in equity instruments						
HDFC Bank Limited	2,500	-	58.05	2,500	-	47.53
Equity shares of ₹ 2 each fully paid up						
Total Quoted Investments		-	58.05		-	47.53
II. Unquoted investments (all fully paid)						
Investments in equity instruments						
- of Subsidiary - Star Metallics & Power Private Ltd., - Share value of ₹ 10 each fully paid up at premium of ₹ 10 per share	75,240,000	-	12,748.00	75,240,000	-	12,748.00
(Refer note no.39)		-	12,748.00			12,748.00
II. Unquoted investments in equity instruments in others						
Sandur Laminates Limited	-	-	-	4,725,191	-	-
Equity share of ₹10 each fully paid	-	-		-	-	
Total Unquoted Investments		-	12,748.00	-	-	12,748.00



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Notes to the financial statements for the year ended 31 March 2019

Note No. 5 - Investments (...Continued)

₹ lakh

Particulars	As at 31 March 2019			As at 31 March 2018		
	QTY	Amount Current	Amount Non Current	QTY	Amount Current	Amount Non Current
Investments in Mutual Funds						
Quoted						
HDFC Corporate Debt Opportunities Fund - Regular Growth	-	-	-	3,617,672	521.34	-
Sundaram Hybrid Fund SR H 5 YRS Regular Growth	-	-	-	1,000,000	135.32	-
UTI - Dual Advantage Fixed Term Fund - Series 1-II Regular Growth	-	-	-	1,000,000	121.55	-
Kotak Medium Term Fund - Growth (Regular Plan)	-	-	-	4,400,246	634.74	-
Sundaram Hybrid Fund SR H 5 YRS Regular Growth	1,000,000	142.26	-	1,000,000	118.36	-
Reliance RSF Debt (G)	-	-	-	2,376,731	575.05	-
DSP BR Income Opportunities-(G)	-	-	-	2,030,050	580.49	-
Birla SL Medium Term Plan-(G)	-	-	-	2,564,823	563.31	-
HDFC Equity Savings (G)	-	-	-	1,617,404	865.12	-
DHFL Pramerica Credit Risk-Regular Plan-Growth-(Refer note 27 (i)(b))	5,382,349	779.71	-	5,382,349	740.71	-
Franklin India Dynamic Accrual Fund-Growth Scheme-(Refer note 27 (i)(b))	1,060,087	706.73	-	1,060,087	650.65	-
ICICI Prudential Credit Risk-Regular Plan-Growth-(Refer note 27 (i)(b))	2,902,657	576.71	-	2,902,657	538.86	-
IDFC Credit Risk - Regular Plan-Growth-(Refer note 27 (i)(b))	5,874,720	665.98	-	5,874,720	629.39	-
SBI Credit Risk-Regular Plan-Growth-(Refer note 27 (i)(b))	2,274,863	679.45	-	2,274,863	635.41	-
UTI Credit Risk-Regular Plan-Growth-(Refer note 27 (i)(b))	3,353,544	560.93	-	3,353,544	531.44	-
DSP BR Equity Saving Reg- G	-	-	-	4,355,401	533.71	-
ICICI Pru Equity Income-G	-	-	-	4,128,819	1,026.57	-
Aditya Birla SL Equity Savings Reg-G	-	-	-	5,445,671	704.13	-
Reliance Strategic Debt Fund-Regular Plan-Growth-(Refer note 27 (i)(b))	4,413,710	649.27	-	4,413,710	618.18	-
HDFC Corporate Debt Opportunities Reg-G	-	-	-	2,136,950	307.95	-
Reliance Arbitrage Fund	-	-	-	943,547	99.81	-
Axis Fixed Income OP	-	-	-	750,238	102.38	-
Franklin India CorpBondOpp-(G)	1,714,903	335.77	-	1,126,113	203.19	-
Franklin India Low Duration-(G)	-	-	-	4,579,899	914.86	-
DSP BlackRock Equity Savings Reg-(G)	-	-	-	2,009,646	246.26	-
Franklin India Ultra Short Bond Super Inst-DD	-	-	-	35,002,263	3,527.46	-
Reliance Arbitrage A Fund	-	-	-	4,726,568	500.00	-
		5,096.81	-		16,626.24	-



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Notes to the financial statements for the year ended 31 March 2019

Note No. 5 - Investments (...Continued)

₹ lakh

Particulars	As at 31 March 2019			As at 31 March 2018		
	QTY	Amount Current	Amount Non Current	QTY	Amount Current	Amount Non Current
Unquoted						
Arthaveda Star Fund - Unit of ₹1,000 each	27,415	351.04	-	28,471.00	362.44	-
Edelweiss Stressed & Troubled assets revival Fund	1,000	52.27	-	1,000	77.97	-
Indiabulls High Yield Fund	4,000,000	403.19	-	4,000,000	395.52	-
		806.50			835.93	
Total aggregate quoted investments	-	5,096.81	58.05		16,626.24	47.53
Total aggregate un-quoted investments		806.50	12,748.00		835.93	12,748.00
Total Investments		5,903.31	12,806.05		17,462.17	12,795.53
Total Investments Carrying Value		5,903.31	12,806.05		17,462.17	12,795.53
Other disclosures						
Aggregate amount of quoted investments and Market value thereof		5,096.81	58.05		16,626.24	47.53
Aggregate amount of unquoted investments		806.50	12,748.00		835.93	12,748.00

Note No. 6 - Other financial assets (Unsecured and considered good)

₹ lakh

Particulars	As at 31 March 2019		As at 31 March 2018	
	Current	Non- Current	Current	Non- Current
i) Security Deposits	-	332.79	-	308.93
ii) Deposits against guarantees with maturity of more than 12 months	-	707.64	-	133.90
iii) Loans and advances to employees	154.61	-	76.66	-
iv) Interest accrued on deposits	69.97	9.93	2.78	-
v) Fair value of foreign exchange derivative assets.	119.15	38.97	-	-
	343.73	1,089.33	79.44	442.83

Note No. 7 - Deferred tax balances

₹ lakh

Particulars	As at 31 March 2019	As at 31 March 2018
Deferred Tax Assets	2,450.00	2,050.00
Total	2,450.00	2,050.00



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Notes to the financial statements for the year ended 31 March 2019

Note No. 7 - Deferred tax balances (...Continued)

As at 31 March 2019

	₹ lakh			
Particulars	Opening Balance	Recognised in Profit or Loss	Recognised in other comprehensive income	Closing Balance
Deferred tax (liabilities)/assets in relation to:				
Property, plant and equipment	226.35	213.65	-	440.00
Intangible assets	(32.12)	25.40	-	(6.72)
Provision for employee benefits	189.47	(80.47)	-	109.00
Cash flow hedges	-	41.53	-	41.53
Disallowances under section 40(a)(i), 43B of the Income-tax Act, 1961	1,666.30	199.89	-	1,866.19
Total	2,050.00	400.00	-	2,450.00

As at 31 March 2018

	₹ lakh			
Particulars	Opening Balance	Recognised in Profit or Loss	Recognised in other comprehensive income	Closing Balance
Deferred tax (liabilities)/assets in relation to:				
Property, plant and equipment	134.16	92.19	-	226.35
Intangible assets	(29.88)	(2.24)	-	(32.12)
Defined benefit obligation	702.51	(513.04)	-	189.47
Disallowances under section 40(a)(i), 43B of the Income-tax Act, 1961	1,623.21	43.09	-	1,666.30
Total	2,430.00	(380.00)	-	2,050.00

Note No. 8 - Other Assets

	₹ lakh			
Particulars	As at 31 March 2019		As at 31 March 2018	
	Current	Non- Current	Current	Non- Current
Unsecured considered good				
(a) Capital advances				
Capital advances				
(i) For capital work in progress	-	5,783.69	-	924.44
(b) Advances other than capital advances				
(i) Balances with government authorities (other than income taxes)	1,134.38	156.99	380.56	156.99
(ii) Other advances Unsecured, considered good	2,045.11	2.65	1,662.89	3.55
(iii) Unbilled revenue	50.57	-	68.32	-
(iv) Excess of plan asset on gratuity obligation	-	50.22	-	-
(v) Tax payments, net of provisions	-	4,637.93	-	4,755.34
Total	3,230.06	10,581.26	2,161.99	5,840.32



The Sandur Manganese & Iron Ores Limited

Notes to the financial statements for the year ended 31 March 2019

Note No. 9 - Inventories

₹ lakh

Particulars	As at 31 March 2019	As at 31 March 2018
(a) Raw materials	1,532.38	3,023.31
(b) Finished and semi-finished goods	4,277.66	4,952.04
(c) Stores and spares	669.24	730.43
Total Inventories (at lower of cost and net realisable value)	6,479.28	8,705.78

Note : Mode of valuation of inventories is stated in Note 1.12 of the financial statements.

Note No. 10 - Trade receivables

₹ lakh

Particulars	As at 31 March 2019		As at 31 March 2018	
	Current	Non- Current	Current	Non- Current
Trade receivables				
(a) Trade receivables considered good - Secured	-	-	-	-
(b) Trade receivables considered good -Unsecured	2,086.64	-	426.40	-
(c) Trade receivables which have significant increase in credit risk	-	-	-	-
(d) Trade receivables - Credit Impaired	-	-	-	-
Less: Allowance for credit losses	-	-	-	-
TOTAL	2,086.64	-	426.40	

Note No. 11 - Cash and Bank Balances

₹ lakh

Particulars	As at 31 March 2019	As at 31 March 2018
Cash and cash equivalents		
(a) Balances with banks		
In current accounts	2,261.82	1,873.17
(b) Cash on hand	7.66	5.39
Total cash and cash equivalent	2,269.48	1,878.56
(a) Earmarked balances with banks - dividend accounts	16.22	15.81
(b) Balances with banks:		
(i) On margin accounts	3,415.02	508.07
(ii) Fixed deposits with maturity greater than 3 months disclosed under Note 6)	707.64	133.90
	2,707.38	374.17
Total other bank balances	2,723.60	389.98

Note : Cash and cash equivalents include cash in hand and in banks.



The Sandur Manganese & Iron Ores Limited

Notes to the financial statements for the year ended 31 March 2019

Note No. 12 - Equity Share Capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	No of Shares	Amount ₹ lakh	No. of shares	Amount ₹ lakh
Authorised:				
Equity shares of ₹ 10 each with voting rights	14,000,000	1,400.00	14,000,000	1,400.00
Preference shares of ₹ 100 each	100,000	100.00	100,000	100.00
Issued, Subscribed and Fully Paid:				
Equity shares of ₹ 10 each with voting rights	8,750,000	875.00	8,750,000	875.00
Total	8,750,000	875.00	8,750,000	875.00

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

Particulars	Opening balance	Fresh issue	Bonus	ESOP	Other changes	Closing balance
(a) Equity Shares with Voting rights						
Year Ended 31 March 2019						
No. of Shares	8,750,000	-	-	-	-	8,750,000
Amount ₹ lakh	875.00	-	-	-	-	875.00
Year Ended 31 March 2018						
No. of Shares	8,750,000	-	-	-	-	8,750,000
Amount ₹ lakh	875.00	-	-	-	-	875.00

(ii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	No. of Shares		
	Equity Shares with Voting rights	Equity Shares with Differential Voting rights	Others
As at 31 March 2019			
Skand Private Limited	4,632,040	-	-
As at 31 March 2018			
Skand Private Limited	4,632,040	-	-

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March 2019		As at 31 March 2018	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights Skand Private Limited	4,632,040	52.94	4,632,040	52.94



The Sandur Manganese & Iron Ores Limited

Notes to the financial statements for the year ended 31 March 2019

Note No. 12 - Equity Share Capital (...Continued)

12 (b). Other Equity

₹ lakh

Particulars	Reserves and surplus			Items of other comprehensive income			Total
	Capital redemption	Securities premium reserve	General reserve	Retained earnings	Remeasurement of post-employment reserve benefit obligations (net of tax)	Cost of hedging (net of tax)	
As at 1 April 2018	100.65	967.23	3,788.11	37,464.92	(16.00)	-	42,304.91
Profit / (Loss) for the year	-	-	-	10,652.18	-	-	10,652.18
Other Comprehensive Income/(Loss)	-	-	-	-	(124.00)	-	(124.00)
Dividend paid on Equity Shares	-	-	-	(612.50)	-	-	(612.50)
Dividend Distribution Tax	-	-	-	(124.69)	-	-	(124.69)
As at 31 March 2018	100.65	967.23	3,788.11	47,379.91	(140.00)	-	52,095.90
Profit / (Loss) for the year	-	-	-	14,241.98	-	-	14,241.98
Other Comprehensive Income/(Loss)	-	-	-	-	5.91	(46.07)	(40.16)
Dividend paid on Equity Shares	-	-	-	(481.25)	-	-	(481.25)
Dividend Distribution Tax	-	-	-	(98.92)	-	-	(98.92)
As at 31 March 2019	100.65	967.23	3,788.11	61,041.72	(134.09)	(46.07)	65,717.55

Description of the nature and purpose of Other Equity

(a) **Capital redemption reserves:** Reserve created on redemption of capital.

Particulars	31-Mar-19	31-Mar-18
Balance as at the beginning of the year	100.65	100.65
Balance as at the end of the year	100.65	100.65

(b) **Securities premium reserve:** Amounts received on issue of shares in excess of the par value has been classified as securities premium.

Particulars	31-Mar-19	31-Mar-18
Balance as at the beginning of the year	967.23	967.23
Balance as at the end of the year	967.23	967.23

(c) **General reserve:** The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. There is no policy of regular transfer. Items included under General Reserve shall not be reclassified back into the profit or loss.

Particulars	31-Mar-19	31-Mar-18
Balance as at the beginning of the year	3,788.11	3,788.11
Balance as at the end of the year	3,788.11	3,788.11

(d) **Retained earnings:** Retained earnings comprise of the Company's prior years undistributed earnings after taxes.

Particulars	31-Mar-19	31-Mar-18
Balance as at the beginning of the year	47,379.91	37,464.92
Balance as at the end of the year	61,041.72	47,379.91



The Sandur Manganese & Iron Ores Limited

Notes to the financial statements for the year ended 31 March 2019

Note No. 12 - Equity Share Capital (Contd.)

Distributions made and proposed

₹ lakh

Particulars	31-Mar-19	31-Mar-18
Cash dividends on equity shares declared and paid		
Final dividend for the year ended on 31 March 2018: ₹ 2 per share (31 March 2017: ₹ 2 per share)	175.00	175.00
Dividend Distribution Tax on final dividend	35.97	35.63
Interim dividend for the year ended on 31 March 2019: ₹ 3.50 per share (31 March 2018: ₹ 5 per share)	306.25	437.50
Proposed dividends on Equity shares	517.22	648.13
Final dividend for the year ended on 31 March 2019: ₹ 3.5 per share (31 March 2018: ₹ 2 per share)	306.25	175.00
Dividend Distribution Tax on proposed dividend	62.95	35.97
	369.20	210.97

Note : Proposed dividends on equity shares are subject to approval in annual general meeting and are not recognised as a liability (including Dividend Distribution Tax thereon) as at 31 March 2019.

Note No. 13 - Other financial liabilities

₹ lakh

Particulars	As at 31 March 2019		As at 31 March 2018	
	Current	Non- Current	Current	Non- Current
a. Security deposits	-	28.50	-	4.50
b. Payables on purchases of fixed assets	422.71	-	4.69	-
c. Unpaid dividends	16.22	-	15.81	-
Total	438.93	28.50	20.50	4.50

Note: 1. Unclaimed dividends do not include any amount credited to Investor Education and Protection Fund.

Note No. 14 - Provisions

₹ lakh

Particulars	As at 31 March 2019		As at 31 March 2018	
	Current	Non- Current	Current	Non- Current
(a) Provision for employee benefits				
1. Pension	-	-	23.06	0.20
2. Compensated absences	56.81	213.54	63.01	195.57
(b) Other Provisions				
1. Mine closure	-	382.00	-	256.00
Total	56.81	595.54	86.07	451.77

Details of movement in mine closure provision

Particulars	2018-19	2017-18
Opening balance	256.00	95.90
Additional provisions recognised	101.00	149.53
Amounts used during the year	-	-
Unused amounts reversed during the year	-	-
"Unwinding of discount and effect of changes in the discount rate"	25.00	10.57
Closing balance	382.00	256.00

Note: 1. The financial obligation 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.



The Sandur Manganese & Iron Ores Limited

Notes to the financial statements for the year ended 31 March 2019

Note No. 15 - Trade Payables

₹ lakh

Particulars	As at 31 March 2019		As at 31 March 2018	
	Current	Non- Current	Current	Non- Current
Trade payable - Micro and small enterprises	-			
Trade payable - Other than micro and small enterprises	7,882.27	-	5,189.83	-
Total trade payables	7,882.27	-	5,189.83	-

Note:

- Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.
- Refer Note no. 33 for trade payables if any, to micro and small enterprises.

