

AUGUST 2022

THE SANDUR MANGANESE &
IRON ORES LIMITED



The Sandur Manganese & Iron Ores Limited

Q1 FY23 Investor Presentation



2023

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Q1FY23 Performance
Highlights

01

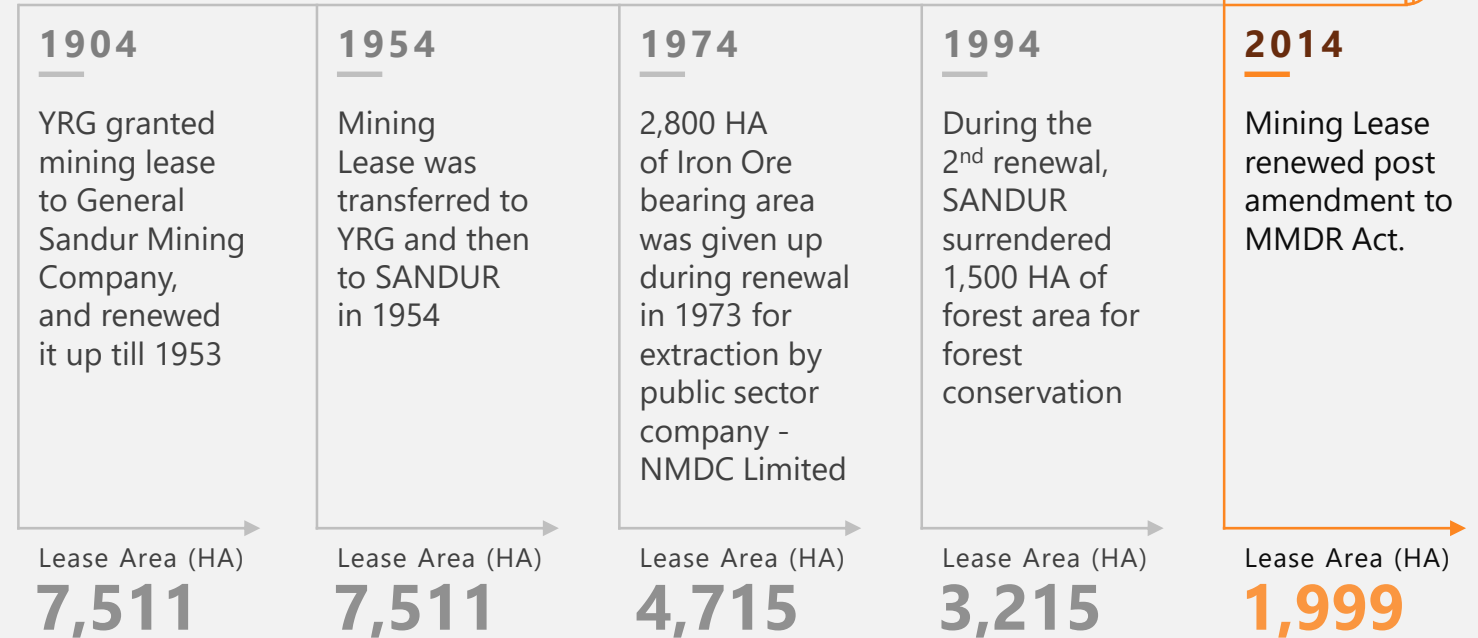
About SANDUR

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History and Background

- Manganese was discovered in the hills of Sandur as early as 1838.
- Mining operations in the present lease area dates back to 1907.
- Erstwhile ruler of Sandur, Shri Y. R. Ghorpade (YRG) granted the mining lease over an area of 7,511 hectares to a Belgian company named General Sandur Mining Company for 25 years in 1904 and then renewed for another 25 years up till 1953.
- Mining lease was transferred to YRG in 1954, after which, he transferred the lease to The Sandur Manganese & Iron Ores Limited, which was founded by his eldest son Shri M. Y. Ghorpade, for professional management and scientific development of the mines.
- In 1964 the Company was converted into a Public Limited Company and was listed on BSE in 1966 to establish Electro Metallurgical Industry (Ferroalloy operations). This plant was setup in Vyasankere during 1968.

HISTORY OF SANDUR'S MINING LEASES



At present, SANDUR has 2 Mining Leases valid up to 31 December 2033, over an area of 1,999 HA with estimated reserves of about 14 MT of Manganese Ore and 110 MT of Iron Ore.

SANDUR at a Glance



6+ decade as **one of the most respected private-sector Merchant Miner** of Manganese and Iron Ores



3rd Largest Manganese Ore miner in India



Upon the introduction of rating based on Sustainable Development Framework (SDF) by the Government of India, SANDUR was the only Mining Lessee in the State of Karnataka to have received 5 star award and was one among the three iron ore Mining Lessees in the country. **Thereafter, SANDUR has been continuously receiving the award every year.**



Vast mining reserves coupled with long term leases (up to 2033)

Excellent Credit Rating

IRON ORE
110 MT

MANGANESE ORE
14 MT

ICRA RATED
A (STABLE)

VALUABLE ASSETS

EXTERNAL SALE :
CAPTIVE CONSUMPTION[^]

