

The Sandur Manganese & Iron Ores Limited

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15 November 2018

The Secretary,
BSE Limited,
P.J. Towers, Dalal Street,
Mumbai – 400 001.

Dear Sir/Madam,

**Sub: Announcement under Regulation 30 of Securities & Exchange Board of India
(Listing Obligations & Disclosure Requirements) Regulations, 2015 – Outcome of
Analyst meet**

In pursuance of provisions of Regulation 30(6) of SEBI(LODR) Regulations, 2015, we are enclosing herewith the transcript of our meeting with Wallfort Financial Services Ltd. on 14 November 2018 at 4.00 p.m.

In compliance with the Regulation 46, the information is also being hosted on the Company website: www.sandurgroup.com.

This is for your information and records.

Thanking you.

Yours faithfully
for The Sandur Manganese & Iron Ores Limited

Divya Ajith
Company Secretary &
Compliance Officer

Encl: A/a

**Transcript of one-on-one meeting with Wallfort Financial Services Ltd.
on 14 November 2018 at 4.00 p.m.**

Q. What is the present status of Environment Clearance?

A. We presently have Environment Clearance for 1.6 MTPA for Iron ore and about 6 lakh tonnes for Manganese Ore. In December 2017, the Company's Maximum Permissible Annual Production (MPAP) limits was increased from 1.17 MTPA to 1.6 MTPA.

Q. How does average price realisation for Iron Ore and Manganese Ore look?

A. The price realisation for Iron Ore is trending around ₹1800 and for manganese ore around ₹5700.

Q. What are the factors contributing to higher iron ore sales value?

A. The higher sales value is mainly on account of higher quantity of iron ore sales during the 6-month period ended 30 September 2018 as compared to the same period of the previous year.

Q. What were the reasons for correction of iron ore prices in Q1 of this year.

A. The production limit for Karnataka was increased from 30 Mt to 35 Mt in December 2017, and this increased production came into market in the next few months, which could have contributed to some correction on iron ore prices. The iron ore prices since have become better.

Q. How do you decide on Iron Ore pricing?

A. Based on each lot offered for auction.

Q. How does the macro scenario look?

A. We do not foresee see any dramatic changes.

Q. What grades of Manganese Ore does the Company produce?

A. Between 32 to 32.5 Mn content.

Q. Is Manganese Ore sale also through E-auction?

A. Yes.

Q. Do you internally consume Manganese ore?

A. We consumed 24,498 tonnes out of our total production of 1,58,098 tonnes during H1.

Q. How does the macro scenario look for Silico Manganese?

A. We foresee stable pricing around ₹62,000/t on average.

Q. Are you producing to your full capacity at the Ferro alloy plant.

A. The plant has a capacity to produce about 36,000 tonnes of Silico Manganese. We are targeting production of around 33,000 tonnes for the entire year. Today, we are able to sell all the SiMn that we produce.

Q. Any plans to expand this capacity?

Capacity is expected to increase due to resizing of our furnace; post furnace upgradation project that is expected to be completed by Mar 2020. Availability of furnaces are also going to improve. We currently do not produce Ferro- silica.

Q. Average tonne realisation on SiMn?

A. About ₹62000/t for H1.

Q. Major raw materials for ferro alloy being coal and coke, do you see any contraction in the margins due to increasing prices?

A. The price realisation in Q3 too has increased alongside, therefore the margin is not getting effected. Also, the availability of plant has become better allowing for continuous operations and lowering of cost of production. It will further better once the upgradation is done. In fact, our margins would further increase with reduction in power cost post implementation of Coke oven project.

Q. You intend to sell power?

A. No, we do not generate power to sell to Grid. However, during furnace operations, it is inevitable that some power gets exported to Grid.

Q. How does the demand for Coke look?

A. 8 lakh tonnes to 1 million tonnes in our location alone. Since there are no merchant producers present at our location, most of it is being imported by the users.

Q. Are you looking at beneficiation of Iron Ore and Manganese Ore?

A. Not viable under present circumstance. However, we constantly review the economics and will take necessary steps if economics justifies beneficiation of ores.

Q. Brief on your expansion plans?

A. The Company is taking up the 1MTPA Project in 2 phases. Each phase involves achieving 0.5 MTPA Steel production. Right now, we are taking up Stage 1 of Phase 1 involving setting up of 0.4 MTPA Coke Oven Plant along with 30MW Waste Heat Recovery Boiler (WHRB), Repair, Refurbishment of Ferroalloy Plant and improving logistics for ores evacuation from Mines, for a total outlay of ₹600 crore.

Q. How much of it is being met by internal accruals and how much is being borrowed?

A. Borrowing of ₹400 crore and internal accruals of ₹200 crore

Q. How much is the outlay on Downhill Conveyor System and upgradation of roads at mines?

A. About ₹63 crore. It is part of the current project.

Q. What is the cost of debt?

A. 10-11% all-inclusive with a repayment schedule of 2+7 years.

Q. What happens to the existing 32MW Power Plant?

A. The Power plant comprises of 2 components – the Coal fueled Boiler and the Turbine. We will continue to use the Turbine; only it will be powered by Steam from the WHRB.

Q. What is the status of Merger of SMPPL with SMIORE?

A. Our application seeking no objection is pending before BSE Limited for its consideration.