Note No. 16 - Current tax assets and liabilities

₹ lakh

Particulars	As at 31 March 2019	As at 31 March 2018
Current tax liabilities		
Tax payable	968.38	839.51
	968.38	839.51

Note No. 17 - Other current liabilities

₹ lakh

Particulars	As at 31 March 2019		As at 31 March 2018	
	Current	Non- Current	Current	Non- Current
a. Advances received from customers	393.25		-	410.95
b. Statutory dues taxes payable (other than income taxes)	5,698.11	-	5,712.65	-
c. Gratuity payable	14.35	-	-	-
d. Other creditors	9.98	-	9.04	-
Total Other Liabilities	6,115.69	-	6,132.64	-

Note : Disputed statutory remittances as at March 31, 2019 Rs. ₹ 4,968.41 lakh (As at March 31, 2018 - ₹ 4,641.61 lakh)

Note No. 18 - Revenue from Operations

The following is an analysis of the company's revenue for the year from continuing operations

₹ lakh

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
(a) Revenue from sale of products (including excise duty)	69,175.84	60,384.98
(b) Other operating revenue	1,039.42	854.97
Total revenue from operations	70,215.26	61,239.95
Notes :		
(i) Revenue from sale of products comprises:		
(a) Manganese ore (Includes Rs. 257.59 lakh previous year Rs. 55.53 lakh)		
(b) Iron ore (Includes ₹ 25.20 lakh (previous year ₹ 205.23 lakh)	31,882.28	30,472.94
(c) Silico-manganese	20,323.36	18,268.64
(d) Energy	421.39	303.86
	69,175.84	60,384.98
(ii) Other operating revenues comprises:		
(a) Handling charges	777.09	639.25
(b) Sale of scrap/ waste	61.06	53.23
(c) Other miscellaneous receipts	201.27	162.49
	1,039.42	854.97



The Sandur Manganese & Iron Ores Limited

Notes to the financial statements for the year ended 31 March 2019

Note No. 19 - Other Income

₹ lakh

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
(a) Interest Income on financial assets carried at amortised cost		
On fixed-deposits with banks	120.16	33.03
On long-term deposits	-	14.52
(b) Dividend Income		
On investments carried at fair value through profit & loss account	322.31	175.92
(c) Rental income from Investment property	59.62	29.97
(d) Gain on investments carried at fair value through profit & loss account	495.92	807.43
(e) Profit on sale of capital assets (net of loss on assets sold / scrapped / written off)	636.45	2.02
(f) Profit on sale of non current investments (net of loss on non current investment sold and net of provision made)	9.45	-
(g) Forex gain/loss	14.86	-
(h) Provisions/ liabilities no longer required written back	86.13	-
(i) Sale of petroleum products (net of consumption / expenses of ₹ 1,507.29 lakh previous year : ₹ 1,230.87 lakh)	38.33	25.57
(j) Others	24.63	21.07
Total Other Income	1,807.86	1,109.53

Note No. 20(a) - Cost of materials consumed

₹ lakh

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Material consumed comprises:		
- Manganese ore	927.39	1,438.09
- Coke	1,677.69	2,413.85
- Coal	9,177.37	7,490.62
- Other materials	663.85	400.05
Total	12,446.30	11,742.61

Note 20(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade

₹ lakh

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Inventories at the beginning of the year:		
Finished goods	4,952.04	6,571.24
	4,952.04	6,571.24
Inventories at the end of the year:		
Finished goods	4,277.66	4,952.04
	4,277.66	4,952.04
Net (increase) / decrease	674.38	1,619.20



The Sandur Manganese & Iron Ores Limited

Notes to the financial statements for the year ended 31 March 2019

Note No. 21 - Employee benefits expense

₹ lakh

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
(a) Salaries and wages, including bonus	5,903.24	6,142.07
(b) Contribution to provident and other funds	354.97	344.78
(c) Staff welfare expenses	1,304.34	1,220.57
(d) Subsidy on food grains	571.52	571.82
Total	8,134.07	8,279.24

Note No. 22 - Finance costs

₹ lakh

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
(a) Interest expense	614.00	482.90
(b) Unwinding of discount on provisions	25.00	12.00
Total	639.00	494.90

Note No. 23 - Depreciation & amortisation expense

₹ lakh

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
(a) Depreciation on property, plant and equipment (Note 2)	681.26	651.01
(b) Depreciation on investment property (Note 3)		26.53 28.23
(c) Depreciation on other intangible assets (Note 4)	85.68	63.39
Total	793.47	742.63

Note No. 24 - Other Expenses

₹ lakh

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
(a) Stores consumed	857.02	792.05
(b) Operation and maintenance charges	602.57	536.70
(c) Power & Fuel	32.86	33.25
(d) Rent including lease rentals (Refer note 28)	1,534.78	1,242.10
(e) Rates and taxes	7,973.57	7,454.45
(f) Insurance	53.56	56.97
(g) Repairs and maintenance - Machinery	162.00	285.53
(h) Repairs and maintenance - Building	237.09	286.03
(i) Repairs and maintenance - Others	317.22	326.81
(j) Mine running expenses	6,847.08	5,732.46
(k) Advertisement	16.68	52.08
(l) Freight, loading and siding charges	3,032.89	2,573.29
(m) Selling expenses	484.03	494.38
(n) Travelling and conveyance expenses	775.15	792.99
(o) Expenditure on corporate social responsibility (CSR) under section 135 of the Companies Act, 2013 (Refer Note 34)	176.60	76.85

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The Sandur Manganese & Iron Ores Limited

Notes to the financial statements for the year ended 31 March 2019

Note No. 24 - Other Expenses (...Continued)

₹ lakh

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
(p) Donations and Contributions	1,966.69	170.00
(q) Excise duty on sale of products	-	430.33
(r) Auditors remuneration and out-of-pocket expenses		
(i) As Auditors	24.00	22.66
(ii) For Taxation matters	4.00	4.68
(iii) For Other services	12.81	20.50
(iv) For reimbursement of expenses	3.01	0.72
(s) Other expenses		
(1) Legal and other professional costs	272.71	473.93
(t) Allowance for credit losses on financial assets		12.98
(u) Foreign exchange fluctuation (net)	85.75	5.33
(v) Loss on fixed assets	119.79	-
(w) Net fair value losses on derivatives not designated as hedges	421.20	-
(x) Security charges	581.96	475.43
(y) (Increase)/ Decrease of excise duty on inventory	-	(124.07)
(z) Miscellaneous expenses	827.90	790.29
Total	27,422.92	23,018.72

Note No. 25 - Current Tax and Deferred Tax

(a) Income-tax recognised in profit or loss

₹ lakh

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Current Tax:		
In respect of current year	8,071.00	5,420.00
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	(400.00)	380.00
Total income tax expense	7,671.00	5,800.00

(b) Income tax recognised in other Comprehensive income

₹ lakh

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Current Tax		
Income tax related to items recognised in other comprehensive income during the year:		
Remeasurement of post-employment benefit obligations	(3.00)	70.00
Cost of hedging	24.00	-
Total	21.00	70.00
Classification of income tax recognised in other comprehensive income		
Income taxes related to items that will not be reclassified to profit or loss	(3.00)	70.00
Income taxes related to items that will be reclassified to profit or loss	24.00	-
Total	21.00	70.00



The Sandur Manganese & Iron Ores Limited

Notes to the financial statements for the year ended 31 March 2019

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

₹ lakh

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Effective Tax Rate under Indian Income Tax Laws.	34.94%	34.61%
Profit before tax	21,912.98	16,452.18
Income tax expense calculated at 34.94% (Previous year:34.61%)	7,656.40	5,694.10
Effect of income that is exempt from taxation	(285.89)	350.98
Effect of timing difference in tax calculation	(106.77)	380.00
Effect of expenses that is non-deductible in determining taxable profit	486.48	(625.08)
Effect of Capital Gain tax at special rate	(79.22)	-
Income tax expense recognised in profit or loss	7,671.00	5,800.00

Note : The tax rate used for 31 March 2019 and 31 March 2018 reconciliations above is the corporate tax rate of 34.94% & 34.61% payable by corporate entities in India on taxable profits under Indian Income Tax Laws.

Note No. 26 - Earnings per Share

₹ lakh

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
	₹ Per Share	₹ Per Share
Basic earnings per share		
From continuing operations	162.77	121.74
Total basic earnings per share	162.77	121.74
Diluted earnings per share		
From continuing operations	162.77	121.74
Total diluted earnings per share	162.77	121.74

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Particulars	For the year ended 31 March 2019	For the year ended 31 March, 2018
Profit / (loss) for the year attributable to owners of the Company - ₹ lakh	14,241.98	10,652.18
Less: Preference dividend and tax thereon	-	-
Profit / (loss) for the year used in the calculation of basic earnings per share	14,241.98	10,652.18
Weighted average number of equity shares - ₹ lakh	8,750,000	8,750,000
Earnings per share from continuing operations - Basic - ₹	162.77	121.74
Weighted average number of equity shares used in the calculation of Basic EPS	8,750,000	8,750,000
Weighted average number of equity shares used in the calculation of Diluted EPS	8,750,000	8,750,000



The Sandur Manganese & Iron Ores Limited

Notes to the financial statements for the year ended 31 March 2019

Note No. 27 - 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 March 2019	As at 31 March 2018
Income tax (relating to disallowance of deduction)	4,857.00	4,372.96
Service tax (relating to applicability of tax)	293.35	293.35
Forest development tax including interest	5,491.24	4,850.80
Differential rate relating to sale of power, including interest	169.01	139.10
Differential royalty including interest	718.11	600.61
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 March 2019	As at 31 March 2018
Bank guarantee issued to Indian Bureau of Mines towards progressive mine closure plan against lien on mutual funds at 125% of the value.	3,630.73	3,859.02
Bank guarantee issued to vendors against purchase of raw material*	152.19	-
Bank guarantee issued to vendors against purchase of Capital Items*	3,100.72	-

*against lien on Fixed Deposits

(ii) Commitments:

₹ lakh

Particulars	As at 31 March 2019	As at 31 March 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for	22,602.34	367.81

Note No. 28 - Leases

₹ lakh

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Details of leasing arrangements		
As Lessee		
Expenses recognised in the statement of profit & loss	1,534.78	1,242.10
Liabilities in respect of Operating Leases		
Current	85.00	85.00
Non-Current	-	-



The Sandur Manganese & Iron Ores Limited

Notes to the financial statements for the year ended 31 March 2019

Note No. 29 - Employee benefits

(a) Defined Contribution Plan

The Company's contribution to provident fund and superannuation fund aggregating ₹ 251.67 lakh (previous year : ₹ 252.45 lakh) has been recognised in the Statement of Profit or Loss under the head employee benefits expense.

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The Company makes annual contributions to an Insurance managed fund to fund its gratuity liability. The activity of the Company is administered by SMIORE Gratuity Fund Trust. 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. Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets under perform compared to the government bonds discount rate, this will create or increase a deficit. The defined benefit plans hold a significant proportion of

debt type assets, which are expected to outperform government bonds in the long-term. As the plans mature, the Company intends to reduce the level of investment risk by investing more in assets that better match the liabilities.

Changes in bond yields

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plans' bond holdings and interest rate hedging instruments.

Inflation risk

Some of the Company's retirement obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The plans hold a significant proportion of assets in index linked gilts, together with other inflation hedging instruments and also assets which are more loosely correlated with inflation. However an increase in inflation will also increase the deficit to some degree.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	Valuation as at	
	31 March 2019	31 March 2018
Discount rate(s)	7.50%	7.65%
Expected rate(s) of salary increase	6.00%	6.00%

Defined benefit plans - as per actuarial valuation on 31st March, 2019

₹ lakh

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
Opening amount recognised in other comprehensive income	220.72	26.40
Re-measurements during the period due to	18.83	(69.61)
Changes in financial assumptions		
Changes in demographic assumptions	-	
Experience adjustments	(51.98)	229.15
Actual return on plan assets less interest on plan assets	24.61	34.78

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The Sandur Manganese & Iron Ores Limited

Note No. 29 - Employee benefits (...Continued)

₹ lakh

Particulars	For the year ended March 31 Mar 2019	For the year ended March 31 Mar 2018
Adjustment to recognise the effect of asset ceiling	-	-
Closing amount recognised in other comprehensive income	212.18	220.72
Remeasurement on the net defined benefit liability	24.61	34.78
Return on plan assets (excluding amount included in net interest expense)		
Actuarial gains and loss arising from changes in financial assumptions	18.83	(69.61)
Actuarial gains and loss arising from experience adjustments	(51.98)	229.15
Components of defined benefit costs recognised in other comprehensive income	(8.54)	194.32
Total	212.18	220.72
Expense recognised in statement of profit and loss under contribution to provident and other funds in note 21		
Current Service Cost	110.76	97.19
Past service cost	0.21	-
Administration expenses	-	-
Interest on net defined benefit liability/ (asset)	(7.67)	(5.19)
(Gains)/ losses on settlement	-	-
Components of defined benefit costs recognised in profit or loss	103.30	92.00
I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March		
1. Present value of defined benefit obligation as at 31st March	1,888.67	1,992.74
2. Fair value of plan assets as at 31st March	1,874.32	2,042.96
3. Surplus/(Deficit)	(14.35)	50.22
4. Current portion of the above	-	-
5. Non current portion of the above	(14.35)	50.22
II. Change in the obligation during the year ended 31st March		
1. Present value of defined benefit obligation at the beginning of the year	1,992.74	1,948.45
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	-	-
3. Expenses Recognised in Profit and Loss Account		
- Current Service Cost	110.76	97.19
- Past Service Cost	0.21	-
- Interest Expense (Income)	127.35	112.08
4. Recognised in Other Comprehensive Income		
Remeasurement gains / (losses)		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	(0.39)	-
ii. Financial Assumptions	18.84	(69.61)
iii. Experience Adjustments	(51.96)	229.15
5. Benefit payments	(308.88)	(324.52)
6. Others (Specify)	-	-
7. Present value of defined benefit obligation at the end of the year	1,888.67	1,992.74
III. Change in fair value of assets during the year ended 31st March		
1. Fair value of plan assets at the beginning of the year	2,042.96	1,971.48
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	-	-
3. Expenses Recognised in Profit and Loss Account		
- Expected return on plan assets	135.02	117.26
4. Recognised in Other Comprehensive Income		
Remeasurement gains / (losses)		
- Actual Return on plan assets in excess of the expected return	(24.61)	(34.78)
- Others (specify)		

(...Continued on next page)



The Sandur Manganese & Iron Ores Limited

Notes to the financial statements for the year ended 31 March 2019

Note No. 29 - Employee benefits (...Continued)

₹ lakh

Particulars	For the year ended 31 Mar 2019	For the year ended 31 Mar 2018
5. Contributions by employer (including benefit payments recoverable)	29.83	313.52
6. Benefit payments	(308.88)	(324.52)
7. Fair value of plan assets at the end of the year	1,874.32	2,042.96
IV. The Major categories of plan assets		
- List the plan assets by category here		
Government of India Securities	42.19%	54.21%
Corporate Bonds	34.74%	39.09%
Others	23.08%	6.70%
V. Actuarial assumptions		
1. Discount rate	7.50% pa	7.65% pa
2. Expected rate of return on plan assets	7.50% pa	7.50% pa
3. Attrition rate	2.00% pa	2.00% pa

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Principal assumption	Changes in assumption	Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
Discount rate 2019	0.50%	-3.25%	3.47%
Salary growth rate 2019	0.50%	3.50%	-3.31%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

The Company expects to contribute ₹ 100 lakh to the gratuity trusts during the next financial year of 2019.

Maturity profile of defined benefit obligation:

Maturity profile	2019
	Amount (₹ lakh)
Expected benefits for Year 1	479.35
Expected benefits for Year 2	103.84
Expected benefits for Year 3	121.08
Expected benefits for Year 4	123.81
Expected benefits for Year 5	143.37
Expected benefits for Year 6	159.63
Expected benefits for Year 7	157.44
Expected benefits for Year 8	243.15
Expected benefits for Year 9	188.64
Expected benefits for Year 10 and above	1,881.36



The Sandur Manganese & Iron Ores Limited

Notes to the financial statements for the year ended 31 March 2019

Plan Assets

The fair value of Company's gratuity plan asset as of 31 March 2019 and 2018 by category are as follows:

Particulars	2019	2018
Asset category:		
Insurer managed funds	1,800.68	1,899.64
Others	73.64	143.32
Total	1,874.32	2,042.96

The Company's policy is driven by considerations of maximizing returns while ensuring credit quality of the debt instruments. The asset allocation for plan assets is determined based on investment criteria prescribed under the Indian Income Tax Act, 1961, and is also subject to other exposure limitations. The Company evaluates the risks, transaction costs and liquidity for potential investments. To measure plan asset performance, the Company compares actual returns for each asset category with published benchmarks.

The weighted average duration of the defined benefit obligation as at 31 March 2019 is 6.71 years.

Summary of defined benefit obligation/ plan assets and experience adjustments

₹ lakh

Particulars	Year Ended				
	31.03.2019	31.03.2018	31.03.2017	31.03.2016	31.03.2015
1. Defined Benefit Obligation	1,888.67	1,992.74	1,948.45	1,801.28	1,891.53
2. Fair value of plan assets	1,874.32	2,042.96	1,971.48	1,438.80	1,410.61
3. Surplus/(Deficit)	(14.35)	50.22	23.03	(362.48)	(480.92)
4. Experience adjustment on plan liabilities [(Gain)/Loss]	(51.96)	229.15	24.06	55.03	363.25
5. Experience adjustment on plan assets [Gain/(Loss)]	18.84	(69.61)	75.98	13.05	51.32

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

29 (c) Other long term benefits - Unfunded

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

₹ lakh

Particulars	Liability as at 31.03.2019	Liability as at 31.03.2018
Compensated absences		
- Current	56.81	63.01
- Non Current	213.54	195.57
Total	270.35	258.58
Pension		
- Current	-	23.06
- Non Current	-	0.20
Total	-	23.26

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.