FY22 REVENUE SHARE

MANGANESE ORE



74% : 26%

6%

IRON ORE



100% : 00%

31%

FERROALLOYS



100% : 00%

20%

COKE AND ENERGY



97% : 3%

4% : 96%

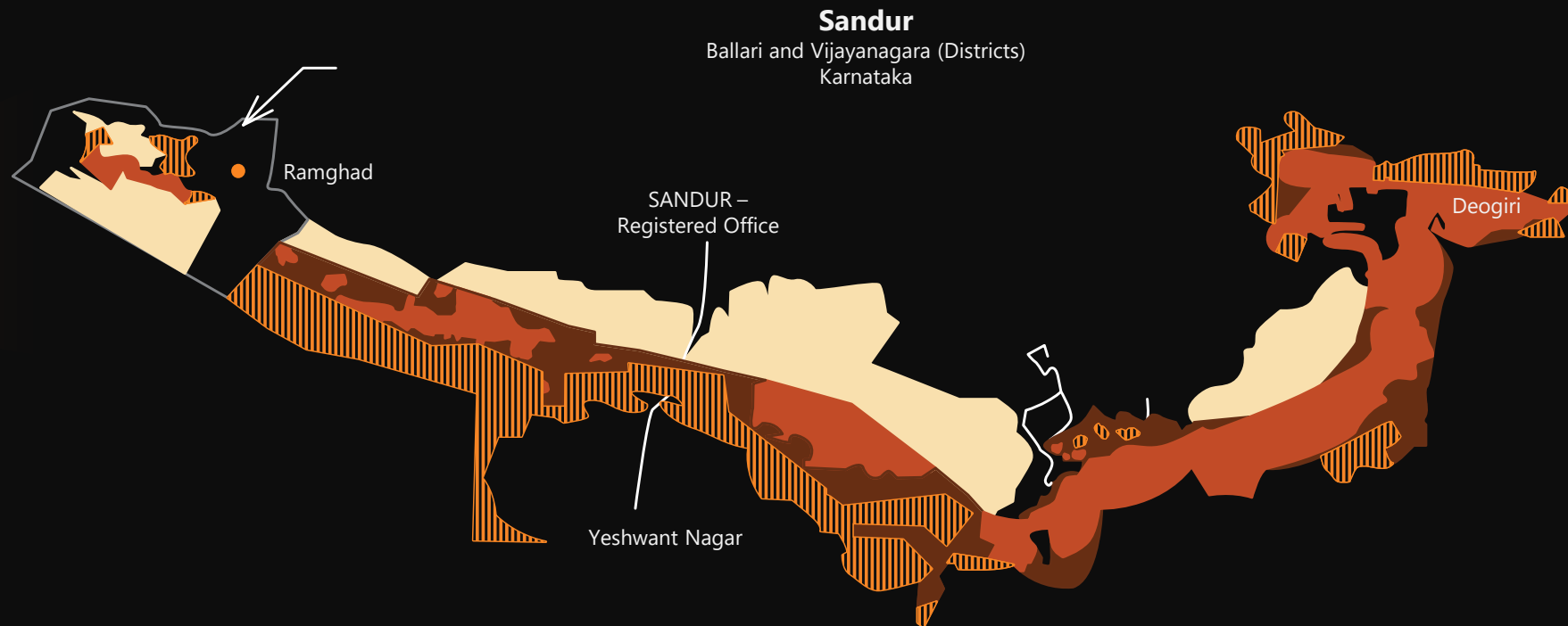
43%

[^]Note – Unsold inventory is categorized in External Sales. FY22 data.

Operational Units



- Mining Leases (Deogiri, Kammathuru, Subbarayana Halli and Ramghad)
- Ferroalloy Plant, Power Plant, Coke Oven Plant (Vyasankere)



ORIGINAL LEASE (7,511 HA)



AREA DELETED IN 1973 (2,800 HA)



FIRST RENEWAL (4,715 HA)



AREA DELETED IN 1993 (1,516 HA)






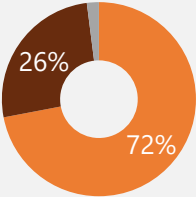
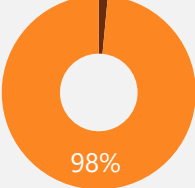


SECOND RENEWAL (2006 HA)






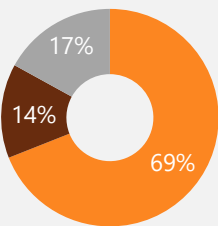
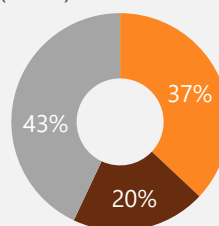
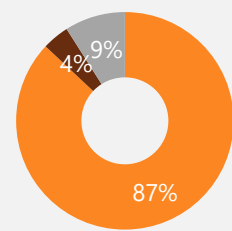
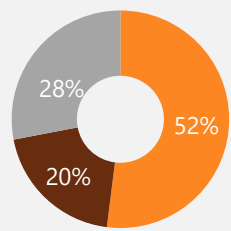
THIRD RENEWAL (1999 HA)

Business Canvas (BEFORE, TILL FY20)

	 Mining	 Ferroalloys and Power
BUSINESS SEGMENTS	<ul style="list-style-type: none"> ▪ 0.28 MTPA Manganese (Mn) Ore Capacity ▪ 1.60 MTPA Iron Ore Capacity 	<ul style="list-style-type: none"> ▪ 32,000 TPA Ferroalloys Capacity ▪ 32 MW Coal-based Thermal Power Plant
TRAITS	<ul style="list-style-type: none"> ▪ Asset-light and high ROCE ▪ Cost-efficient operations resulting in high OPM and significant operating-leverage ▪ Generating consistent Free Cash Flows 	<ul style="list-style-type: none"> ▪ Power-intensive operations ▪ Marginally profitable segment due to unfeasible cost of power generation ▪ Drag on overall financial performance till FY20
REVENUE & PBIT CONTRIBUTION  MINING  FERROALLOYS  OTHERS	FY18-20 REVENUE CONTRIBUTION* (IN %) 	FY18-20 PBT[^] (IN %) 




*3Y Cumulative Revenue FY18-20 | ^3Y Cumulative PBT FY18-20 (excluding unallocable expenses)

Business Canvas (AT PRESENT, FY21 & FY22)

	 Mining	 Ferroalloys	 Coke and Energy	
BUSINESS SEGMENTS	<ul style="list-style-type: none">▪ 0.28 MTPA Mn Ore Capacity▪ 1.60 MTPA Iron Ore Capacity	<ul style="list-style-type: none">▪ 95,000 TPA/ 1,25,000 TPA (Silicomanganese/Ferromanganese) Ferroalloys Capacity	<ul style="list-style-type: none">▪ 0.5 MTPA Coke Oven Plant▪ 32 MW WHRB based Power Generation Assets	
TRAITS	<ul style="list-style-type: none">▪ Asset-light and high ROCE▪ Cost-efficient operations resulting in high OPM and significant operating-leverage▪ Generating consistent Free Cash Flows	<ul style="list-style-type: none">▪ Power-intensive operations supported by WHRB, leading to better & sustainable profitability current year onwards	<ul style="list-style-type: none">▪ Coke Oven & WHRB generating power as a valuable by-product▪ Coke sold in markets & via contract manufacturing▪ In future, Coke may be used captively to support production of hot metal	
REVENUE & PBIT CONTRIBUTION <div><div></div> MINING</div> <div><div></div> FERROALLOYS</div> <div><div></div> COKE AND ENERGY</div>	FY21 REVENUE CONTRIBUTION (IN %) 	FY22 REVENUE CONTRIBUTION (IN %) 	FY21 PBT ^ (IN %) 	FY22 PBT ^ (IN %) 

^FY21 & FY22 PBT (excluding unallocable expenses)

Business Canvas (GOING FORWARD)

	 Mining	 Ferroalloys	 Coke, Energy, DI Pipes & Pig Iron
EXISTING CAPACITY	<ul style="list-style-type: none"> ▪ 0.28 MTPA Mn Ore Capacity ▪ 1.60 MTPA Iron Ore Capacity 	<ul style="list-style-type: none"> ▪ 95,000 TPA/1,25,000 TPA* (Silicomanganese/ Ferromanganese) Ferroalloys Capacity 	<ul style="list-style-type: none"> ▪ 0.5 MTPA Coke Oven Plant ▪ 32 MW WHRB based Power Generation Assets
TRAITS	<ul style="list-style-type: none"> ▪ Asset-light and high ROCE ▪ Cost-efficient operations resulting in high OPM and significant operating-leverage ▪ Generating consistent Free Cash Flows 	<ul style="list-style-type: none"> ▪ Self-sustainable & profitable ferroalloys operations 	<ul style="list-style-type: none"> ▪ Long-term vision of growth ▪ Mitigates sustainability concerns as a pure-play merchant miner ▪ Forward integration into value-added end-products – to begin with DI Pipes.
EXPANSION	<ul style="list-style-type: none"> ▪ Further expansion of mining operations planned ▪ 4.50 MTPA Iron Ore capacity enhancement from existing 1.6 MTPA ▪ 0.46 MTPA Manganese Ore capacity enhancement from existing 0.28 MTPA ▪ 7 MTPA Iron Ore Beneficiation unit Capacity 	<ul style="list-style-type: none"> ▪ Company is evaluating suitable projects/arrangements to cater to the increase in future power requirement due to this expansion 	<ul style="list-style-type: none"> ▪ 0.40 MTPA Hot Metal Plant with associated facilities ▪ 0.30 MTPA DI Pipe Plant and 0.20 MTPA Pig Iron Plant (combined maximum output 0.4 MTPA) ▪ Integrated Operations (with captive Coke & Iron Ore)

*Note – Existing capacities are used primarily to produce SiMn/FeMn, hence capacity calculations are as per SiMn/FeMn. However, the Company plans to add new products, hence actual capacities may differ as per the product-mix.

Improving Profit Profile

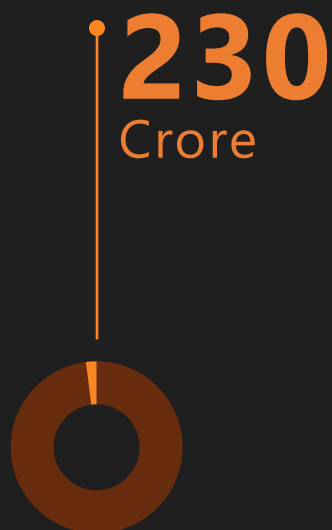


- **Multifold increase** in absolute PBT



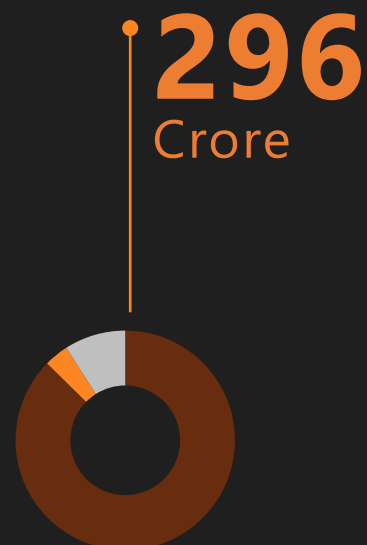
- **Diversification** in profit profile of the Company

FY18-20 (Average*)
(%)



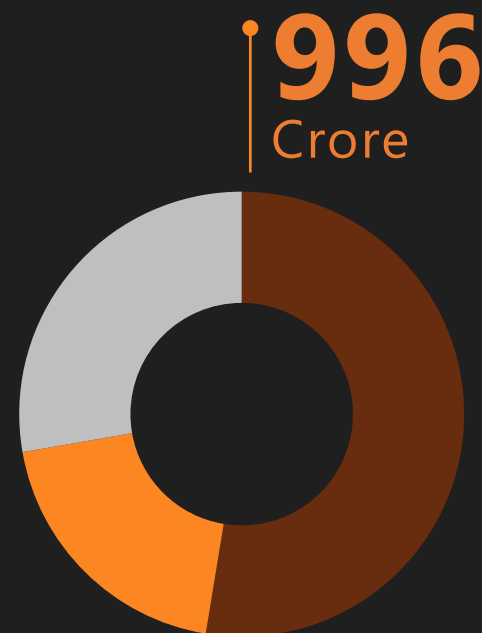
Mining	98%
Ferroalloys	02%

FY21
(%)



Mining	87%
Ferroalloys	04%
Coke and Energy	09%

FY22
(%)



Mining	52%
Ferroalloys	20%
Coke and Energy	28%

*# Arithmetic Average FY18-20 | Note – PBT excludes finance costs and unallocable expenses/income

Values that Drive Us



SANDUR is run by the ethos:

"All that we get (earn) from the soil of Sandur in one form or the other should be primarily used to benefit Sandur"

- M.Y. Ghorpade



SANDUR believes in reaching out to underprivileged community, addressing challenges that improve **"quality of life"**.



Some of SANDUR's successful Welfare Programs:

- **Food Security Scheme:** For the last 5 decades, SANDUR is providing a basket of food grains for all its employees which contains essential food commodities at prices prevalent in 1972. A food package for a family of 5 costs ₹ 145 against actual cost of ₹3,500; balance being absorbed by the Company.
- **Subsidized LPG Cylinder:** To prevent cutting of trees by the employees for fuel, SANDUR has been providing subsidized LPG cylinders (with 90% of subsidy) to a large category of employees. Effectively an employee pays only ₹99 per cylinder.
- **Housing Loan Subsidy:** SANDUR encourages employees to build their own homes by extending interest subsidy on housing loans availed by employees. An employee effectively pays 1% interest and the balance interest is borne by SANDUR.
- **Other** employee welfare amenities include – Cloth Subsidy, marriage & festival gifts, medical care, sickness benefits, education & training facilities, housing & electricity, and many more.