The Sandur Manganese & Iron Ores Limited

Notes to the financial statements for the year ended 31 March 2019

Note No. 30 - List of related parties and transactions

(a) List of related parties and relationship

1. Name of the parent Company	Skand Private Limited
2. Name of the subsidiary Company	Star Metallics & Power Private Limited
3. Key Managerial Personnel (KMP)	1) Nazim Sheikh, Managing Director
	2) Rajnish Singh, Director (Corporate) w.e.f Jan 1, 2018
	3) Sachin Sanu, Chief Financial Officer
	4) Divya Ajith, Company Secretary
	Non - Executive Directors
	1) S. Y. Ghorpade
	2) V. Balasubramanian, Upto March 31, 2019
	3) B. Ananda Kumar
	4) S. S. Rao
	5) Vatsala watsa
	6) K V Ramarathnam
	7) T R Raghunandan
	8) G. P. Kundargi
	9) Lakshmi Venkatachalam
	10) P. Anur Reddy
	11) Latha Pillai, w.e.f March 8, 2019
4. Key Managerial Personnel of Parent Company	K. Raman
5. Relative of KMP	1) Aditya Shivarao Ghorpade
	2) Dhananjai Shivarao Ghorpade
	3) Mubeen A Sheriff
	4) Yashodhara Devi Ghorpade
	5) Bahirji A Ghorpade
	6) R.P. Singh
6. Entities controlled by Key Managerial Personnel or their relatives	1) S.Y. Ghorpade (HUF)
	2) Shivavilas Trust
	3) Shivapur Trust
	4) S S Infra
7. Post employee benefit plan entities	1) SMIORE Employee Provident Fund Trust
	2) SMIORE Gratuity Fund Trust



The Sandur Manganese & Iron Ores Limited

Notes to the financial statements for the year ended 31 March 2019

Note No. 30 - List of related parties and transactions (...Continued)

b) Details of related party transactions for the financial year ended 31 March 2019

₹ lakh

Particulars	Parent Company	Subsidiary Company	KMP	KMP of Parent Company	Relative of KMP	Entity controlled by KMP or their relatives	Post-employment benefit plan entities
Purchase of property, plant and equipment	344.56	-	-	-	-	-	-
Purchase of services	-	-	-	42.00	23.32	9.05	-
Lease rentals	-	1,020.00	-	-	29.88	49.39	-
Dividends paid	254.76	-	-	-	-	-	-
Remuneration to whole-time directors & executive officers	-	-	257.81	-	79.30	-	-
Commission paid to whole-time directors	-	-	54.00	-	-	-	-
Commission & sitting fees paid to Non-Executive/Independent Directors	-	-	282.70	-	-	-	-
Reimbursement of expenses	-	567.27	-	-	0.96	-	-
Contribution	-	-	-	-	-	-	558.81

c) Balances Outstanding [receivables / (payables)] as at 31 March 2019

₹ lakh

Particulars	Parent Company	Subsidiary Company	KMP	Relative of KMP	Entity controlled by KMP or their relatives	Post-employment benefit plan entities
Receivables	-	-	-	1.00	148.15	-
Payables	-	(651.40)	(15.70)	(3.32)	(0.52)	(54.06)

d) Details of related party transactions for the financial year ended 31 March 2018

₹ lakh

Particulars	Parent Company	Subsidiary Company	KMP	KMP of Parent Company	Relative of KMP	Entity controlled by KMP or their relatives	Post-employment benefit plan entities
Purchase of property, plant and equipment	-	-	-	-	-	478.24	-
Purchase of services	-	-	-	-	-	-	-
Lease rentals	-	1,021.47	-	-	52.04	28.04	-
Dividends paid	-	-	-	-	-	-	-
Remuneration to whole-time directors & executive officers	-	-	392.99	-	72.28	-	-
Commission paid to whole-time directors	-	-	37.07	-	-	-	-
Commission & sitting fees paid to Non-Executive/Independent Directors	-	-	157.98	-	-	-	-
Reimbursement of expenses	-	169.84	-	-	-	-	-
Contribution	-	-	-	-	-	-	732.36



The Sandur Manganese & Iron Ores Limited

Notes to the financial statements for the year ended 31 March 2019

e) Balances Outstanding [receivables / (payables)] as at 31 March 2018

₹ lakh

Particulars	Parent Company	Subsidiary Company	KMP	Relative of KMP	Entity controlled by KMP or their relatives	Post-employment benefit plan entities
Receivables	-	-	-	-	-	-
Payables	(2.00)	(810.08)	(39.49)	(1.79)	(0.47)	(39.10)

f) Break-up of remuneration paid to whole-time directors & executive officers

₹ lakh

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Short-term employee benefits	237.15	366.58
Post-employment benefits	20.66	26.41
Total	257.81	392.99

Notes:

- (i) The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.
- (ii) The above figures do not include provisions for encashable leave & gratuity as separate actuarial valuation is not available.

Note No. 31 - Segment information

The Chief Operating Decision maker has reviewed its business oversight mechanism and has realigned all its operations under four business segment (i.e.) (a) Mining (b) Ferroalloys and power (c) Unallocable, based on the assessment of the overall risks and rewards.

The Company operates in a single geographical segment and accordingly, secondary segments for geographical segment are not applicable.

Year ended 31 March 2019

₹ lakh

Particulars	Mining	Ferroalloys & power	Un-allocable	Adjustment & Eliminations	Total
Revenue	49,232.47	20,811.54	171.25	-	70,215.26
External customers	-	-	-	-	-
Inter-segment	2,046.71	-	-	(2,046.71)	-
Total revenue	51,279.18	20,811.54	171.25	(2,046.71)	70,215.26
Income/ (Expenses)	28,137.90	19,025.39	1,873.39	(2,046.71)	46,989.97
Depreciation and amortisation	399.03	59.35	335.09	-	793.47
Interest income	(2.03)	(10.40)	(107.73)	-	(120.16)
Interest expense	-	-	639.00	-	639.00
Total expenses	28,534.90	19,074.34	2,739.75	(2,046.71)	48,302.28
Segment profit	22,744.28	1,737.20	(2,568.50)	-	21,912.98
Income tax expense or income	-	-	7,671.00	-	7,671.00
Profit after tax for the year	22,744.28	1,737.20	(10,239.50)	-	14,241.98
Total assets	6,164.95	21,088.10	55,425.62		82,678.67
Total liabilities	8,685.38	4,574.58	2,826.16		16,086.12



The Sandur Manganese & Iron Ores Limited

Notes to the financial statements for the year ended 31 March 2019

Note No. 31 - Segment information (...Continued)

Year ended 31 March 2018

₹ lakh

Particulars	Mining	Ferroalloys & power	Un-allocable	Adjustment & Eliminations	Total
Revenue	42,480.51	18,639.40	120.04	-	61,239.95
External customers	-	-	-	-	-
Inter-segment	1,924.84	-	-	(1,924.84)	-
Total revenue	44,405.35	18,639.40	120.04	(1,924.84)	61,239.95
Income/ (Expenses)	25,005.22	18,878.24	1,639.17	(1,924.84)	43,597.79
Depreciation and amortisation	421.83	58.51	262.29	-	742.63
Interest income	(16.64)	(5.79)	(25.12)	-	(47.55)
Interest expense	-	-	494.90	-	494.90
Total expenses	25,410.41	18,930.96	2,371.24	(1,924.84)	44,787.77
Segment profit	18,994.94	(291.56)	(2,251.20)	-	16,452.18
Income tax expense or income	-	-	5,800.00	-	5,800.00
Profit after tax for the year	18,994.94	(291.56)	(8,051.20)	-	10,652.18
Total assets	9,045.84	18,457.43	38,192.45	-	65,695.72
Total liabilities	9,330.40	1,849.59	1,544.83	-	12,724.82

Revenue from major products and services

The following is an analysis of the Company's revenue from continuing operations from its major products:

₹ lakh

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Manganese ore	16,548.81	11,339.54
Iron ore	31,882.28	30,472.94
Ferro alloys	20,323.36	18,268.64
Power	421.39	303.86
Total	69,175.84	60,384.98

Geographical Information

₹ lakh

Particulars	India		Rest of the World		Total	
	Year Ended 31 March 2019	Year Ended 31 March 2018	Year Ended 31 March 2019	Year Ended 31 March 2018	Year Ended 31 March 2019	Year Ended 31 March 2018
Revenue from Operations						
Manganese ore	16,548.81	11,339.54	-	-	16,548.81	11,339.54
Iron ore	31,882.28	30,472.94	-	-	31,882.28	30,472.94
Ferro alloys	20,323.36	17,353.33	-	915.31	20,323.36	18,268.64
Power	421.39	303.86	-	-	421.39	303.86
Others	1,039.42	854.97	-	-	1,039.42	854.97
Total	70,215.26	60,324.65	-	915.31	70,215.26	61,239.95



The Sandur Manganese & Iron Ores Limited

Notes to the financial statements for the year ended 31 March 2019

Note No. 32. Financial Instruments

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1.19 to the financial statements.

(a) Financial assets and liabilities

Particulars	₹ lakh	
	As at 31 March 2019	As at 31 March 2018
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
(a) Equity investments	58.05	47.53
(b) Equity investments in subsidiary - Unquoted	12,748.00	12,748.00
(c) Mutual fund investments - Quoted	5,096.81	16,626.24
(d) Mutual fund investments - Unquoted	806.50	835.93
Total financial assets measured at FVTPL (a)	18,709.35	30,257.70
Measured at amortised cost		
Other financial assets	1,050.36	442.83
Trade receivables	2,086.64	426.40
Cash and cash equivalents	2,269.48	1,878.56
Other bank balances	2,723.60	389.98
Other financial assets	224.58	79.44
Total financial assets measured at amortised cost (b)	8,354.66	3,217.21
Derivative instruments in designated hedge accounting relationships (c)	158.12	-
Total financial assets (a) + (b)+(c)	27,222.14	33,474.91
Financial liabilities		
Measured at fair value through profit or loss (FVTPL)		
Provisions	652.35	537.84
Total financial liabilities measured at FVTPL (a)	652.35	537.84
Measured at amortised cost		
Trade payables	7,882.27	5,189.83
Other financial liabilities	438.93	20.50
Total financial liabilities measured at amortised cost (b)	8,321.20	2,510.33
Total financial liabilities (a) + (b)	8,973.55	5,748.17

Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.



The Sandur Manganese & Iron Ores Limited

Notes to the financial statements for the year ended 31 March 2019

Note No. 32. Financial Instruments (...continued)

Fair value of the financial assets that are measured at fair value on a recurring basis

Fair Valuation Techniques and Inputs used

Financial assets measured at Fair value	Fair value as at (₹ lakh)		Fair value hierarchy	Basis for valuation
	31-Mar-19	31-Mar-18		
(a) Equity investments	58.05	47.53	Level - 1	Quoted price
(b) Equity investments in subsidiary - Unquoted	12,748.00	12,748.00	Level - 3	Net Asset Method
(c) Mutual fund investments - Quoted	5,096.81	16,626.24	Level - 1	Quoted price
(d) Mutual fund investments - Unquoted	806.50	835.93	Level - 2	NAV of Mutual Funds
(d) Foreign currency option contract	158.12	-	Level - 2	Margin Money
Total financial assets	18,867.48	30,257.70		

The management considers that the carrying amount of financial assets and financial liabilities recognised in these financial statements at amortised cost approximate their fair values

Financial risk management objectives

The Board of Directors of the Company have the overall responsibility for the establishment and oversight of the their risk management framework. The Company has constituted a Risk Management Committee. The Company has in place a Risk management framework to identify, evaluate business risks and challenges across the Company. The risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit which regularly reviews risk management controls and procedures, the results of which are reported to the Audit Committee. These risks include credit risk and liquidity risk.

Foreign currency risk management

The company is generally exposed to foreign exchange risk arising through its sales and purchases denominated in various foreign currencies.

During the current year there is no exports of ores and alloys, however the company has imported ores and is subjected to foreign exchange risk. Also the Company is in the process of executing coke oven project which involves import of plant and machineries. The Company has entered into option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. These contracts are measured at fair value through profit and loss.

The Company's exposure to option contracts at the end of the reporting year are as follows:

Foreign Currency Risk Exposure as at Balance Sheet Date

Particulars	As at 31 March 2019	As at 31 March 2018
	USD	USD
Derivative Asset		
Foreign currency option Buy contract	8,229,160	-
Number of Contracts	6 Nos	-



The Sandur Manganese & Iron Ores Limited

Notes to the financial statements for the year ended 31 March 2019

Note No. 32. Financial Instruments (...continued)

Derivative Contract

The fair Value of the Company 's Derivative positions recorded under Derivative Financial Asset are as follows

₹ lakh

Particulars	As at 31 March 2019	As at 31 March 2018
Financial Asset		
Cash Flow Hedge Reserve		
Current		
Foreign currency option contract	38.97	-
Non - Current		
Foreign currency option contract	119.15	-

Commodity Price risk

The Company doesn't enter into any long term contract with its suppliers for hedging its commodity price risk.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The company is exposed to credit risk from its operating activities mainly Trade receivables. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. Credit risk is managed by the Company through approved credit norms, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Cash and bank balances

The Company held cash and bank balances of ₹ 2,269.48 lakh as at March 31, 2019 (March 31, 2018: ₹ 1,878.56 lakh).

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Ultimate responsibility for liquidity risk management rests with the management, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual short term and long term cash flows, and by matching the maturity profiles of financial assets and liabilities. The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

31 March 2019

₹ lakh

Financial Liabilities	Due within (years)			Total	Carrying amount
	Less than 1 year	1 - 3 years	3+ years		
Trade payables	7,882.27	-	-	7,882.27	
Other financial liabilities	438.93	-	-	438.93	
Total	8,321.20	-	-	8,321.20	

31 March 2018

₹ lakh

Financial Liabilities	Due within (years)			Total	Carrying amount
	Less than 1 year	1 - 3 years	3+ years		
Trade payables	5,189.83	-	-	5,189.83	
Other financial liabilities	20.50			20.50	
Total	5,210.33	-	-	5,210.33	-



The Sandur Manganese & Iron Ores Limited

Notes to the financial statements for the year ended 31 March 2019

Note No. 32. Financial Instruments (...continued)

Capital Management

The Company's objective for capital management is to maximize shareholder wealth, safeguard business continuity and support the growth of the Company. The Company determines the capital management requirement based on annual operating plans and long term and other strategic investment plans. The funding requirement are met through equity, borrowings and operating cash flows required.

The Company does not have any current and non-current borrowings as at 31 March, 2019, 31 March, 2018. The capital structure of the Company represents total equity which is as follows:

₹ lakh

Particulars	31 March 2019	31 March 2018
Total equity	66,592.55	52,970.90

Note 33. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	31 March 2019	31 March 2018
	₹ lakh	₹ lakh
(i) Principal amount remaining unpaid to MSME suppliers as on	-	-
(ii) Interest due on unpaid principal amount to MSME suppliers as on	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year (without adding the interest under MSME Development Act)	-	-
(v) The amount of interest accrued and remaining unpaid as on	-	-
(vi) The amount of interest due and payable to be disallowed under Income Tax Act, 1961	-	-

There are no Micro and Small Enterprises, to whom the company owes dues, which are outstanding for more than 45 days at the Balance Sheet date. The above information regarding Micro Enterprises and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the Auditors.

Note No. 34 - 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 ₹ 166.99 lakh (previous year ₹ 68.35 lakh).

(b) Amount spent during the year on:

₹ lakh

	In Cash	Yet to be paid in cash	Total
1. Construction / acquisition of any asset	-	-	-
	(-)	(-)	(-)
2. On purposes other than (1) above	176.60	-	176.60
	(76.85)	-	(76.85)

Previous year figures are in brackets



The Sandur Manganese & Iron Ores Limited

Notes to the financial statements for the year ended 31 March 2019

Note No. 35. Production / purchase, sales, opening and closing stock of finished goods

Particulars	Opening stock	Production / purchase / Generation	Internal Consumption	Sales	Closing stock	[Excess] / Shortage
Manganese Ore (Tonnes)	140,401	284,785	46,092	262,641	120,132	[3,679]
	(146,532)	(259,669)	(41,968)	(223,832)	(140,401)	-
Iron Ore (Tonnes)	417,597	1,581,000	-	1,491,016	507,581	-
	(170,254)	(1,580,021)	-	(1,332,386)	(417,597)	(292)
Silico-Manganese (Tonnes)	993	32,254	-	32,669	578	-
	(2,663)	(29,317)	-	(30,987)	(993)	(-)
Energy (Mega watt)	-	173,853	132,713	16,158	-	24,982
	(-)	(164,229)	(124,039)	(17,166)	(-)	(23,024)

Notes:

- a) Manganese ore production & sales excludes 43,344 tonnes (previous year: 11,088 tonnes) salvaged from waste dumps.
b) Iron ore production & sales excludes 4,000 tonnes (previous year: 19,743 tonnes) salvaged from waste dumps.
c) Previous year figures are in brackets.

Note No. 36. The Board of Directors of the Company at their meeting held on 14 February, 2018 have approved the Scheme of Amalgamation ("the draft Scheme") of Star Metallica & Power Pvt Ltd, (Subsidiary company), with the Company effective from the appointed day of 1 April, 2018. Requisite adjustment will be carried out subsequent to compliances/ approval of appropriate authorities in the books of the Company.

Note No. 37. There are no material events occurred after the balance sheet date but before the approval of financial statements by board of directors.

Note No. 38. In respect of the current year, the directors propose that a dividend of ₹ 3.50 per share be paid on equity shares on 31 March 2019. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all shareholders on the Register of Members on 14 September 2019. The total estimated equity dividend to be paid is ₹ 306.25 lakh. The payment of this dividend is estimated to result in payment of dividend tax of ₹ 62.95 lakh @ 20.555% on the amount of dividends grossed up for the related dividend distribution tax.

Note No. 39. In terms of syndicated facility agreement executed between the bankers, the Company has obtained sanctioned facilities aggregating ₹ 470 crore (₹ 400 crore term loan and ₹ 70 crore of working capital facilities). The Company has created charge on its immovable assets and movable properties including equity shares held in its subsidiary company in favour of the Security Trustee acting on behalf of the Bankers.

Note No. 40. The financial statements of The Sandur Manganese & Iron Ores Limited were approved by the Board of Directors and authorised for issue on 27 May 2019.

Note No. 41. The figures of the previous year have been regrouped/recasted, wherever necessary to conform with the current year classification.