Inspired from its rich heritage and strong parentage, SANDUR takes pride in being a responsible mining Company.



SANDUR lays special emphasis on scientific mining, safety, environment protection and afforestation. Going forward, SANDUR is giving emphasis on sustainable development framework.



For over 6 decades SANDUR has undertaken crucial and essential development work in areas of - **Education, Healthcare, Sanitation, Community Development, Housing, Environment and Infrastructure.**

Business Verticals Review



**Vasudeva Committee Report,
1965**

"Although in case of a large number of mines, the mining operations do not follow any concerted or well thought out plan of development, there are a few bright exceptions. For example, the group of mines controlled by Manganese Ore India Ltd., M/s. Sandur Manganese & Iron Ores Ltd., and few other companies have planned the layout of their mines in a systematic manner."

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Mining

SLIDE 17

Coke and Energy

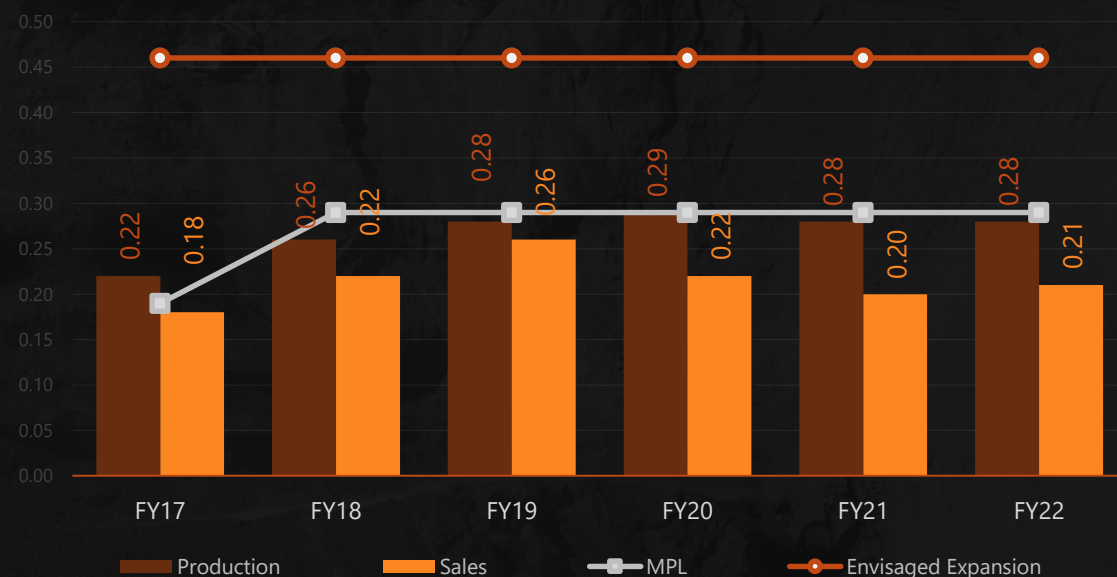
SLIDE 15

Ferroalloys

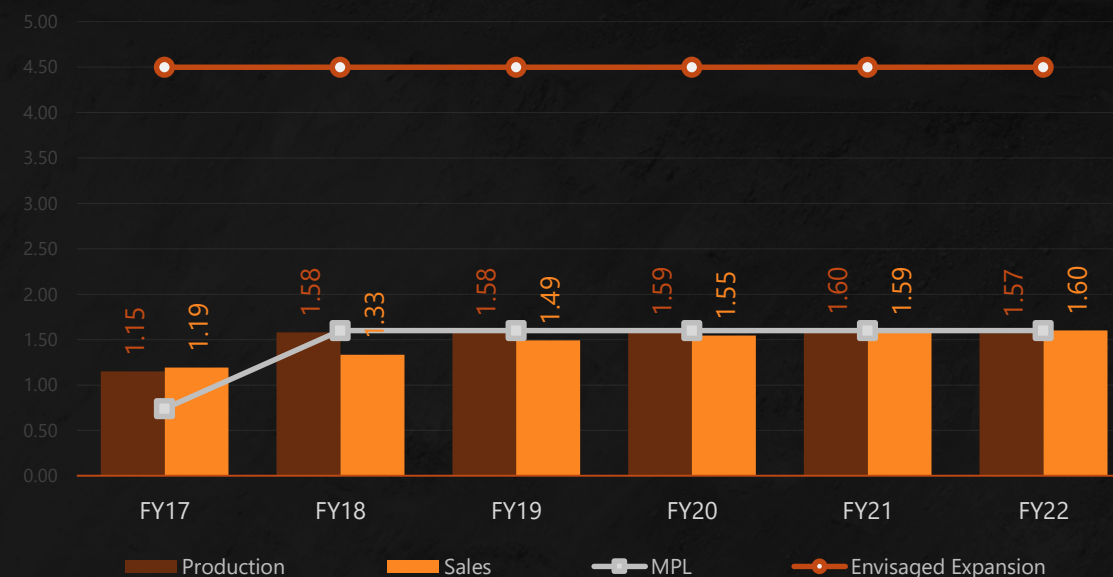
Mining – our mainstay

- Mining manganese and iron ores from two mining leases located in Sandur (Karnataka)
- Fully-mechanized iron ore mining contributing to higher margins
- Semi-mechanized, labour-intensive manganese ore mining with relatively lower margins but generating large scale employment opportunities
- Currently producing 0.28 MTPA of manganese ore and 1.60 MTPA of iron ore as per the prescribed limits
- Proposed to enhance manganese ore from 0.28 to 0.46 MTPA and iron ore production from 1.60 to 4.50 MTPA, duly complying with the parameters prescribed by the Hon'ble Supreme Court

MANGANESE ORE MINING OPERATIONS (MTPA)



IRON ORE MINING OPERATIONS (MTPA)



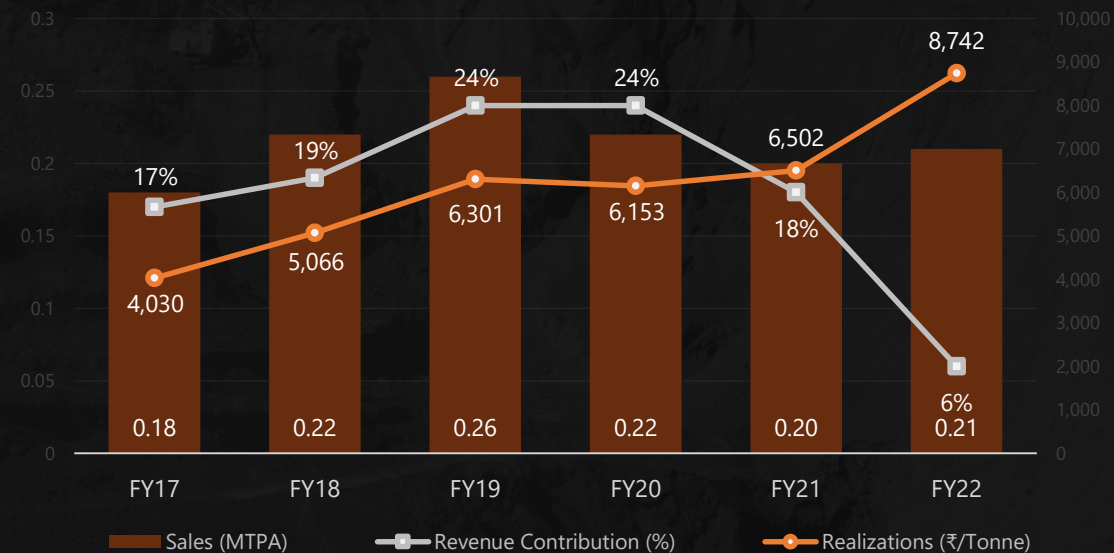
Mining – our mainstay

- Consistent Free Cash Flow generated from mining operations
- Mining operations with one of the best operating metrics & track record in the Industry
- Mining operations conducted with utmost respect for environment and adherence to regulatory norms of authorities

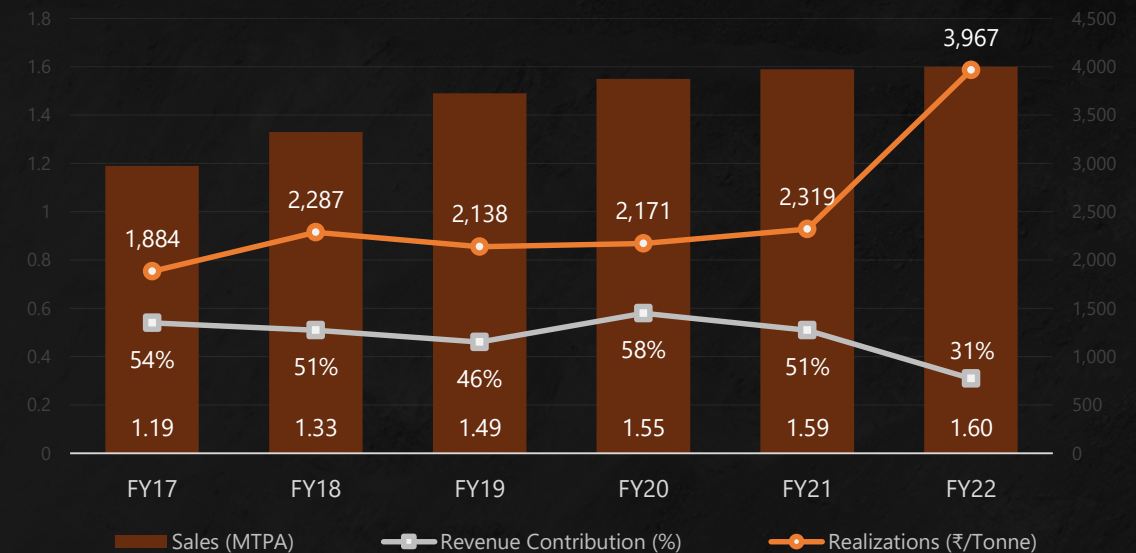
- During Karnataka's Mining Scam (2011) Lokayukta did not find any illegalities with SANDUR's Mining Leases. Joint Team and the Central Empowered Committee constituted by the Hon'ble Supreme Court have in their report dated 10th November 2012, reported as:

- the owners of the lessee Company have voluntarily handed over more than 2,000 hectares of forest land owned by them, which has no parallel in the State,
- the lessee Company has an excellent track record of undertaking mining operations in accordance with the law