The accompanying notes 1 to 41 are an integral part of the financial statements
In terms of our report attached

For R. Subramanian and Company LLP
Chartered Accountants
FRN: 004137S/ S20041

For and on behalf of the Board of Directors

Gokul S. Dixit
Partner
Membership No. 209464

S.Y. Ghorpade
Chairman

Nazim Sheikh
Managing Director

Place : Bengaluru
Date : 27 May 2019

Sachin Sanu
Chief Financial Officer

Divya Ajith
Company Secretary



The Sandur Manganese & Iron Ores Limited

Independent Auditors' Report

To the Members of The Sandur Manganese and Iron Ores Limited Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of The Sandur Manganese and Iron Ores Limited ("the Company") and its subsidiary (the Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditor on separate standalone financial statement and on the other financial information of the subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We

have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key Audit Matter (KAM)	Response to Key Audit Matter and Conclusion
Evaluation of uncertain tax positions The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.	Principal Audit Procedures Obtained details of completed tax assessments and demands for the year ended March 31, 2019 from management. We involved our internal experts to analysis the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. We also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2018 to evaluate whether any change was required to management's position on these uncertainties.
Inventory Measurement The Company measures closing quantity of its mineral ores on actual weightment basis at the time of production and the ore grade is determined based on the average grade of the ore constituting each production lot. accounts.	Principal Audit Procedures Closing quantity of Ore inventories are verified by applying following procedure ● Physical verification of stock on a volumetric basis is determined and material difference, if any between the book quantity and physically verified quantity is adjusted in the book of ● Certain lots are randomly selected on a sample basis, and the lot as per books are reconciled with the heap production report to the lot quality and reported grade. ● Cut off procedures are also performed to verify weather closing stocks are accounted for in the appropriate period.



The Sandur Manganese & Iron Ores Limited

Information Other Than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the Director's report and its annexures, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that if there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the 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; 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance

with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.



The Sandur Manganese & Iron Ores Limited

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements and other financial information, in respect of its 1 subsidiary, whose Ind AS financial statements include total assets of ₹ 17,285.87 Lakhs as at March 31, 2019, and total operating revenues of ₹ 1,020 Lakhs and total net profit after tax of ₹ 453.87 Lakhs and total comprehensive income of ₹ 445.92 for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management.

Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report(s) of such other auditor.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit we report that:

- 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.
- 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.
- The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows 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.

- In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- On the basis of the written representations received from the directors of the Company as on March 31, 2019 taken on record by the Board of Directors of the Company and its subsidiaries incorporated in India and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.
- With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the group.
 - Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contract.
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.

For R Subramanian and Company LLP
Chartered Accountants
Firm Regn.No004137S/S200041

Gokul Dixit
Partner
M. No. 209464

Place: Bangalore
Date: May 27, 2019



The Sandur Manganese & Iron Ores Limited

Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of The Sandur Manganese and Iron Ores Limited 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”)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of The Sandur Manganese and Iron Ores Limited (hereinafter referred to as “Company”) and its subsidiary companies, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company and its subsidiary companies, which are companies 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 issued by the Institute of Chartered Accountants of India (“the ICAI”). 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 Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, 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 Company and its subsidiary companies, which are companies incorporated in India.

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 authorizations 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 and to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, which are companies 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, 2019, 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 issued by the Institute of Chartered Accountants of India.

Other Matter

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company, insofar as it relates to 1 subsidiary company, which is incorporated in India, is based on the corresponding report of the auditor of such subsidiary.

For R Subramanian and Company LLP
Chartered Accountants
Firm Regn.No004137S/S200041

Gokul Dixit
Partner

M. No. 209464

Place: Bangalore
Date: May 27, 2019



The Sandur Manganese & Iron Ores Limited

Consolidated Balance Sheet as at 31 March 2019

Particulars	Note No.	₹ lakh	
		As at 31 March 2019	As at 31 March 2018
I ASSETS			
NON-CURRENT ASSETS			
(a) Property, plant and equipment	2	20,803.88	20,881.36
(b) Capital work-in-progress		20,205.54	1,210.33
(c) Goodwill on consolidation		149.99	149.99
(d) Investment property	3	4,920.62	4,947.15
(e) Other intangible assets	4	144.84	222.08
(f) Financial assets			
(i) Investments	5	58.05	47.53
(ii) Other financial assets	6	1,123.52	477.02
(g) Deferred tax assets (net)	7	2,497.37	2,079.38
(h) Other non-current assets	8	10,787.30	5,994.71
Total non-current assets		60,691.11	36,009.55
CURRENT ASSETS			
(a) Inventories	9	6,479.28	8,705.78
(b) Financial assets			
(i) Investments	5	6,432.68	17,462.17
(ii) Trade receivables	10	2,091.55	433.40
(iii) Cash and cash equivalents	11	4,022.01	3,024.43
(iv) Other bank balances	11	2,871.24	728.54
(v) Other financial assets	6	367.33	128.55
(c) Other current assets	8	3,285.39	2,189.51
Total current assets		25,549.48	32,672.38
Total assets		86,240.59	68,681.93
II EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity share capital	13	875.00	875.00
(b) Other equity	13	66,248.87	52,227.46
(c) Non-controlling interests	13	3,279.56	3,192.93
Total equity		70,403.43	56,295.39
III LIABILITIES			
2 NON-CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Other financial liabilities	14	28.50	4.50
(b) Provisions	15	598.00	453.64
Total non-current liabilities		626.50	458.14
3 CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Trade payables	16	-	-
(a) Total outstanding due of micro and small enterprises		-	-
(b) Total outstanding dues other than (i) (a) above		7,454.09	4,676.21
(ii) Other financial liabilities	14	438.93	20.50
(b) Provisions	15	72.94	93.98
(c) Current tax liabilities (Net)	12	968.38	839.51
(d) Other current liabilities	17	6,276.32	6,298.20
Total current liabilities		15,210.66	11,928.40
Total liabilities		15,837.16	12,386.54
Total equity and liabilities		86,240.59	68,681.93

The accompanying notes 1 to 41 are an integral part of the financial statements

In terms of our report attached

For R. Subramanian and Company LLP

Chartered Accountants

FRN: 004137S/ S200041

Gokul S. Dixit

Partner

Membership No. 209464

Place : Bengaluru

Date : 27 May 2019

For and on behalf of the Board of Directors

S.Y. Ghorpade

Chairman

Sachin Sanu

Chief Financial Officer

Nazim Sheikh

Managing Director

Divya Ajith

Company Secretary



The Sandur Manganese & Iron Ores Limited

Consolidated statement of profit and loss for the year ended 31 March 2019

Particulars	Note No.	₹ lakh	
		For the Year ended 31 March 2019	For the Year ended 31 March 2018
I Revenue from operations	18	70,215.26	61,239.95
II Other Income	19	1,939.73	1,269.76
III Total revenue (I + II)		<u>72,154.99</u>	<u>62,509.71</u>
IV Expenses			
(a) Cost of materials consumed	20(a)	12,446.30	11,742.61
(b) Changes in stock of finished goods, work-in-progress and stock-in-trade	20(b)	674.38	1,619.20
(c) Employee benefit expense	21	8,240.78	8,388.61
(d) Finance costs	22	639.00	494.93
(e) Depreciation and amortisation expense	23	1,262.93	1,209.14
(f) Other expenses	24	26,484.27	22,121.57
V Total expenses		<u>49,747.66</u>	<u>45,576.06</u>
VI Profit before tax (III - IV)		<u>22,407.33</u>	<u>16,933.65</u>
VII Tax expense			
(1) Current tax	25	8,088.99	5,420.00
(2) Deferred tax	25	(417.99)	380.00
Total tax expense		<u>7,671.00</u>	<u>5,800.00</u>
VIII Profit after tax (VI-VII)		<u>14,736.33</u>	<u>11,133.65</u>
IX Other comprehensive income			
A (i) Items that will not be reclassified to the statement of profit and loss			
(a) Remeasurement of post-employment benefit obligations	25(b)	0.96	(192.54)
(b) Income tax relating to these items	25(b)	(3.00)	70.00
Items that may be reclassified to the statement of profit and loss			
(a) Cost of hedging		(70.08)	-
(b) Income tax relating to these items		24.00	-
X Total comprehensive income for the year (VIII+IX)		<u>14,688.21</u>	<u>11,011.11</u>
Profit for the year attributable to:			
Owners of the Company		14,648.16	11,047.99
Non controlling interests		88.17	85.66
		<u>14,736.33</u>	<u>11,133.65</u>
Other comprehensive income for the year attributable to:			
Owners of the Company		(46.58)	(122.78)
Non controlling interests		(1.54)	0.24
		<u>(48.12)</u>	<u>(122.54)</u>
XI Total comprehensive income for the year attributable to:			
Owners of the Company		14,601.58	10,925.21
Non controlling interests		86.63	85.90
XII Earnings per equity share of ₹ 10:			
(1) Basic	26	167.44	126.27
(2) Diluted	26	167.44	126.27

The accompanying notes 1 to 41 are an integral part of the consolidated financial statements
In terms of our report attached

For R. Subramanian and Company LLP

Chartered Accountants
FRN: 004137S/ S200041

Gokul S. Dixit
Partner
Membership No. 209464

Place : Bengaluru
Date : 27 May 2019

For and on behalf of the Board of Directors

S.Y. Ghorpade
Chairman

Sachin Sanu
Chief Financial Officer

Nazim Sheikh
Managing Director

Divya Ajith
Company Secretary



The Sandur Manganese & Iron Ores Limited

Consolidated statement of changes in equity for the year ended 31 March 2019

(a). Equity share capital

₹ lakh

Particulars	As at 31 March 2019	As at 31 March 2018
Opening Balance	875.00	875.00
Closing Balance	875.00	875.00

(b) Other equity

₹ lakh

Particulars	Reserves and surplus				Items of other comprehensive income		Attributable to the owners of the Company	Non-controlling interest	Total other equity
	Capital Redemption Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Remeasurement of post-employment benefit obligations (net of tax)	Hedging Reserve (net of tax)			
As at 1 April 2017	100.65	967.23	3,788.11	37,183.45	-	-	42,039.44	3,111.57	45,151.01
Profit / (loss) for the year	-	-	-	11,047.99	-	-	11,047.99	85.66	11,133.65
Other comprehensive income / (loss)	-	-	-	-	(122.78)	-	(122.78)	0.24	(122.54)
Dividend paid on equity shares	-	-	-	(612.50)	-	-	(612.50)	-	(612.50)
Dividend distribution tax	-	-	-	(124.69)	-	-	(124.69)	-	(124.69)
Adjustments during the year	-	-	-	-	-	-	-	(4.54)	(4.54)
As at 31 March 2018	100.65	967.23	3,788.11	47,479.25	(122.78)	-	52,227.46	3,192.93	55,420.39
Profit / (loss) for the year	-	-	-	14,648.16	-	-	14,648.16	88.17	14,736.33
Other comprehensive income / (loss)	-	-	-	-	(0.50)	(46.08)	(46.58)	(1.54)	(48.12)
Dividend paid on equity shares	-	-	-	(481.25)	-	-	(481.25)	-	(481.25)
Dividend distribution tax	-	-	-	(98.92)	-	-	(98.92)	-	(98.92)
Adjustments during the year	-	-	-	-	-	-	-	-	-
As at 31 March 2019	100.65	967.23	3,788.11	61,562.24	(123.28)	(46.08)	66,248.87	3,279.56	69,528.43

The accompanying notes 1 to 41 are an integral part of the consolidated financial statements

In terms of our report attached

For R. Subramanian and Company LLP

Chartered Accountants
FRN: 004137S/ S200041

Gokul S. Dixit
Partner
Membership No. 209464

Place : Bengaluru
Date : 27 May 2019

For and on behalf of the Board of Directors

S.Y. Ghorpade
Chairman

Sachin Sanu
Chief Financial Officer

Nazim Sheikh
Managing Director

Divya Ajith
Company Secretary



The Sandur Manganese & Iron Ores Limited

Statement of consolidated cash flows for the year ended 31 March 2019

₹ lakh

Particulars	Note No.	For the year ended 31 March 2019	For the year ended 31 March 2018
Cash flows from operating activities			
Profit before tax for the year		22,407.33	16,933.65
Adjustments for:			
Depreciation and amortisation expense	23	1,262.53	1,209.14
Provision for current assets	24	20.15	3.65
Loans and advances written off	24	-	5.20
Liabilities no longer required written back	19	(89.38)	(43.07)
Gain on disposal of property, plant and equipment	19	(516.94)	(2.87)
Capital work in progress written off	24	1.80	26.22
Allowance for credit losses on financial assets	24	-	12.98
Finance costs	22	639.00	494.93
Interest income	19	(216.40)	(87.65)
Dividend income	19	(322.31)	(175.92)
Gain on investments carried at fair value	19	(525.29)	(807.43)
Rental income from investment properties	19	(59.62)	(29.97)
Profit on sale of non-current investments (net of loss on non current investment sold)	19	(9.45)	-
- Net fair value losses on derivatives not designated as hedges	24	421.20	-
- Unwinding of discount on provisions	22	25.00	12.00
Net foreign exchange (gain)/loss	24	-	5.33
Operating profit before working capital changes		23,037.62	17,556.19
Adjustments for (increase)/ decrease in operating assets:			
Other non-current financial assets	6	(28.06)	(202.01)
Other non-current assets	8	0.90	3,166.17
Inventories	9	2,226.50	160.69
Trade receivables	10	(2,114.34)	(827.50)
Other current financial assets	6	(690.61)	(20.02)
Other current assets	8	(1,116.04)	(1,126.30)
Adjustments for (increase)/ decrease in operating liabilities:			
Other non-current financial liabilities	14	24.00	4.50
Non-current provisions	15	136.14	(1,235.49)
Trade payables	16	3,323.90	2,786.59
Other current financial liabilities	14	0.41	(33.11)
Current provisions	15	(45.78)	(303.98)
Other current liabilities	17	(13.03)	(1,098.42)
Cash generated from operations		24,741.61	18,827.31
Income taxes paid	25	(7,848.04)	(6,021.97)
Net cash generated by operating activities		16,893.57	12,805.34

(... Continued on next page)



The Sandur Manganese & Iron Ores Limited

Statement of consolidated cash flows for the year ended 31 March 2019

₹ lakh

Particulars	Note No.	For the year ended 31 March 2019	For the year ended 31 March 2018
Cash flows from investing activities			
Additions to property, plant and equipment, intangible assets (including capital work-in-progress and capital advances)	2,4	(25,269.30)	(2,731.03)
Proceeds from sale of property, plant and equipment	2	1,241.01	4.84
Payments for investment property	3	-	(3,485.12)
Bank balances not considered as cash and cash equivalents	11	(2,716.44)	89.63
(Purchase) / sale of investments (net)	5	11,544.26	(4,776.82)
Interest received	19	132.27	90.57
Proceeds from sale of investment	19	9.45	-
- Rental Income from Investment Properties	19	59.62	29.97
Dividends received	19	322.31	175.92
Net cash (used in)/generated by investing activities		(14,676.82)	(10,602.04)
Cash flows from financing activities			
Finance costs	22	(639.00)	(494.93)
Dividends paid	13	(481.25)	(700.00)
Tax on dividends	13	(98.92)	(143.00)
Net cash used in financing activities		(1,219.17)	(1,337.93)
Net increase in cash and cash equivalents		997.58	865.37
Cash and cash equivalents at the beginning of the year	11	3,024.43	2,159.06
Cash and cash equivalents at the end of the year	11	4,022.01	3,024.43

The accompanying notes 1 to 41 are an integral part of the consolidated financial statements

In terms of our report attached

For R. Subramanian and Company LLP

Chartered Accountants

FRN: 004137S/ S200041

Gokul S. Dixit

Partner

Membership No. 209464

Place : Bengaluru

Date : 27 May 2019

For and on behalf of the Board of Directors

S.Y. Ghorpade

Chairman

Sachin Sanu

Chief Financial Officer

Nazim Sheikh

Managing Director

Divya Ajith

Company Secretary



The Sandur Manganese & Iron Ores Limited

Notes to the Consolidated financial statements for the year ended 31 March 2019

All amounts are in ₹ lakh unless otherwise stated

1. Background

The Sandur Manganese & Iron Ores Limited ("SMIORE" or 'the Company') is engaged in mining of manganese and iron ores in Deogiri village of Sandur taluk, Bellary District, Karnataka. The Company is also engaged in the manufacture of ferroalloys at the Metal & Ferroalloy Plant located at Vysanakere, Hospet. The Company is a public limited company incorporated and domiciled in India. The Company has its Registered Office at 'Satyalaya', Door No. 266 (old No.80), Behind Taluka Office, Ward No.1, Palace Road, Sandur 583 119, Bellary District, Karnataka and its Corporate Office at 1A & 2C, Rediffice Signature, No. 6, Hospital Road, Shivajinagar Bangalore 560 001. The Company has a subsidiary (Collectively 'Group') Star Metalics & Power Private Limited and is holding ownership interest and voting power to the extent of 80.58%.

The Board of Directors approved the financial statements for the year ended March 31, 2019 and authorised for issue on May 27, 2019.

1.1 Significant accounting policies

(i) Statement of compliance

These consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time

(ii) Basis of measurement:

The consolidated financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, unless otherwise stated. This consolidated financial statements comply in all material aspects with Ind AS notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. All assets and liabilities are classified into current and non current based on the operating cycle of less than twelve months all based on the criteria of realisation / settlement within twelve month period from the balance sheet date.

1.2 Basis of consolidation

The consolidated financial statements Comprise of the financial statements of The Sandur Manganese & Iron Ores Limited ("the Company") and its subsidiary Star Metalics & Power Private Limited (SMPPL). SMPPL is incorporated in India and the Company's ownership interest and voting power is 80.58% (As at 31.03.2017 80.58%) as at the balance sheet date. The standalone financial statements of the Company and its subsidiary have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances, intra-group transactions and unrealised profit or losses. These financial statements are prepared by

applying uniform accounting policies in use at the Group. The excess of the Company's portion of equity of the subsidiaries as at the date of its investment over the cost of its investment is treated as Capital Reserve on consolidation. The excess of cost to the Company of its investment over the Company's portion of equity as at the date of investment is treated as Goodwill on consolidation. The financial statements of the subsidiary company which is included in the consolidation are drawn upto the same reporting date as that of the Company i.e. March 31, 2019. The financial statements of the subsidiary included in consolidation are audited.