MANGANESE ORE SALES, REVENUE CONTRIBUTION & REALISATIONS



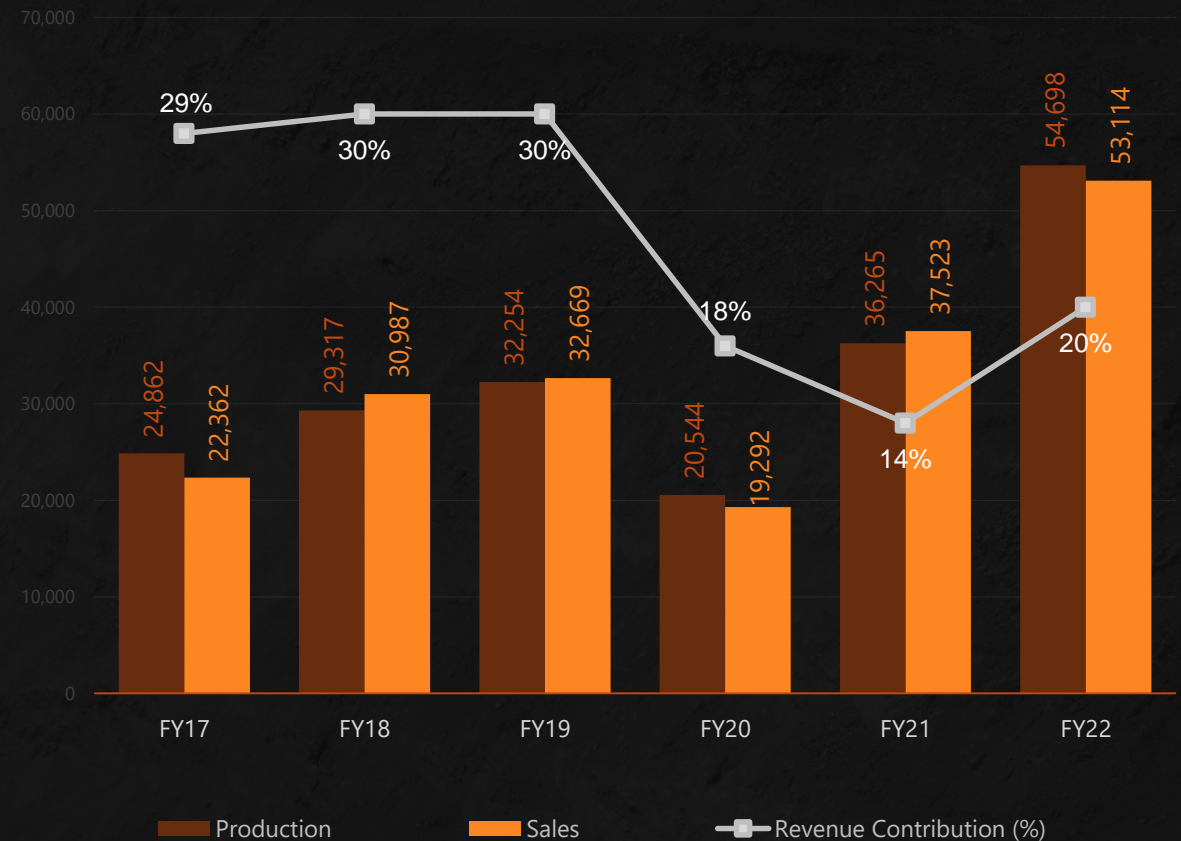
IRON ORE SALES, REVENUE CONTRIBUTION & REALISATIONS



Ferroalloys - history

- Established in 1968 at Vyasanakere (near Hosapete), with assurance and agreement with the State Electricity Board for supply of adequate power at viable rates.
- Commenced production of foundry grade pig iron.
- In 1977, SANDUR setup two additional 20 MVA furnaces venturing into the production of Ferroalloys such as Ferromanganese, Ferrosilicon and Silicomanganese.
- By 1980s, SANDUR was recognised as one of the finest metallurgical plants in India.
- By 1990s, operations ran into trouble and turned unviable due to inadequate supply of power coupled with unviable rates.
- Ferroalloy operations shut between 2000-07.
- Setup of captive 32 MW thermal power plant to supplement operations of ferroalloys division.
- Reduced dependency on the State Electricity Board for supply of power but couldn't address the cost-feasibility concern.
- To address the power supply issue, while also addressing the upcoming Coke demand for the Hot Metal plant, SANDUR setup a combination of Coke Oven plant and Waste Heat Recovery Boilers – WHRB (to produce energy as by-product).

FERROALLOYS OPERATIONS (TPA)



Ferroalloys - new and improved

- Turned around ferroalloys operations in FY21 through feasible power generation
- The combination of Coke Oven Plant and WHRB generates power as a by-product, thus leading to substantial savings by eliminating the need for thermal coal
- In addition, shift to a cleaner source of energy from its previously used coal-based energy
- Effective power generation cost reduced significantly post commissioning of WHRB
- Key product – Silicomanganese and Ferromanganese



FY20

32,000 TPA

FY21

48,000/
66,000 TPA
(SiMn/FeMn)

FY22

95,000/
1,25,000 TPA
(SiMn/FeMn)*

**Note – Existing capacities are used primarily to produce SiMn/FeMn, hence capacity calculations are as per SiMn/FeMn. However, the Company plans to add new products, hence actual capacities may differ as per the product-mix.*

Coke and Energy – strengthening operations



- Started expansion work in **March 2018**



- Fully commissioned Coke Oven on **18th January 2021**



- 4 Batteries with a cumulative capacity of **0.5 MTPA**



- 2 Waste Heat Recovery Boilers** with a cumulative capacity of **32 MW** setup for generating cleaner energy



Conclusion



Mahatma Gandhi

"Sandur is an oasis in a desert.... The Ruler of a small State (Sandur) in South India has thrown open his temples to the Harijans. The heavens have not fallen."

SLIDE 19

Investment Rationale

SLIDE 20

Strong Parentage

Investment Rationale



-  **Stable & Growing Cash Flows** through long-standing mining operations
-  **New and Improved Ferroalloys** operations, contributing meaningfully to financial performance
-  **Emerging Integrated Player**, miner to hot metal & value-added products manufacturer, to enjoy benefits of higher conversion and margins
-  **Phase 2 CAPEX** plans in place, integrating existing operations further while delivering new growth drivers
-  **Disciplined Capital Allocation** guided by strong parentage
-  **Strong Balance Sheet** with net-debt free status, supported by surplus liquidity
-  **Company With a Heart**, adhering to the highest standards of corporate governance and sustainability

Strong Parentage



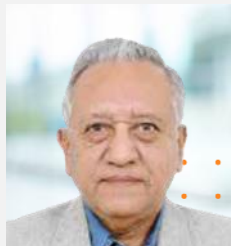
Y. R. GHORPADE
FOUNDER

- His Highness Yeshwantrao Hindurao Ghorpade (1908-1996)
- Founder (1954)
- Chairman and Managing Director (up to 1996)
- Y R Ghorpade was the former ruler of Sandur State.



M. Y. GHORPADE
PATRON

- Murarirao Yeshwantrao Ghorpade (1931 – 2011)
- Administrative Officer
- Joint Managing Director
- Managing Director
- Chairman and Managing Director (up to 1999)
- Chairman Emeritus (up to 2011)
- M. Y. Ghorpade on his return from Cambridge was in SANDUR and then had a political career. He served as Finance Minister and Panchayat Raj & Rural Development Minister also.



S. Y. GHORPADE
CHAIRMAN EMERITUS

- Chairman and Managing Director (up to 2017)
 - Chairman (up to 2020)
- S. Y. Ghorpade is a Metallurgical Engineer from the Colorado School of Mines, USA. He has been associated with the Company for 54 years and continues his contributions as Chairman Emeritus. His pioneering contribution for almost three decades towards the Metal and Ferroalloy Plant development since its inception in 1967 is incredible. It can be considered that the plant is what it is today because of S. Y. Ghorpade's principles, scientific and systematic procedures and performance-oriented approach. Under his leadership, the Company steered through the most demanding challenges such as Power Cost crisis, BIFR and Honorable Supreme Court's mining suspension.



T.R. RAGHUNANDAN
CHAIRMAN

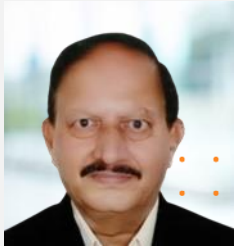
Raghunandan is a specialist in formulating policies, decentralisation and anti-corruption. He has about three decades of experience in executive management, corporate management and policy-making positions in the state and union governments. His contribution towards rural development and panchayat raj policies' formulation and implementation is remarkable. He is also a consultant and advisor to international development agencies, governments and non-profit institutions, such as UNDP, the Swiss Development Corporation and other prestigious foundations. He is the Director and Co-founder of Avantika Foundation, a non-profit organisation engaged in building the Museum of Movement, which is an effort to showcase India's romance with transport. He is a avid vintage car enthusiast and restorer.



BAHIRJI A. GHORPADE
MANAGING DIRECTOR

Bahirji A. Ghorpade is a graduate in Commerce with a specialisation in Finance from Christ University, Bengaluru. Having completed his Company Secretary Executive Program from the Institute of Company Secretaries of India, he joined the Company as a Management Trainee in April 2015. After a brief sabbatical break for higher studies - Masters in Finance and Management from Cranfield School of Management, Cranfield University, United Kingdom, he re-joined the Company in 2018. Since then, he has shouldered the responsibilities of Project Accounting for over a year and half, which includes accounting of all project-related expenses, cash flow management and Capitalization of Assets. While also being an Executive Assistant to the MD, where he was assisting the MD in functional areas such as corporate affairs, materials management, commercial management, finance, administration, and general management allowing him to look into finer aspects of leadership. He served as Director (Corporate) after which he was elevated to the position of Managing Director of the Company in June 2020. Since then, he has led the team to drive optimisation of performance/ operations, ensure projects' commissioning, strategise marketing of products, enhance outreach to all the stakeholders and plan organisational growth/sustainability strategies.

Strong Parentage



S. S. RAO
INDEPENDENT DIRECTOR

He holds a Bachelor's degree in Electrical Engineering, a Master's degree in Business Administration and is also a Fellow of the Institution of Engineers (India). Former Joint Managing Director and CEO of JSW Energy Limited and Former Group Executive President and Business Head of Aditya Birla Group, S. S. Rao has over 45 years of experience in professionally managed, state-owned, joint-venture with multi-national and private sector power companies. He also holds directorship in NCC Infrastructure Holdings Limited, NCC Urban Infrastructure Limited, JSW Energy Limited, JSW IP Holdings Private Limited and Barmer Lignite Mining Company Limited.



G.P. KUNDARGI
INDEPENDENT DIRECTOR

G.P. Kundargi graduated in B. Sc. (Chemistry) from Karnatak University in 1976, and completed his post-graduation in M. Tech (Mineral Processing) in 1979. He is the former Chairman and Managing Director of MOIL Limited (formerly Manganese Ore India Limited), with expertise in metal mining (both opencast and underground), mineral processing and beneficiation. He is also on the Board of Nava Bharat Ventures Limited.



LATHA PILLAI
INDEPENDENT DIRECTOR

Dr. Latha Pillai is an educational administrator with more than three decades of experience in higher education. Her areas of professional interest include quality assessment and evaluation, promotion of women in governance and academic leadership. Dr. Latha Pillai was associated with NAAC between 1994 and 2019 and has made significant contributions to 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 been nominated to various Committees of UGC, MHRD, FICCI, and CII, to name a few.



JAGADISH RAO KOTE
INDEPENDENT DIRECTOR

Jagdish Rao, graduated in B. Tech (Electronics and Communications) from Mysore University. 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. He is presently pursuing his Doctoral studies in Power systems under VTU. He is a result-oriented technocrat with over 36 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 a reputed college of engineering in Bengaluru.



H.L. SHAH
DIRECTOR

H. L. Shah graduated in 1974 from N. M. College of Commerce & Economics, Mumbai. Qualified as a Chartered Accountant in 1980 and is an associate member of ICAEW. 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 vast experience in the Audit and Assurance function. He has served Indian and Multinational clients and has exposure to Euro Issues, Indian Public Offerings, due diligence, Corporate Governance, etc.



MD. ABDUL SALEEM
DIRECTOR (MINES)

Saleem holds Bachelor's Degree in Commerce (B. Com) and Bachelor's Degree in Law (LLB). He is also a Fellow Member of the Institute of Company Secretaries of India. He has been with the Company since 2005. Being a Company Secretary and a law graduate, he has had the opportunity of handling secretarial functions of listed companies, handling legal matters, appearing before various authorities, judicial and quasi-judicial forums and assisting very senior and eminent advocates. In addition, he has acted as a nominee director for SMIOR on the board of few companies and contributed to their revival. He has spent over 21 years in managerial positions at the Board level. He has been appointed as Director (Mines) in the Company w.e.f. 1 April 2020.

04

Financial Review

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Profit and Loss

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Cash Flows

SLIDE 24

Balance Sheet

SLIDE 26

Ratios

Profit & Loss Summary

PARTICULARS (₹ IN CRORE)	FY17	FY18	FY19	FY20	FY21	FY22
Revenue from Operations	422.23	612.39	702.15	591.60	746.59	2,248.74
Total Income	427.31	623.49	720.23	597.26	764.36	2,283.97
Operating Expenses	333.36	446.61	486.79	396.29	474.96	1,274.61
EBITDA (excl. OI)	88.87	165.78	215.36	195.31	271.63	974.13
EBITDA %	21%	27%	31%	33%	36%	43%
Finance Cost	7.24	4.94	6.39	6.72	13.06	38.43
Depreciation & Amortization	7.04	7.42	7.93	19.46	26.81	55.61
PBT	79.67	164.52	219.12	174.79	249.53	915.32
PAT	50.27	106.52	142.42	147.39	153.93	675.11

Note – restatement of financials on account of merger of subsidiary w.e.f April 1, 2019.