1.2 Use of estimates and judgement

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may diverge from these estimates. Estimates and assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

1.3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Ores:

Revenue from sale of ores is recognised on completion of e-auction and receipt of money from the customer. In case of sale of sub-grade ores the revenue from sale of ores is recognised on despatch 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.

Ferro alloys:

Revenue from sale of goods is recognised on dispatch of ferro alloys to customers from plant, when significant risks and rewards of ownership are considered to be transferred and realisation is reasonably assured.

Energy:

Revenue from sale of energy 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.

1.3.1 Rendering of services:

In case of service income, revenue is recognised when the service is rendered to the customer.



The Sandur Manganese & Iron Ores Limited

Notes to the Consolidated financial statements for the year ended 31 March 2019

1.4 Dividend and interest income

Dividend income from investments is recognised when the Group's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

1.5 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

1.5.1 The Group as lessor

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.5.2 The Group as lessee

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.6 Foreign currency transactions and balances

Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains/ (losses).

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are

translated at the exchange rate prevalent at the date of transaction.

1.6.1 Functional Currency

The consolidated financial statements are presented in Indian rupees, the national currency of India, which is the functional currency of the Holding Company. Functional currency of an entity is the currency of the primary economic environment in which the entity operates.

1.7 Employee benefits

1.7.1 Retirement benefit costs and termination benefits

Employee benefits include provident fund, employee state insurance scheme, pension, gratuity, superannuation and compensated absences.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.



The Sandur Manganese & Iron Ores Limited

Notes to the Consolidated financial statements for the year ended 31 March 2019

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

1.7.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

1.8 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1.8.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

1.8.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

1.8.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

1.9 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets at head office and mines (including assets transferred to plant from these locations other than freehold land and properties under construction) less their residual values over their useful lives. The Group's assets 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 manner prescribed in Schedule II to 2013 company Act. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.



The Sandur Manganese & Iron Ores Limited

Notes to the Consolidated financial statements for the year ended 31 March 2019

Items such as spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment when they meet the definition of property, plant and equipment under Ind AS 16. i.e., Property, plant and equipment are tangible items that:

- (a) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
- (b) are expected to be used during more than one period.

If the above said definition is not met, they are classified as inventories in accordance with Ind AS 2 Inventories.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

1.10 Investment property

Investment properties are properties held to earn rentals and/ or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

1.11 Intangible assets

1.11.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

1.11.2 Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the

asset, are recognised in profit or loss when the asset is derecognised.

1.11.3 Useful lives of intangible assets

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

Software Licenses : 5 years

1.12 Inventories

Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including all levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty. Cost is determined as follows:

Stores, spares and consumables: Monthly weighted average rates

Raw materials: Monthly weighted average rates

Work in progress & finished goods: Full absorption costing method based on annual cost of production

1.13 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

The financial obligation 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.

1.14 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period.



The Sandur Manganese & Iron Ores Limited

Notes to the Consolidated financial statements for the year ended 31 March 2019

1.15. 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.

1.16. Segment accounting

Operating segments are reported in the manner consistent with the internal reporting to the chief operating decision maker (CODM). The Group has identified Mining, Ferro alloys & power & steel as operating segments and also additional information about revenue on geographical basis is provided.

The Group has realigned all its operations under three operating segments (i.e.) (a) Mining (b) Ferroalloys & Power and (c) Unallocable based on assessment of the overall risks and rewards.

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

1.17 Operating cycle

Based on the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as one year. The above basis is used for classifying the assets and liabilities into current and non-current as the case may be.

1.18. 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.

1.19. Financial instruments

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another

entity. The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired.

Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received net of direct issue cost.

Hedge accounting

The Group designates currency options and futures contracts as hedge instruments in respect of foreign exchange risks. These hedges are accounted for as cash flow hedges

The Group uses hedging instruments that are governed by the policies of the Group which are approved by the Board of Directors. The policies provide written principles on the



The Sandur Manganese & Iron Ores Limited

Notes to the Consolidated financial statements for the year ended 31 March 2019

use of such financial derivatives consistent with the risk management strategy of the Group.

The hedge instruments are designated and documented as hedges at the inception of the contract. The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at inception and on an ongoing basis. If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified in net foreign exchange gains in the statement of profit and loss.

The effective portion of change in the fair value of the designated hedging instrument is recognised in the other comprehensive income and accumulated under the heading cost of hedging.

The Group separates the intrinsic value and time value of an option and designates as hedging instruments only the change in intrinsic value of the option. The change in fair value of the time value and intrinsic value of an option is recognised in the statement of other comprehensive income and accounted as a separate component of equity. Such amounts are reclassified into the statement of profit and loss when the related hedged items affect profit or loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity till that time remains and is recognised in statement of profit and loss when the forecasted transaction ultimately affects the profit or loss.

1.20. Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Company Group has not applied as they are effective from April 1, 2019:

Ind AS 116 – Leases

The Ministry of Corporate Affairs has notified the Ind AS 116, Leases which will be effective from April 1, 2019. Ind AS 116 would replace the existing leases standard Ind AS 17. The Standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit and loss.

Ind AS 12 - Income Taxes

On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes'. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment will come into force for accounting periods beginning on or after April 1, 2019.

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments

On March 30, 2019, the Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendments Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognised and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective for annual periods beginning on or after April 1, 2019.

Amendment to Ind AS 19 'Employee Benefits'

On March 30, 2019, the Ministry of Corporate Affairs ("MCA") has notified limited amendments to Ind AS 19 'Employee benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment is effective for annual periods beginning on or after April 1, 2019.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

The Group is currently in process of evaluating and determining the quantitative effect of the above on its financial statements.



The Sandur Manganese & Iron Ores Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

Note No. 2 - Property, plant and equipment

₹ lakh

Description of Assets	Land - Freehold	Buildings - Freehold	Railway sidings	Plant and Equipment Free hold	Office Equip-ment	Furni-ture and Fix tures	Vehicles	Total
I. Gross Carrying Amount								
Balance as at 1 April 2018	4,771.70	3,499.21	-	13,282.57	267.42	175.92	1,031.37	23,028.19
Additions	734.32	342.63	-	327.36	180.99	137.94	74.07	1,797.31
Disposals/ adjustments	20.34	978.82	-	-	3.98	-	7.67	1,010.81
Balance as at 31 March 2018	5,485.68	2,863.02	-	13,609.93	444.43	313.86	1,097.77	23,814.69
II. Accumulated depreciation and impairment								
Balance as at 1 April 2018	-	332.68	-	1,270.82	135.58	75.67	332.08	2,146.83
Depreciation expense for the year	-	186.02	-	612.12	81.64	42.23	228.71	1,150.72
Eliminated on disposal of assets	-	275.67	-	-	3.78	-	7.29	286.74
Balance as at 31 March 2019	-	243.03	-	1,882.94	213.44	117.90	553.50	3,010.81
III. Net carrying amount (I-II)	5,485.68	2,619.99	-	11,726.99	230.99	195.96	544.27	20,803.88

I. Gross Carrying Amount								
Balance as at 1 April 2017	4,261.89	3,434.89	-	12,976.30	207.09	161.49	710.60	21,752.26
Additions	509.81	64.32	-	309.32	61.49	14.43	374.22	1,333.59
Disposals/ adjustments	-	-	-	3.05	1.16	-	53.45	57.66
Balance as at 31 March 2018	4,771.70	3,499.21	-	13,282.57	267.42	175.92	1,031.37	23,028.19
II. Accumulated depreciation and impairment								
Balance as at 1 April 2017	-	166.95	-	654.90	66.57	39.99	153.54	1,081.95
Depreciation expense for the year	-	165.73	-	616.77	70.04	35.68	229.30	1,117.52
Eliminated on disposal of assets	-	-	-	0.85	1.03	-	50.76	52.64
Balance as at 31 March 2018	-	332.68	-	1,270.82	135.58	75.67	332.08	2,146.83
III. Net carrying amount (I-II)	4,771.70	3,166.53	-	12,011.75	131.84	100.25	699.29	20,881.36

Notes:

1. For depreciation methods used and the useful lives or the depreciation refer note 1.9 of the consolidated financial statements.
2. Property Plant and equipment held pledged as security. Refer Note No. 40 of the consolidated financial statements.



The Sandur Manganese & Iron Ores Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

Note No. 3 - Investment Property

	₹ lakh		
Description of Assets	Land	Buildings	Total
I. Gross Carrying Amount			
Balance as at 1 April 2018	4,401.71	604.90	5,006.61
Addition	-	-	-
Disposals	-	-	-
Balance as at 31 March 2019	4,401.71	604.90	5,006.61
II. Accumulated depreciation and impairment			
Balance as at 1 April 2018	-	59.46	59.46
Addition	-	26.53	26.53
Disposals	-	-	-
Balance as at 31 March 2019	-	85.99	85.99
III. Net carrying amount (I-II)	4,401.71	518.91	4,920.62
I. Gross Carrying Amount			
Balance as at 1 April 2017	916.59	604.90	1,521.49
Addition	3,485.12	-	3,485.12
Disposals	-	-	-
Balance as at 31 March 2018	4,401.71	604.90	5,006.61
II. Accumulated depreciation and impairment			
Balance as at 1 April 2017	-	31.23	31.23
Addition	-	28.23	28.23
Disposals	-	-	-
Balance as at 31 March 2018	-	59.46	59.46
III. Net carrying amount (I-II)	4,401.71	545.44	4,947.15

- The Company's investment properties consist of one commercial & one residential properties in India. Management determined that the investment properties consist of two classes of assets – commercial and residential– based on the nature, characteristics and risks of each property.
- For depreciation methods used and the useful lives or the depreciation refer note 1.9 of the consolidated financial statements
- Fair market value investment property have been arrived at on the basis of valuations carried out by the Company internally on the basis of market value and the details are as below.

	₹ lakh	
Particulars	31-Mar-19	31-Mar-18
Land	7,131.38	6,923.67
Buildings	763.52	741.28
Total	7,894.90	7,664.95

- The company has no restrictions on the realis ability of its investment properties and no contractual obligations to either purchase, construct or develop investment properties or for repairs, maintenance and enhancements.
- Amounts recognised in profit or loss for Investment property

	₹ lakh	
Particulars	31-Mar-19	31-Mar-18
Rental Income	59.62	29.97
Direct Operating Expenses from Investment Property	-	-
Depreciation	26.53	28.23

- Investment Property pledged as security. Refer Note No. 40 of the consolidated financial statements.



The Sandur Manganese & Iron Ores Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

Note No. 4 - Other intangible assets

Description of Assets	₹ lakh	
	Computer software	Total
I. Gross Carrying Amount		
Balance as at 1 April 2018	342.93	342.93
Additions	8.44	8.44
Disposals	-	-
Balance as at 31 March 2019	351.37	351.37
II. Accumulated depreciation and impairment		
Balance as at 1 April 2018	120.85	120.85
Amortisation expense for the year	85.68	85.68
Balance as at 31 March 2019	206.53	206.53
III. Net carrying amount (I-II)	144.84	144.84
I. Gross Carrying Amount		
Balance as at 1 April 2018	292.55	292.55
Additions	50.38	50.38
Disposals	-	-
Balance as at 31 March 2019	342.93	342.93
II. Accumulated depreciation and impairment		
Balance as at 1 April 2018	57.46	57.46
Amortisation expense for the year	63.39	63.39
Eliminated on disposal of assets	-	-
Balance as at 31 March 2019	120.85	120.85
III. Net carrying amount (I-II)	222.08	222.08

Note: For depreciation methods used and the useful lives or the depreciation refer note 1.11.3 of the consolidated financial statements.



The Sandur Manganese & Iron Ores Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

Note No. 5 - Investments

₹ lakh

Particulars	As at 31 March 2019			As at 31 March 2018		
	QTY	Amount	Amount	QTY	Amount	Amount
		Current	Non Current		Current	Non Current
I. Quoted investments in equity instruments						
HDFC Bank Limited	2,500	-	58.05	2,500	-	47.53
Equity shares of ₹ 2 each fully paid up						
Total Quoted Investments			58.05			47.53
II. Unquoted investments in equity instruments in others						
Sandur Laminates Limited	-	-	-	4,725,191		-
Equity share of ₹10 each fully paid						
Total Unquoted Investments						
Investments in Mutual Funds						
Quoted						
HDFC Corporate Debt Opportunities Fund - Regular Growth	-	-	-	3,617,672	521.34	-
Sundaram Hybrid Fund SR H 5 YRS Regular Growth	-	-	-	1,000,000	135.32	-
UTI - Dual Advantage Fixed Term Fund - Series 1-II Regular Growth	-	-	-	1,000,000	121.55	-
Kotak Medium Term Fund - Growth (Regular Plan)	-	-	-	4,400,246	634.74	-
Sundaram Hybrid Fund SR H 5 YRS Regular Growth	1,000,000	142.26	-	1,000,000	118.36	-
Reliance RSF Debt (G)	-	-	-	2,376,731	575.05	-
DSP BR Income Opportunities-(G)	-	-	-	2,030,050	580.49	-
Birla SL Medium Term Plan-(G)	-	-	-	2,564,823	563.31	-
HDFC Equity Savings (G)	-	-	-	1,617,404	865.12	-
DHFL Pramerica Credit Risk-Regular Plan-Growth-(Refer note 27 (i)(b))	5,382,349	779.71	-	5,382,349	740.71	-
Franklin India Dynamic Accrual Fund-Growth Scheme-(Refer note 27 (i)(b))	1,060,087	706.73	-	1,060,087	650.65	-
ICICI Prudential Credit Risk-Regular Plan-Growth-(Refer note 27 (i)(b))	2,902,657	576.71	-	2,902,657	538.86	-
IDFC Credit Risk - Regular Plan -Growth-(Refer note 27 (i)(b))	5,874,720	665.98	-	5,874,720	629.39	-
SBI Credit Risk-Regular Plan-Growth -(Refer note 27 (i)(b))	2,274,863	679.45	-	2,274,863	635.41	-
UTI Credit Risk-Regular Plan-Growth -(Refer note 27 (i)(b))	3,353,544	560.93	-	3,353,544	531.44	-
DSP BR Equity Saving Reg- G	-	-		4,355,401	533.71	
ICICI Pru Equity Income-G	-	-	-	4,128,819	1,026.57	-
Aditya Birla SL Equity Savings Reg-G	-	-	-	5,445,671	704.13	-
Reliance Strategic Debt Fund-Regular Plan-Growth-(Refer note 27 (i)(b))	4,413,710	649.27	-	4,413,710	618.18	-
HDFC Corporate Debt Opportunities Reg-G	-	-	-	2,136,950	307.95	-
Reliance Arbitrage Fund	-	-	-	943,547	99.81	-
Axis Fixed Income OP	-	-	-	750,238	102.38	



The Sandur Manganese & Iron Ores Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

Note No. 5 - Investments (...Continued)

₹ lakh

Particulars	As at 31 March 2019			As at 31 March 2018		
	QTY	Amount	Amount	QTY	Amount	Amount
		Current	Non Current		Current	Non Current
Franklin India CorpBondOpp-(G)	1,714,903	335.77	-	1,126,113	203.19	-
Franklin India Low Duration-(G)	-	-	-	4,579,899	914.86	-
DSP BlackRock Equity Savings Reg-(G)		-	-	2,009,646	246.26	-
Franklin India Ultra Short Bond Super Inst-DD		-	-	35,002,263	3,527.46	-
Reliance Arbitrage A Fund		-	-	4,726,568	500.00	-
Aditya Birla Mutual Fund	3,872,637	529.37			-	
		5,626.18	-		16,626.24	-
Unquoted						
Arthaveda Star Fund - Unit of ₹1,000 each	27,415	351.04	-	28,471	362.44	-
Edelweiss Stressed & Troubled assets revival Fund	1,000	52.27	-	1,000	77.97	-
Indiabulls High Yield Fund	4,000,000	403.19	-	4,000,000	395.52	-
		806.50			835.93	
Total aggregate quoted investments		5,626.18	58.05		16,626.24	47.53
						-
Total aggregate un-quoted investments		806.50	-		835.93	-
TOTAL INVESTMENT		6,432.68	58.05		17,462.17	47.53
TOTAL INVESTMENT CARRYING VALUE		6,432.68	58.05		17,462.17	47.53
Other disclosures						
Aggregate amount of quoted investments and Market value thereof		5,626.18	58.05		16,626.24	47.53
Aggregate amount of unquoted investments		806.50	-		835.93	-

Note No. 6 - Other financial assets

₹ lakh

Particulars	As at 31 March 2019		As at 31 March 2018	
	Current	Non- Current	Current	Non- Current
(i) Security Deposits	0.27	366.98	34.38	343.12
(ii) Deposits against guarantees with maturity of more than 12 months	-	707.64	-	133.90
(iii) Loans and advances to employees	154.61	-	76.66	-
(iv) Interest accrued on deposits	93.30	9.93	17.51	-
(v) Fairvalue of foreign exchange derivative assets	119.15	38.97	-	
Total	367.33	1,123.52	128.55	477.02



The Sandur Manganese & Iron Ores Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

7. Deferred tax balances

₹ lakh

Particulars	As at 31 March 2019	As at 31 March 2018
Deferred Tax Assets	2,497.37	2,079.38
Total	2,497.37	2,079.38

As at 31 March 2019

₹ lakh

Particulars	Opening Balance	Recognised in Profit or Loss	Recognised in other comprehensive income	Closing Balance
Deferred tax (liabilities)/assets in relation to:				
Property, plant and equipment	226.35	213.65	-	440.00
Intangible assets	(32.12)	25.40	-	(6.72)
Provision for employee benefits	189.47	(80.47)	-	109.00
Cash flow hedges	-	41.53	-	41.53
MAT Credit Entitlement	29.38	17.99	-	47.37
Disallowances under section 40(a)(i), 43B of the 1961 Income-tax Act,	1,666.30	199.89	-	1,866.19
Total	2,079.38	417.99	-	2,497.37

As at March 31, 2018

₹ lakh

Particulars	Opening Balance	Recognised in Profit or Loss	Recognised in other comprehensive income	Closing Balance
Deferred tax (liabilities)/assets in relation to:				
Property, plant and equipment	134.16	92.19	-	226.35
Intangible assets	(29.88)	(2.24)	-	(32.12)
Defined benefit obligation	702.51	(513.04)	-	189.47
MAT Credit Entitlement	29.38	-	-	29.38
Disallowances under section 40(a)(i), 43B of the Income-tax Act, 1961	1,623.21	43.09	-	1,666.30
Total	2,459.38	(380.00)	-	2,079.38



The Sandur Manganese & Iron Ores Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

Note No. 8 - Other current assets

₹ lakh

Particulars	As at 31 March 2019		As at 31 March 2018	
	Current	Non- Current	Current	Non- Current
(Unsecured, considered good)				
(a) Capital advances				
Capital advances				
(i) For Capital work in progress	-	5,832.01	-	947.45
(b) Advances other than capital advances				
(i) Balances with government authorities (other than income taxes)	1,138.03	156.99	391.72	156.99
Less: provision for doubtful receivables	(3.65)	-	(3.65)	-
	1,134.38	156.99	388.07	156.99
(ii) Advances to suppliers				
Considered good	2,087.76	-	1,676.16	-
Considered doubtful	23.12	2.65	2.96	3.55
Less: Provision for doubtful advances	(23.12)		(2.96)	
(iii) Prepaid expenses	12.68	-	6.74	-
(iv) Unbilled revenue	50.57	-	68.32	-
(v) Excess of plan asset on gratuity obligation	-	-	50.22	-
(vi) Tax payments net of provisions	-	4,795.65	-	4,886.72
Total	3,285.39	10,787.30	2,189.51	5,994.71

Note No. 9 - Inventories

₹ lakh

Particulars	As at 31 March 2019	As at 31 March 2018
(a) Raw materials	1,532.38	3,023.31
(b) Finished and semi-finished goods	4,277.66	4,952.04
(c) Stores and spares	669.24	730.43
Total Inventories (at lower of cost and net realisable value)	6,479.28	8,705.78

Note No. 1. Mode of valuation of inventories is stated in Note 1.12 of the consolidated financial statements.

Note No. 10 - Trade receivables

₹ lakh

Particulars	As at 31 March 2019		As at 31 March 2018	
	Current	Non- Current	Current	Non- Current
Trade receivables				
(a) Trade receivables considered good - Secured				
(b) Trade receivables considered good - Unsecured	2,091.55	-	433.40	-
(c) Trade receivables which have significant increase in credit risk	-	-	-	-
(d) Trade receivables - Credit Impaired	49.57	-	49.57	-
Less: Allowance for credit losses	(49.57)	-	(49.57)	-
TOTAL	2,091.55	-	433.40	-

Movements in provision for expected credit loss

As at 1 April, 2018	49.57
Provision during the year	-
As at 31 March, 2019	49.57



The Sandur Manganese & Iron Ores Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

Note No. 11 - Cash and Bank Balances

₹ lakh

Particulars	As at 31 March 2019	As at 31 March 2018
Cash and cash equivalents		
(a) Balances with banks		
In current accounts	2,344.12	2,218.91
In EEFC accounts	-	-
In deposit accounts	1,670.20	800.09
(b) Cash on hand	7.69	5.43
Total cash and cash equivalent	4,022.01	3,024.43
(a) Earmarked balances with banks - dividend accounts	16.22	15.81
(b) Balances with banks:		
(i) On margin accounts	3,415.02	508.07
(ii) Fixed deposits with maturity greater than 3 months	147.64	338.56
Less: Disclosed under non-current financial assets (Note No.6)	(707.64)	(133.90)
	2,855.02	712.73
Total other bank balances	2,871.24	728.54

Notes :

1. Cash and cash equivalents include cash in hand and in banks.
2. Refer note 27(b) for lien on fixed deposits.

Note No. 12 - Current tax assets and liabilities

₹ lakh

Particulars	As at 31 March 2019	As at 31 March 2018
Current tax liabilities		
Tax payable	968.38	839.51
	968.38	839.51

Note No. 13 - Equity Share Capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	No. of shares	Amount ₹ lakh	No. of shares	Amount ₹ lakh
Authorised:				
Equity shares of ₹ 10 each with voting rights	14,000,000	1,400.00	14,000,000	1,400.00
Preference shares of ₹ 100 each	100,000	100.00	100,000	100.00
Issued, Subscribed and Fully Paid:				
Equity shares of ₹ 10 each with voting rights	8,750,000	875.00	8,750,000	875.00



The Sandur Manganese & Iron Ores Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

Note No. 13 - Equity Share Capital (Contd.)

(ii) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	Opening Balance	Fresh issue	Bonus	ESOP	Other changes	Closing Balance
(a) Equity Shares with Voting rights						
Year Ended 31 March 2019	No. of Shares	8,750,000	-	-	-	8,750,000
	Amount ₹ lakh	875.00	-	-	-	875.00
Year Ended 31 March 2018	No. of Shares	8,750,000	-	-	-	8,750,000
	Amount ₹ lakh	875.00	-	-	-	875.00

Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having par value of ₹10 per share. Each holder of equity share 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 of the shareholders in the ensuing annual general meeting. Further, the Board of Directors may also announce an interim dividend which would need to be confirmed by the shareholders at the forthcoming Annual General Meeting. In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

(ii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates: (details of fully paid and partly paid also needs to be given)

Particulars	No. of Shares		
	Equity Shares with Voting rights	Equity Shares with Differential Voting rights	Others
As at 31 March 2019			
Skand Private Limited	4,632,040	-	-
As at 31 March 2018			
Skand Private Limited	4,632,040	-	-

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March 2019		As at 31 March 2018	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Skand Private Limited	4,632,040	52.94	4,632,040	52.94



The Sandur Manganese & Iron Ores Limited

Notes to the consolidated financial statements for the year ended 31 March 2019 Statement Of Changes In Equity for the year ended 31 March 2019

13 (b). Other Equity

₹ lakh

Particulars	Reserves and surplus				Items of other comprehensive income		Attributable to the owners of the Company	Non-controlling interest	Total other equity
	Capital Redemption Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Remeasurement of post-employment benefit obligations (net of tax)	Hedging Reserve (net of tax)			
As at 1 April 2017	100.65	967.23	3,788.11	37,183.45	-	-	42,039.44	3,111.57	45,151.01
Profit / (Loss) for the year	-	-	-	11,047.99	-	-	11,047.99	85.66	11,133.65
Other Comprehensive Income / (Loss)	-	-	-	-	(122.78)	-	(122.78)	0.24	(122.54)
Dividend paid on equity shares	-	-	-	(612.50)	-	-	(612.50)	-	(612.50)
Dividend distribution tax	-	-	-	(124.69)	-	-	(124.69)	-	(124.69)
Adjustments during the year	-	-	-	-	-	-	-	(4.54)	(4.54)
As at 31 March 2018	100.65	967.23	3,788.11	47,494.25	(122.78)	-	52,227.46	3,192.93	55,420.39
Profit / (Loss) for the year	-	-	-	14,648.16	-	-	14,648.16	88.17	14,736.33
Other Comprehensive Income / (Loss)	-	-	-	-	(0.50)	(46.08)	(46.58)	(1.54)	(48.12)
Dividend paid on equity shares	-	-	-	(481.25)	-	-	(481.25)	-	(481.25)
Dividend distribution tax	-	-	-	(98.92)	-	-	(98.92)	-	(98.92)
As at 31 March 2019	100.65	967.23	3,788.11	61,562.24	(123.28)	(46.08)	66,248.87	3,279.56	69,528.43

Description of the nature and purpose of Other Equity

(a) Capital redemption reserves: Reserve created on redemption of capital.

₹ lakh

Particulars	31 March 2019	31 March 2018
Balance as at the beginning of the year	100.65	100.65
Balance as at the end of the year	100.65	100.65

(b) Securities premium reserve: Amounts received on issue of shares in excess of the par value has been classified as securities premium.

₹ lakh

Particulars	31 March 2019	31 March 2018
Balance as at the beginning of the year	967.23	967.23
Balance as at the end of the year	967.23	967.23



The Sandur Manganese & Iron Ores Limited

Notes to the consolidated financial statements for the year ended 31 March 2019 Statement of Changes In Equity for the year ended 31 March 2019

13 (b). Other Equity (...Continued)

(c) General reserve: The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. There is no policy of regular transfer. Items included under General Reserve shall not be reclassified back into the profit or loss.

₹ lakh

Particulars	31 March 2019	31 March 2018
Balance as at the beginning of the year	3,788.11	3,788.11
Balance as at the end of the year	3,788.11	3,788.11

(d) Retained earnings: Retained earnings comprise of the Company's prior years undistributed earnings after taxes.

₹ lakh

Particulars	31 March 2019	31 March 2018
Balance as at the beginning of the year	47,494.25	37,183.45
Balance as at the end of the year	61,562.24	47,494.25

Distributions made and proposed

₹ lakh

Particulars	31 March 2019	31 March 2018
Cash dividends on equity shares declared and paid		
Final dividend for the year ended on 31 March 2018: ₹ 2 per share (31 March 2017 ₹ 2 per share)	175.00	175.00
Dividend Distribution Tax on final dividend	35.97	35.63
Interim dividend for the year ended on 31 March 2019: ₹ 3.50 per share (31 March 2018 ₹ 5 per share)	306.25	437.50
	517.22	648.13
Proposed dividends on Equity shares		
Final dividend for the year ended on 31 March 2018: ₹ 3.5 per share (31 March 2018 ₹ 2 per share)	306.25	175.00
Dividend Distribution Tax on proposed dividend	62.95	35.97
	369.20	210.97

Note : Proposed dividends on equity shares are subject to approval in annual general meeting and are not recognised as a liability (including Dividend Distribution Tax thereon) as at 31 March 2019.

Note No. 14 - Other financial liabilities

₹ lakh

Particulars	As at 31 March 2019		As at 31 March 2018	
	Current	Non- Current	Current	Non- Current
a. Security deposits	-	28.50	-	4.50
b. Payables on purchases of fixed assets	422.71	-	4.69	-
c. Unpaid dividends	16.22	-	15.81	-
TOTAL	438.93	28.50	20.50	4.50

Notes : Unclaimed dividends do not include any amount credited to Investor Education and Protection Fund.



The Sandur Manganese & Iron Ores Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

Note No. 15 - Provisions

₹ lakh

Particulars	As at 31 March 2019		As at 31 March 2018	
	Current	Non- Current	Current	Non- Current
(a) Provision for employee benefits				
1. Pension	-	-	23.06	0.20
2. Compensated absences	58.94	214.38	65.07	196.41
3. Gratuity	14.00	1.62	5.85	1.03
(b) Other Provisions				
1. Mine closure	-	382.00	-	256.00
2. Proposed equity dividend	-	-	-	-
3. Tax on proposed dividend	-	-	-	-
Total	72.94	598.00	93.98	453.64

Details of movement in mine closure provision

₹ lakh

Particulars	2018-19	2017-18
Opening balance	256.00	95.90
Additional provisions recognised	101.00	149.53
Amounts used during the year	-	-
Unused amounts reversed during the period	-	-
Unwinding of discount and effect of changes in the discount rate	25.00	10.57
Closing balance	382.00	256.00

Note: The financial obligation 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.

Note No. 16 - Trade Payables

₹ lakh

Particulars	As at 31 March 2019		As at 31 March 2018	
	Current	Non- Current	Current	Non- Current
Trade payable - Micro and small enterprises	-	-	-	-
Trade payable - Other than micro and small enterprises	7,454.09	-	4,676.21	-
Total	7,454.09	-	4,676.21	-

Notes:

- Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.
- Refer Note no. 32 for trade payables if any, to micro and small enterprises.



The Sandur Manganese & Iron Ores Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

Note No. 17 - Other current liabilities

₹ lakh

Particulars	As at 31 March 2019		As at 31 March 2018	
	Current	Non- Current	Current	Non- Current
a. Advances received from customers	393.26	-	413.46	-
b. Statutory dues		-		-
taxes payable (other than income taxes)	5,715.40	-	5,731.37	-
c. Gratuity payable	14.35	-	-	-
d. Other creditors	9.98	-	9.04	-
e. Interest accrued on borrowings	-	-	-	-
f. Payables on purchase of fixed assets	143.33	-	143.33	-
g. Security / other deposits received	-	-	1.00	-
h. Retention money payable	-	-	-	-
TOTAL	6,276.32	-	6,298.20	-

Note : Disputed statutory remittances as at March 31, 2019 ₹ 4,968.41 lakh (As at March 31, 2018 ₹ 4,641.61 lakh)

Note No. 18 - Revenue from Operations

The following is an analysis of the company's revenue for the year from continuing operations

₹ lakh

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
(a) Revenue from sale of products (including excise duty)	69,175.84	60,384.98
(b) Other operating revenue	1,039.42	854.97
Total revenue from operations	70,215.26	61,239.95
Notes :		
(i) Revenue from sale of products comprises:		
(a) Manganese ore (Includes ₹ 257.59 lakh (previous year ₹ 55.53 lakh))	16,548.81	11,339.54
(b) Iron ore (Includes ₹ 25.20 lakh (previous year ₹ 205.23 lakh))	31,882.28	30,472.94
(c) Silico-manganese	20,323.36	18,268.64
(d) Power	421.39	303.86
	69,175.84	60,384.98
(ii) Other operating revenues comprises:		
(a) Handling charges	777.09	639.25
(b) Sale of scrap/ waste	61.06	53.23
(c) Other miscellaneous receipts	201.27	162.49
	1,039.42	854.97



The Sandur Manganese & Iron Ores Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

Note No. 19 - Other Income

₹ lakh

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
(a) Interest Income on financial assets carried at amortised cost		
On fixed-deposits with banks	216.40	73.13
On long-term deposits	-	14.52
On security deposits	1.57	1.95
(b) Dividend Income		
On investments carried at fair value through profit & loss account	322.31	175.92
(c) Gain on investments carried at fair value through profit & loss account	525.29	807.43
(d) Profit on sale of capital assets (net of loss on assets sold / scrapped / written off)	636.73	2.87
(e) Profit on sale of non current investments (net of loss on non current investment sold and net of provision made)	9.45	-
(f) Rental income from Investment property	59.62	29.97
(g) Sale of petroleum products (net of consumption/ expenses of ₹ 1,507.29 lakh previous year : ₹ 1,230.87 lakh)	38.33	25.57
(h) Provisions / liabilities no longer required written back	89.38	43.07
(i) Sale of scrap	1.16	74.22
(j) Forex gains/ (loss)	14.86	-
(k) Others	24.63	21.11
Total	1,939.73	1,269.76

Note No. 20(a) - Cost of materials consumed

₹ lakh

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Material consumed comprises:		
- Manganese ore	927.39	1,438.09
- Coke	1,677.69	2,413.85
- Coal	9,177.37	7,490.62
- Other materials	663.85	400.05
	12,446.30	11,742.61

Note 20(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade

₹ lakh

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Inventories at the beginning of the year:		
Finished goods	4,952.04	6,571.24
	4,952.04	6,571.24
Inventories at the end of the year:		
Finished goods	4,277.66	4,952.04
	4,277.66	4,952.04
Net (increase) / decrease	674.38	1,619.20



The Sandur Manganese & Iron Ores Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

Note No. 21 - Employee benefits expense

Particulars	₹ lakh	
	For the year ended 31 March 2019	For the year ended 31 March 2018
(a) Salaries and wages, including bonus	6,003.46	6,245.98
(b) Contribution to provident and other funds	358.35	347.81
(c) Gratuity	0.79	0.45
(d) Staff welfare expenses	1,306.66	1,222.55
(e) Subsidy on food grains	571.52	571.82
Total	8,240.78	8,388.61

Note No. 22 - Finance Costs

Particulars	₹ lakh	
	For the year ended 31 March 2019	For the year ended 31 March 2018
(a) Interest expense	614.00	482.93
(b) Unwinding of discount on provisions	25.00	12.00
Total	639.00	494.93

Note No. 23 - Depreciation & amortisation expense

Particulars	₹ lakh	
	For the year ended 31 March 2019	For the year ended 31 March 2018
(a) Depreciation on property, plant and equipment (Note 2)	1,150.72	1,117.52
(b) Depreciation on investment property (Note 3)	26.53	28.23
(c) Depreciation on other intangible assets (Note 4)	85.68	63.39
Total	1,262.93	1,209.14



The Sandur Manganese & Iron Ores Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

Note No. 24 - Other Expenses

₹ lakh

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
(a) Stores consumed	857.02	792.05
(b) Operation and maintenance charges	602.57	536.70
(c) Power & Fuel	32.86	33.25
(d) Rent including lease rentals (Refer Note 28)	514.78	222.10
(e) Rates and taxes	7,995.25	7,476.98
(f) Insurance	60.69	63.57
(g) Repairs and maintenance - Buildings	237.09	286.03
(h) Repairs and maintenance - Machinery	162.00	285.53
(i) Repairs and maintenance - Others	319.73	328.65
(j) Mine running expenses	6,847.08	5,732.46
(k) Advertisement	16.68	52.08
(l) Freight, loading and siding charges	3,032.89	2,573.29
(m) Selling expenses	484.03	494.38
(n) Travelling and conveyance expenses	777.20	795.30
(o) Expenditure on corporate social responsibility (CSR) under section 135 of the Companies Act, 2013. (Refer Note 33)	176.89	88.76
(p) Donations and Contributions	1,966.69	170.00
(q) Excise duty on sale of products	-	430.33
(r) Auditors remuneration and out-of-pocket expenses		
(i) As Auditors	32.02	30.79
(ii) For Taxation matters	4.00	4.68
(iv) For Other services	12.81	20.50
(v) For reimbursement of expenses	3.01	0.72
(s) Legal and other professional costs	280.92	501.24
(t) Allowance for credit losses on financial assets	-	12.98
(u) Foreign exchange fluctuation (net)	-	5.26
Loss on sale of assets	119.79	-
Net fair value losses on derivatives not designated as Hedges	421.20	-
Change in fairvalue of hedging instruments	85.75	-
(v) Security charges	581.96	475.43
(w) (Increase)/ decrease of excise duty on inventory	-	(124.07)
(x) Capital work-in-progress written off	1.80	26.22
(y) Provision for current assets	20.15	3.65
(z) Loans and advances written off	-	5.20
(ai) Miscellaneous expenses	837.41	797.51
Total Other Expenses	26,484.27	22,121.57



The Sandur Manganese & Iron Ores Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

Note No. 25 - Current Tax and Deferred Tax

(a) Income-tax recognised in profit or loss

Particulars	₹ lakh	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Current Tax:		
In respect of current year	8,088.99	5,420.00
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	(417.99)	380.00
Total income tax expense	7,671.00	5,800.00

(b) Income tax recognised in other Comprehensive income

Particulars	₹ lakh	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Current Tax		
Income tax related to items recognised in other comprehensive income during the year:		
Remeasurement of post-employment benefit obligations	(3.00)	70.00
Cost of hedging	24.00	-
Total	21.00	70.00
Classification of income tax recognised in other comprehensive income		
Income taxes related to items that will not be reclassified to profit or loss	(3.00)	70.00
Income taxes related to items that will be reclassified to profit or loss	24.00	-
Total	21.00	70.00

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Particulars	₹ lakh	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Effective Tax Rate under Indian Income Tax Laws.	34.94%	34.61%
Profit before tax	22,407.33	16,933.65
Income tax expense calculated at 34.94% (Previous year : 34.61%)	7,829.12	5,860.74
Effect of income that is exempt from taxation	(285.89)	350.98
Effect of timing difference in tax calculation	(106.77)	213.50
Effect of expenses that is non-deductible in determining taxable profit	313.76	(625.22)
Effect of Capital Gain tax at special rate	(79.22)	-
Income tax expense recognised In profit or loss	7,671.00	5,800.00



The Sandur Manganese & Iron Ores Limited

Notes to the consolidated statements for the year ended March 31, 2019

Note No. 26 - Earnings per Share

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
	₹ per share	₹ per share
Basic Earnings per share		
From continuing operations	167.44	126.27
Total basic earnings per share	167.44	126.27
Diluted Earnings per share		
From continuing operations	167.44	126.27
Total diluted earnings per share	167.44	126.27

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit / (loss) for the year attributable to owners of the Group - ₹ lakh	14,736.33	11,133.65
Profits used in the calculation of basic earnings per share from continuing operations - ₹ lakh	14,736.33	11,133.65
Weighted average number of equity shares	87,50,000	87,50,000
Earnings per share from continuing operations - Basic - ₹	167.44	126.27
Weighted average number of equity shares used in the calculation of Basic EPS	87,50,000	87,50,000
Weighted average number of equity shares used in the calculation of Diluted EPS	87,50,000	87,50,000



The Sandur Manganese & Iron Ores Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

Note No. 27 - Contingent liabilities and commitments (to the extent not provided for)

(i) Contingent liabilities

a) Claims against the Company not acknowledged as debts:

Particulars	₹ lakh	
	As at 31 March 2019	As at 31 March 2018
Income tax (relating to disallowance of deduction)	4,857.00	4,372.96
Service tax (relating to applicability of tax)	293.35	293.35
Forest Development Tax including interest	5,491.24	4,850.80
Differential rate relating to sale of power, including interest	417.58	367.97
Differential royalty including interest	718.11	600.61
Customs duty (relating to demand towards differential duty payable on import of coal)	355.05	334.63
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:

Particulars	₹ lakh	
	As at 31 March 2019	As at 31 March 2018
Bank guarantee issued to Indian Bureau of Mines towards progressive mine closure plan against lien on mutual funds at 125% of the value.	3,630.73	3,859.02
Bank guarantee issued to vendors against purchase of raw material*	152.19	321.59
Bank guarantee issued to vendors against purchase of Capital Items*	3,100.72	-

* against lien on Fixed Deposits

(ii) Commitments:

Particulars	₹ lakh	
	As at 31 March 2019	As at 31 March 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for	22,602.34	367.81

Note No. 28 - Leases

Particulars	₹ lakh	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Details of leasing arrangements		
As Lessee		
Expenses recognised in the Statement of Profit and Loss		
Minimum Lease Payments	514.78	222.10
Liabilities in respect of Operating Leases		
Current	85.00	85.00
Non-Current	-	-



The Sandur Manganese & Iron Ores Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

Note No. 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 ₹ 215.87 lakh (2017-18 ₹ 209.34 lakh) for provident fund contributions, ₹ 39.18 lakh (2016-17 ₹ 46.14 lakh) for superannuation fund contributions in the consolidated statement of profit and loss as part contribution to provident and other funds in note 21 and ₹ 12.97 lakh (2016-17 ₹ 7.76 lakh) for employee state insurance scheme contributions included as part of employee welfare expenses in note 21. 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 Plans:

Gratuity

The Group operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Group scheme applicable to the employee. The Group makes annual contributions to an Insurance managed fund to fund its gratuity liability. The activity of the Group is administered by SMIORE Gratuity Fund Trust. The scheme provides for lump sum payment to vested employees on retirement, death while in employment or on termination of employment as per the Group's Gratuity

Scheme, vesting occurs upon completion of three years of service.

Through its defined benefit plans the Group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets under perform compared to the government bonds discount rate, this will create or increase a deficit. The defined benefit plans hold a significant proportion of debt type assets, which are expected to outperform government bonds in the long-term.

As the plans mature, the Group intends to reduce the level of investment risk by investing more in assets that better match the liabilities.

Changes in bond yields

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plans' bond holdings and interest rate hedging instruments.

Inflation risk

Some of the Group's retirement obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The plans hold a significant proportion of assets in index linked gilts, together with other inflation hedging instruments and also assets which are more loosely correlated with inflation. However an increase in inflation will also increase the deficit to some degree.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Group's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	Valuation as at	
	31-Mar-19	31-Mar-18
Discount rate(s)	7.50%	7.65%
Expected rate(s) of salary increase	6.00%	6.00%



The Sandur Manganese & Iron Ores Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

Note No. 29 - Employee benefits (...Continued)

Defined benefit plans – as per actuarial valuation on 31st March, 2019

₹ lakh

Particulars	2018-19		2017-18	
	Funded	Unfunded	Funded	Unfunded
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:				
Opening amount recognised in other comprehensive income	220.72	20.95	26.40	22.17
Remeasurements during the period due to				
Changes in financial assumptions	18.83	-	(69.61)	-
Changes in demographic assumptions	-	-	-	-
Experience adjustments	(51.98)	(7.95)	229.15	(1.22)
Actual return on plan assets less interest on plan assets	24.61	-	34.78	-
Adjustment to recognise the effect of asset ceiling	-	-	-	-
Closing amount recognised in other comprehensive income	212.18	13.00	220.72	20.95
Remeasurement on the net defined benefit liability				
Return on plan assets (excluding amount included in net interest expense)	24.61	-	34.78	-
Actuarial gains and loss arising from changes in financial assumptions	18.83	-	(69.61)	-
Actuarial gains and loss arising from experience adjustments	(51.98)	(7.95)	229.15	(1.22)
Components of defined benefit costs recognised in other comprehensive income	(8.54)	(7.95)	194.32	(1.22)
Total	212.18	13.00	220.72	20.95
Expense recognised in statement of profit and loss under contribution to provident and other funds in note 21				
Current Service Cost	110.76	0.27	97.19	0.24
Past service cost	0.21	0.23	-	-
Administration expenses	-	-	-	-
Interest on net defined benefit liability/ (asset)	(7.67)	0.29	(5.19)	0.21
(Gains)/ losses on settlement	-	-	-	-
Components of defined benefit costs recognised in profit or loss	103.30	0.79	92.00	0.45
I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March				
1. Present value of defined benefit obligation as at 31st March	1,888.67	15.62	1,992.74	6.88
2. Fair value of plan assets as at 31st March	1,874.32	-	2,042.96	-
3. Surplus/(Deficit)	(14.35)	15.62	50.22	6.88
4. Current portion of the above	-	14.26	-	5.85
5. Non current portion of the above	(14.35)	1.36	50.22	1.03
II. Change in the obligation during the year ended 31st March				
1. Present value of defined benefit obligation at the beginning of the year	1,992.74	6.88	1,948.45	5.21
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	-	-	-	-
3. Expenses Recognised in Profit and Loss Account				
- Current Service Cost	110.76	0.27	97.19	0.24
- Past Service Cost	0.21	0.23	-	-
- Interest Expense (Income)	127.35	0.29	112.08	0.21
4. Recognised in Other Comprehensive Income				



The Sandur Manganese & Iron Ores Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

Note No. 29 - Employee benefits (...Continued)

₹ lakh

Particulars	2018-19		2017-18	
	Funded	Unfunded	Funded	Unfunded
Remeasurement gains / (losses)				
- Actuarial Gain (Loss) arising from:				
i. Demographic Assumptions	(0.39)	-	-	-
ii. Financial Assumptions	18.84	-	(69.61)	-
iii. Experience Adjustments	(51.96)	7.95	229.15	1.22
5. Benefit payments	(308.88)	-	(324.52)	-
6. Present value of defined benefit obligation at the end of the year	1,888.67	15.62	1,992.74	6.88
III. Change in fair value of assets during the year ended 31st March				
1. Fair value of plan assets at the beginning of the year	2,042.96	-	1,971.48	-
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	-	-	-	-
3. Expenses Recognised in Profit and Loss Account				
- Expected return on plan assets	135.02	-	117.26	-
4. Recognised in Other Comprehensive Income				
Remeasurement gains / (losses)	-	-	-	-
Actual Return on plan assets in excess of the expected return	(24.61)	-	(34.78)	-
5. Contributions by employer (including benefit payments recoverable)	29.83	-	313.52	-
6. Benefit payments	(308.88)	-	(324.52)	-
7. Fair value of plan assets at the end of the year	1,874.32	-	2,042.96	-
IV. The Major categories of plan assets				
- List the plan assets by category here				
Government of India Securities	42.19%	NA	54.21%	NA
Corporate Bonds	34.74%	NA	39.09%	NA
Others	23.08%	NA	6.70%	NA
V. Actuarial assumptions				
1. Discount rate	7.50% pa	7.50% pa	7.65% pa	7.65% pa
2. Expected rate of return on plan assets	7.50% pa	7.50% pa	7.50% pa	NA
3. Attrition rate	2.00% pa	6.00% pa	2.00% pa	6.00% pa

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Principal assumption	Changes in assumption		Impact undefined benefit obligation	
			Increase in assumption	Decrease in assumption
Discount rate	2019	0.50%	-3.25%	3.47%
Salary growth rate	2019	0.50%	3.50%	-3.31%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

The Group expects to contribute ₹ 100 lakh to the gratuity trust during the next financial year of 2019-20.



The Sandur Manganese & Iron Ores Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

Note No. 29 - Employee benefits (...Continued)

Maturity profile of defined benefit obligation: 2019

Maturity profile	2019 Amount (₹ lakh)
Expected benefits for Year 1	479.35
Expected benefits for Year 2	103.84
Expected benefits for Year 3	121.08
Expected benefits for Year 4	123.81
Expected benefits for Year 5	143.37
Expected benefits for Year 6	159.63
Expected benefits for Year 7	157.44
Expected benefits for Year 8	243.15
Expected benefits for Year 9	188.64
Expected benefits for Year 10 and above	1,881.36

Plan Assets

The fair value of Group's pension plan asset as of 31 March 2019 and 2018 by category are as follows:

₹ lakh

Particulars	As at March 31, 2019	As at March 31, 2018
Asset category:		
Insurer managed funds	1,800.68	1,899.64
Others	73.64	143.32
Total	1,874.32	2,042.96

The Group's policy is driven by considerations of maximizing returns while ensuring credit quality of the debt instruments. The asset allocation for plan assets is determined based on investment criteria prescribed under the Indian Income Tax Act, 1961, and is also subject to other exposure limitations. The Group evaluates the risks, transaction costs and liquidity for potential investments. To measure plan asset performance, the Group compares actual returns for each asset category with published benchmarks.

The weighted average duration of the defined benefit obligation as at 31 March 2019 is 6.71 years.

Summary of defined benefit obligation/ plan assets and experience adjustments

₹ lakh

Particulars	Year Ended				
	31.03.2019	31.03.2018	31.03.2017	31.03.2016	31.03.2015
1. Defined Benefit Obligation	1,904.30	1,999.62	1,953.66	1,807.47	1,914.82
2. Fair value of plan assets	1,874.32	2,042.96	1,971.48	1,438.80	1,410.61
3. Surplus/(Deficit)	(29.98)	43.34	17.82	(368.67)	(504.21)
4. Experience adjustment on plan liabilities [(Gain)/Loss]	(59.91)	227.93	24.97	33.77	360.62
5. Experience adjustment on plan assets [Gain/(Loss)]	18.84	(69.61)	75.98	13.05	51.32

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.



The Sandur Manganese & Iron Ores Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

29 (c) Other long term benefits - Unfunded

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

₹ lakh		
Particulars	Liability as at 31.03.2019	Liability as at 31.03.2018
Compensated absences		
- Current	58.94	65.07
- Non Current	214.38	196.41
Total	273.32	261.48
Pension		
- Current	-	23.06
- Non Current	-	0.20
Total	-	23.26

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 No. 30 - List of related parties and transactions

(a) List of related parties and relationship

1. Name of the parent Company	Skand Private Limited
2. Key Managerial Personnel (KMP)	1) Nazim Sheikh, Managing Director 2) Rajnish Singh, Director (Corporate) w.e.f Jan 1, 2018 3) Sachin Sanu, Chief Financial Officer 4) Divya Ajith, Company Secretary Non - Executive Directors 1) S. Y. Ghorpade 2) V. Balasubramanian, Upto March 31, 2019 3) B.Ananda Kumar 4) S. S. Rao 5) Vatsala watsa 6) K V Ramarathnam 7) T R Raghunandan 8) G. P. Kundargi 9) Lakshmi Venkatachalam 10) P. Anur Reddy 11) Latha Pillai, w.e.f March 8, 2019
3. Key Managerial Personnel of Parent Company	K. Raman
4. Relative of KMP	1) Aditya Shivarao Ghorpade 2) Dhananjai Shivarao Ghorpade 3) Mubeen A Sheriff 4) Yashodhara Devi Ghorpade 5) Bahirji A Ghorpade 6) R.P. Singh
5. Entities controlled by Key Managerial Personnel or their relatives	1) S.Y. Ghorpade (HUF) 2) Shivavilas Trust 3) Shivapur Trust 4) S S Infra
6. Post employee benefit plan entities	1) SMIORE Employee Provident Fund Trust 2) SMIORE Gratuity Fund Trust



The Sandur Manganese & Iron Ores Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

Note No. 30 - List of related parties and transactions (...Continued)

b) Details of related party transactions for the financial year ended 31 March 2019

₹ lakh

Particulars	Parent Company	KMP	KMP of Parent Company	Relative of KMP	Entity controlled by KMP or their relatives	Post-employment benefit plan entities
Purchase of property, plant and equipment	344.56	-	-	-	-	-
Purchase of services	-	-	42.00	23.32	9.05	-
Lease rentals	-	-	-	29.88	49.39	-
Dividends paid	254.76	-	-	-	-	-
Remuneration to whole-time directors & executive officers	-	257.81	-	79.30	-	-
Commission paid to whole-time directors	-	54.00	-	-	-	-
Commission & sitting fees paid to Non-Executive/Independent Directors	-	282.70	-	-	-	-
Reimbursement of expenses	-	-	-	0.96	-	-
Contribution	-	-	-	-	-	558.81

c) Balances Outstanding [receivables / (payables)] as at 31 March 2019

₹ lakh

Particulars	Parent Company	KMP	Relative of KMP	Entity controlled by KMP or their relatives	Post-employment benefit plan entities
Receivables	-	-	1.00	148.15	-
Payables	-	(15.70)	(3.32)	(0.52)	(54.06)

d) Details of related party transactions for the financial year ended 31 March 2018

₹ lakh

Particulars	Parent Company	KMP	KMP of Parent Company	Relative of KMP	Entity controlled by KMP or their relatives	Post-employment benefit plan entities
Purchase of property, plant and equipment	-	-	-	-	478.24	-
Purchase of services	-	-	-	-	-	-
Lease rentals	-	-	-	52.04	28.04	-
Dividends paid	-	-	-	-	-	-
Remuneration to whole-time directors & executive officers	-	392.99	-	72.28	-	-
Commission paid to whole-time directors	-	37.07	-	-	-	-
Commission & sitting fees paid to Non-Executive/Independent Directors	-	157.98	-	-	-	-
Reimbursement of expenses	-	-	-	-	-	-
Contribution	-	-	-	-	-	732.36



The Sandur Manganese & Iron Ores Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

Note No. 30 - List of related parties and transactions (...Continued)

e) Balances Outstanding [receivables / (payables)] as at 31 March 2018

₹ lakh

Particulars	Parent Company	KMP	Relative of KMP	Entity controlled by KMP or their relatives	Post-employment benefit plan entities
Receivables	-	-	-	-	-
Payables	(2.00)	(39.49)	(1.79)	(0.47)	(39.10)

f) Break-up of remuneration paid to whole-time directors & executive officers

₹ lakh

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Short-term employee benefits	237.15	366.58
Post-employment benefits	20.66	26.41
Total	257.81	392.99

Notes:

- The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.
- The above figures do not include provisions for encashable leave & gratuity as separate actuarial valuation is not available.



The Sandur Manganese & Iron Ores Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

Note No. 31 - Segment information

The Chief Operating Decision maker has reviewed its business oversight mechanism and has realigned all its operations under four operating segments (i.e.) (a) Mining (b) Ferroalloys and power (c) Unallocable, based on the assessment of the overall risks and rewards.

Year ended 31 March 2019

₹ lakh					
Particulars	Mining	Ferroalloys & power	Un-allocable	Adjustment & Eliminations	Total
Revenue	49,232.47	20,811.54	171.25	-	70,215.26
External customers	-	-	-	-	-
Inter-segment	2,046.71	-	-	(2,046.71)	-
Total revenue	51,279.18	20,811.54	171.25	(2,046.71)	70,215.26
Income/ (Expenses)	28,137.90	18,159.37	1,873.41	(2,046.71)	46,123.97
Depreciation and amortisation	399.03	528.81	335.09	-	1,262.93
Interest income	(2.03)	(108.21)	(107.73)	-	(217.97)
Interest expense	-	-	639.00	-	639.00
Total expenses	28,534.90	18,579.97	2,739.77	(2,046.71)	47,807.93
Segment profit	22,744.28	2,231.57	(2,568.52)	-	22,407.33
Income tax expense or income	-	-	7,671.00	-	7,671.00
Profit after tax for the year	22,744.28	2,231.57	(10,239.52)	-	14,736.33
Total assets	6,164.95	24,650.44	55,425.20	-	86,240.59
Total liabilities	8,685.38	4,325.48	2,826.30	-	15,837.16

Year ended 31 March 2018

₹ lakh					
Particulars	Mining	Ferroalloys & power	Un-allocable	Adjustment & Eliminations	Total
Revenue	42,480.51	18,639.40	120.04	-	61,239.95
External customers	-	-	-	-	-
Inter-segment	1,924.84	-	-	(1,924.84)	-
Total revenue	44,405.35	18,639.40	120.04	(1,924.84)	61,239.95
Income/ (Expenses)	25,032.24	18,114.15	1,470.28	(1,924.84)	42,691.83
Depreciation and amortisation	421.83	525.02	262.29	-	1,209.14
Interest income	(16.64)	(47.84)	(25.12)	-	(89.60)
Interest expense	494.90	0.03	-	-	494.93
Total expenses	25,932.33	18,591.36	1,707.45	(1,924.84)	44,306.30
Segment profit	18,473.02	48.04	(1,587.41)	-	16,933.65
Income tax expense or income	-	-	5,800.00	-	5,800.00
Profit after tax for the year	18,473.02	48.04	(7,387.41)	-	11,133.65
Total assets	9,045.84	21,442.62	38,193.47	-	68,681.93
Total liabilities	9,330.40	1,509.14	1,547.00	-	12,386.54



The Sandur Manganese & Iron Ores Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

Note No. 31 - Segment information (...Continued)

Revenue from major products and services

The following is an analysis of the Company's revenue from continuing operations from its major products and services:

₹ lakh

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Manganese ore	16,548.81	11,339.54
Iron ore	31,882.28	30,472.94
Ferro alloys	20,323.36	18,268.64
Power	421.39	303.86
Total	69,175.84	60,384.98

Geographical Information

₹ lakh

Particulars	India		Rest of the World		Total	
	Year Ended 31 March 2019	Year Ended 31 March 2018	Year Ended 31 March 2019	Year Ended 31 March 2018	Year Ended 31 March 2019	Year Ended 31 March 2018
Revenue from Operation						
Manganese ore	16,548.81	11,339.54	-	-	16,548.81	11,339.54
Iron ore	31,882.28	30,472.94	-	-	31,882.28	30,472.94
Ferro alloys	20,323.36	17,353.33	-	915.31	20,323.36	18,268.64
Power	421.39	303.86	-	-	421.39	303.86
Others	1,039.42	854.97	-	-	1,039.42	854.97
Total	70,215.26	60,324.64	-	915.31	70,215.26	61,239.95



The Sandur Manganese & Iron Ores Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

Note No. 32. Disclosures required under Section 22 of the

Micro, Small and Medium Enterprises Development Act, 2006

Particulars	₹ lakh	
	31-Mar-19	31-Mar-18
(i) Principal amount remaining unpaid to MSME suppliers as on	-	-
(ii) Interest due on unpaid principal amount to MSME suppliers as on -	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day -	-	-
(iv) The amount of interest due and payable for the year (without adding the interest under MSME Development Act)	-	-
(v) The amount of interest accrued and remaining unpaid as on	-	-
(vi) The amount of interest due and payable to be disallowed under Income Tax Act, 1961	-	-

There are no Micro and Small Enterprises, to whom the company owes dues, which are outstanding for more than 45 days at the Balance Sheet date. The above information regarding Micro Enterprises and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the Auditors.

Note 33 - Expenditure on corporate social responsibility (as per section 135 of the 2013 Act)

(a) Gross amount required to be spent by the Group during the year ₹ 166.99 lakh (previous year ₹ 78.78 lakh).

(b) Amount spent during the year on:

	₹ lakh		
	In Cash	Yet to be paid in cash	Total
1. Construction / acquisition of any asset	-	-	-
	(-)		
2. On purposes other than (1) above	176.89	-	176.89
	(88.76)		(88.76)

Previous year figures are in brackets



The Sandur Manganese & Iron Ores Limited

Notes to the financial statements for the year ended 31 March 2019

Note No. 34. Financial Instruments

Categories of financial instruments

Particulars	₹ lakh	
	As at 31-Mar-19	As at 31-Mar-18
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
(a) Equity investments	58.05	47.53
(b) Mutual fund investments - Quoted	5,626.18	16,626.24
(c) Mutual fund investments - Unquoted	806.50	835.93
Total financial assets measured at FVTPL (a)	6,490.73	17,509.70
Measured at amortised cost		
Other financial assets	1,084.55	477.02
Trade receivables	2,091.55	433.40
Cash and cash equivalents	4,022.01	3,024.43
Other bank balances	2,871.24	728.54
Other financial assets	248.18	128.55
Total financial assets measured at amortised cost (b)	10,317.53	4,791.94
Derivative instruments in designated hedge accounting relationships (c)	158.12	-
Total financial assets (a)+(b)+(c)	16,966.38	22,301.64
Financial liabilities		
Measured at fair value through profit or loss (FVTPL)		
Provisions	670.94	547.62
Total financial liabilities measured at FVTPL (a)	670.94	547.62
Measured at amortised cost		
Trade payables	7,454.09	4,676.21
Other financial liabilities	438.93	20.50
Total financial liabilities measured at amortised cost (b)	7,893.02	4,696.71
Total financial liabilities (a)+(b)	8,563.96	5,244.33

Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Fair value of the financial assets that are measured at fair value on a recurring basis

Fair Valuation Techniques and Inputs used

Financial assets measured at Fair value	Fair value as at (₹ lakh)		Fair value hierarchy	Basis for valuation
	31-Mar-19	31-Mar-18		
(a) Equity investments	58.05	47.53	Level - 1	Quoted price
(c) Mutual fund investments - Quoted	5,626.18	16,626.24	Level - 1	Quoted price
(d) Mutual fund investments - Unquoted	806.50	835.93	Level - 2	NAV of Mutual Funds
(d) Foreign currency option contract	158.12	-	Level - 2	Margin Money
Total financial assets	6,648.85	17,509.70		

2. The management considers that the carrying amount of financial assets and financial liabilities recognised in these financial statements at amortised cost approximate their fair values



The Sandur Manganese & Iron Ores Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

Note No. 34. Financial Instruments (... Continued)

Financial risk management objectives

The Board of Directors of the Group have the overall responsibility for the establishment and oversight of the their risk management framework. The Group has constituted a Risk Management Committee. The Group has in place a Risk management framework to identify, evaluate business risks and challenges across the Group. The risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit which regularly reviews risk management controls and procedures, the results of which are reported to the Audit Committee. These risks include credit risk and liquidity risk.

Foreign currency risk management

The company is generally exposed to foreign exchange risk arising through its sales and purchases denominated in various foreign currencies. During the current year there is no exports of ores and alloys, however the company has imported ores and is subjected to foreign exchange risk. Also the Company is in the process of executing coke oven project which involves import of plant and machineries. The Company has entered into option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. These contracts are measured at fair value through profit and loss.

The Company's exposure to option contracts at the end of the reporting year are as follows:

Foreign Currency Risk Exposure as at Balance Sheet Date

Particulars	As at March 31 2019	As at March 31 2018
	USD	USD
Derivative Asset		
Foreign currency option Buy contract	8,229,160	-
Number of Contracts	6 Nos	-

Derivative Contract

The fair Value of the Company 's Derivative positions recorded under Derivative Financial Asset are as follows

	As at March 31 2019	As at March 31 2018
	₹ lakh	
Financial Asset		
Cash Flow Hedge Reserve	-	-
Current	-	-
Foreign currency option contract	38.97	-
Non - Current		
Foreign currency option contract	119.15	-

Commodity Price risk

The Company doesn't enter into any long term contract with its suppliers for hedging its commodity price risk.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Group is exposed to credit risk from its operating activities mainly Trade receivables. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. Credit risk is managed by the Group through approved credit norms, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

Cash and bank balances

The Group held cash and bank balances of ₹ 6,893.25 lakh at March 31, 2019 (31 March, 2018: ₹ 3,752.97 lakh)



The Sandur Manganese & Iron Ores Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

Note No. 34. Financial Instruments (... Continued)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Ultimate responsibility for liquidity risk management rests with the management, which has established an appropriate liquidity risk management framework for the management of the Group's short-term, medium-term and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual short term and long term cash flows, and by matching the maturity profiles of financial assets and liabilities. The following are the remaining contractual maturities of financial liabilities at the reporting date.

The amounts are gross and undiscounted:.

March 31, 2019

₹ lakh

Financial Liabilities	Due within (years)			Total	Carrying amount
	Less than 1 year	1 - 3 years	3+ years		
Trade payables	7,454.09	-	-	7,454.09	
Other financial liabilities	438.93	-	-	438.93	
Total	7,893.02	-	-	7,893.02	-

March 31, 2018

₹ lakh

Financial Liabilities	Due within (years)			Total	Carrying amount
	Less than 1 year	1 - 3 years	3+ years		
Trade payables	4,676.21	-	-	4,676.21	
Other financial liabilities	20.50	-	-	20.50	
Total	4,696.71	-	-	4,696.71	-

Capital Management

The Group's objective for capital management is to maximize shareholder wealth, safeguard business continuity and support the growth of the Group. The Group determines the capital management requirement based on annual operating plans and long term and other strategic investment plans. The funding requirement are met through equity, borrowings and operating cash flows required.

The Group does not have any current and non-current borrowings as at 31 March, 2019, and 31 March, 2018.

The capital structure of the Group represents total equity which is as follows:

₹ lakh

Particulars	31 March, 2019	31 March, 2018
Total equity	70,403.43	56,295.39



The Sandur Manganese & Iron Ores Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

Note No. 35. The Board of Directors of the Company at their meeting held on 14 February, 2018 have approved the Scheme of Amalgamation ("the draft Scheme") of Star Metallica & Power Pvt Ltd, (Subsidiary company), with the Company effective from the appointed day of 1 April, 2018. Requisite adjustment will be carried out subsequent to compliances/ approval of appropriate authorities in the books of the Company.

Note No. 36. There are no material events occurred after the balance sheet date but before the approval of financial statements by board of directors.

Note No. 37. In respect of the current year, the directors propose that a dividend of ₹ 3.50 per share be paid on equity shares on 31 March 2019. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all shareholders on the Register of Members on 14 September 2019. The total estimated equity dividend to be paid is ₹ 306.25 lakh. The payment of this dividend is estimated to result in payment of dividend tax of ₹ 62.95 lakh @ 20.555% on the amount of dividends grossed up for the related dividend distribution tax.

Note No. 38. In terms of syndicated facility agreement executed between the bankers, the Group has obtained sanctioned facilities aggregating ₹ 470 crore (₹ 400 crore term loan and ₹ 70 crore of working capital facilities). The Group has created charge on its immovable assets and movable properties in favour of the Security Trustee acting on behalf of the Bankers.

Note No. 39. 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 31 March 2019

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	71.33%	50,220.45	96.36%	14,114.07
Subsidiary :Indian - Star Metallica And Power Private Limited	24.01%	16,903.42	3.04%	445.92
Non-controlling interests	4.66%	3,279.56	0.60%	88.17
Total	100.00%	70,403.43	100.00%	14,648.16

For the year ended March 31, 2018

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	65.09%	36,644.95	95.24%	10,522.59
Subsidiary :Indian - Star Metallica And Power Private Limited 23.38%	29.23%	16,457.51	3.98%	439.74
Non-controlling interests	5.67%	3,192.93	0.78%	85.66
Total	100.00%	56,295.39	100.00%	11,047.99

40. The financial statements of The Group were approved by the Board of Directors and authorised for issue on 27 May 2019.

41. The figures of the previous year have been regrouped/recasted, wherever necessary to conform with the current year classification.

The accompanying notes 1 to 41 are an integral part of the consolidated financial statements

In terms of our report attached

For R. Subramanian and Company LLP

Chartered Accountants

FRN: 004137S/ S200041

Gokul S. Dixit

Partner

Membership No. 209464

Place : Bengaluru

Date : 27 May 2019

For and on behalf of the Board of Directors

S.Y. Ghorpade

Chairman

Nazim Sheikh

Managing Director

Sachin Sanu

Chief Financial Officer

Divya Ajith

Company Secretary



The Sandur Manganese & Iron Ores Limited

Registered Office: 'SATYALAYA', Door No. 266 (Old No. 80), Ward No. 1
Behind Taluk Office, Sandur - 583119, Ballari District, Karnataka
CIN:L85110KA1954PLC000759; Website: www.sandurgroup.com
Telephone: +91 8395 260301 Fax: +91 8395 260473

ATTENDANCE SLIP

I certify that I am a member / proxy / authorized representative for the member of the Company.

I hereby record my/our presence at the 65th Annual General Meeting of the Company held at Golden Jubilee Hall, Sandur Residential School, Shivapur, Palace Road, Sandur, 583 119, on Saturday 21st day of September 2019 at 11.00 AM

NAME (S) OF THE MEMBER / PROXY OF THE COMPANY (IN BLOCK LETTERS)	
FOLIO NO/ CLIENT ID NO	
DP ID NO	
NUMBER OF SHARES HELD	
SIGNATURE OF THE EQUITY SHAREHOLDER (S) PROXY	

Note: Member /Proxy holder, as the case may be, is requested to sign and hand over this slip at the entrance of the meeting venue.





The Sandur Manganese & Iron Ores Limited

Nomination Form

Form No. SH-15

[Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies
(Share Capital and Debentures) Rules, 2014]

The Sandur Manganese & Iron Ores Limited
'SATYALAYA', Door No. 266 (Old No.80), Ward No.1,
Behind Taluka Office Sandur - 583 119,
Ballari District, Karnataka, India

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: _____





The Sandur Manganese & Iron Ores Limited

Cancellation or Variation Nomination Form

Form No. SH-14

[Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies
(Share Capital and Debentures) Rules, 2014]

The Sandur Manganese & Iron Ores Limited
'SATYALAYA', Door No. 266 (Old No.80), Ward No.1,
Behind Taluk Office Sandur - 583 119,
Ballari District, Karnataka, India

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) 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: _____





The Sandur Manganese & Iron Ores Limited

Registered Office: 'SATYALAYA', Door No. 266 (Old No. 80), Ward No. 1
Behind Taluk Office, Sandur - 583119, Ballari District, Karnataka
CIN:L85110KA1954PLC000759; Website: www.sandurgroup.com
Telephone: +91 8395 260301 Fax: +91 8395 260473

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

PROXY FORM

Form No. MGT - 11

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L85110KA1954PLC000759
Name of the Company : The Sandur Manganese & Iron Ores Limited
Registered Office : 'SATYALAYA', Door No. 266(Old No. 80), Ward No. 1,
Behind Taluka Office, Sandur – 583119, Ballari District, Karnataka

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 Name :
Address :
E-mail ID :
Signature : Failing him
- 2 Name :
Address :
E-mail ID :
Signature : Failing him
- 3 Name :
Address :
E-mail ID :
Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 65th Annual general meeting of the company, to be held on the Saturday, 21st Day of September 2019 at 11.00 a.m. at Sandur and at any adjournment thereof in respect of resolutions as are indicated below:

Sl. No.	Resolution No.	For	Against
1	To consider and adopt the Audited financial statements for the year ended 31 March 2019		
2	To confirm interim dividend of ₹3.5/- per equity already paid and declare final dividend of ₹3.5/- per equity share for FY 2018-19		
3	To appoint a Director in place of Vatsala Watsa, who retires by rotation & being eligible, offers herself for re-appointment		
4	To approve appointment of Ms. Latha Pillai (DIN:08378473) as an Independent Director		
5	To consider appointment of Mr. Hemendra Laxmidas Shah (DIN:00996888) as Non-Executive Director		
6	To approve appointment of Mr. Jagadish Rao Kote (DIN:00521065) as an Independent Director		
7	To ratify approval of the Board of Directors fixing cost auditor's remuneration for financial year 2019-20		

Signed this..... day of..... 20....

Signature of shareholder :

Signature of Proxy holder(s) :

**Affix
Revenue
Stamp**

NOTES:

1. 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.
2. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) & HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. IN CASE A PROXY IS PROPOSED TO BE APPOINTED BY A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS, THEN SUCH PROXY SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR MEMBER.





The Sandur Manganese & Iron Ores Limited

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