~40%

CAGR

Revenue from Operations
CAGR between FY17-22

~61%

CAGR

Operating Profits CAGR
between FY17-22

~68%

CAGR

Profits after Tax CAGR
between FY17-22

Balance Sheet Summary

PARTICULARS (₹ IN CRORE)	FY17	FY18	FY19	FY20	FY21	FY22
Shareholders' Funds	417.55	529.71	665.92	839.69	993.11	1659.22
Non Current Liabilities	19.55	4.56	6.24	344.96	358.58	280.89
Long Term Borrowings	-	-	-	331.22	308.35	252.33
Current Liabilities	118.93	122.69	154.63	277.31	372.18	761.49
Short Term Borrowings	-	-	-	68.64	55.76	56.03
Trade Payables	32.38	51.90	78.82	80.40	222.35	569.62
Total Equity and Liabilities	556.03	656.96	826.79	1,461.96	1723.87	2701.60
Non Current Assets	322.04	345.91	596.43	983.94	975.81	978.48
Net Block (Excluding ROU [^])	82.73	122.77	125.10	297.26	803.31	842.69
Capital Work-in-Progress	2.83	11.86	202.06	557.18	82.25	42.32
Current Assets	233.99	311.05	230.36	478.02	748.06	1723.12
Inventories	88.66	87.06	64.79	161.62	156.98	311.29
Trade Receivables	6.31	4.26	20.87	30.80	76.43	202.94
Cash & Bank Balances	20.55	18.78	22.69	34.22	131.27	739.21
Total Assets	556.03	656.96	826.79	1,461.96	1723.87	2701.60

Note – restatement of financials on account of merger of subsidiary w.e.f April 1, 2019. | [^] Right-of-use assets

~4X

Increase in equity base
between FY17 to FY22

~10X

Increase in net block
between FY17 to FY22

0.19

Gross Debt to Equity,
supported by surplus cash
equivalents and strong
cash flows

Cash Flows Summary

PARTICULARS (₹ IN CRORE)	FY17	FY18	FY19	FY20	FY21	FY22
Cash from Operating Activities	80.53	122.01	160.09	(13.30)	340.02	873.05
Cash from Investing Activities	(68.46)	(105.69)	(144.00)	(370.37)	(249.26)	(792.72)
Cash from Financing Activities	(12.47)	(13.38)	(12.19)	377.68	(58.26)	(105.90)
Net Cash Flow	(0.40)	2.94	3.90	(5.99)	32.50	(25.57)
Cash at the Beginning of Year	16.25	15.85	18.79	40.22	34.23	66.73
Cash at the End of Year	15.85	18.79	22.69	34.23	66.73	41.16

Consistently generated Operating Cash Flows reinvested for increasing scale of operations.

₹1,562 Crore

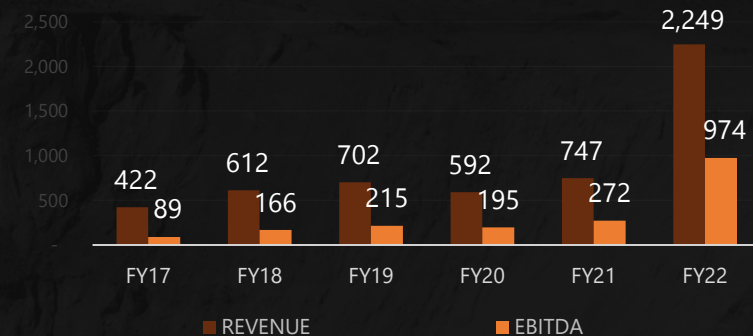
Cumulative cash flow generated from operating activities between FY17 to FY22

Note – restatement of financials on account of merger of subsidiary w.e.f April 1, 2019.

Ratios

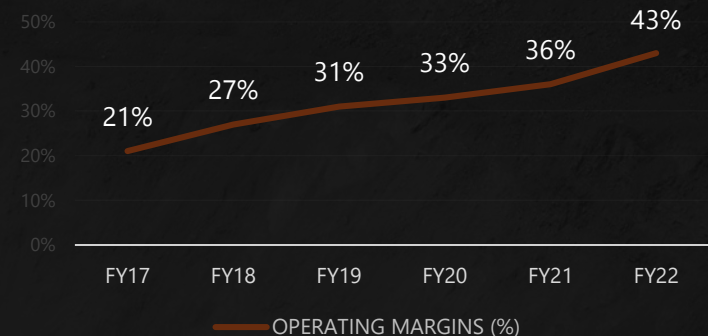
REVENUE, EBITDA (excl. OI)

(₹ IN CRORE)



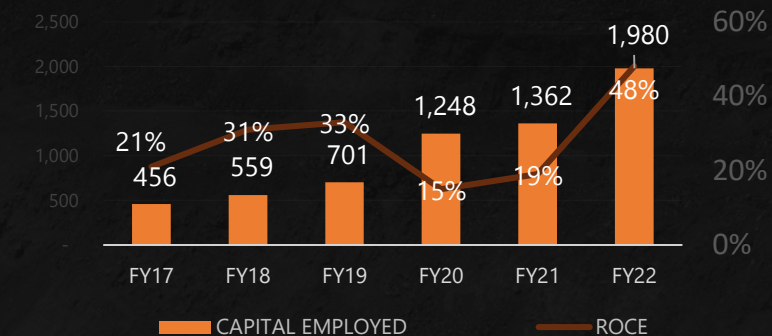
OPERATING MARGINS

(IN %)



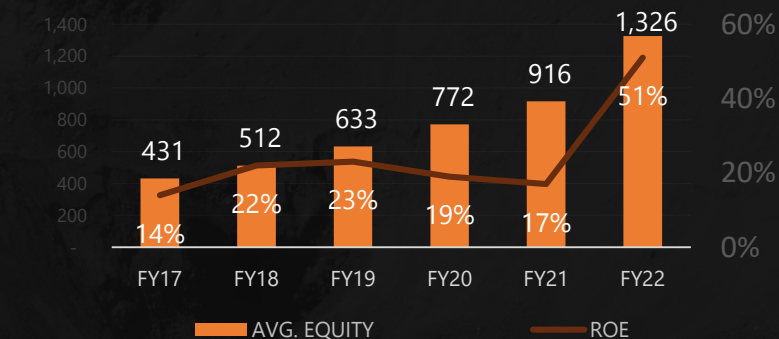
ROCE, CAPITAL EMPLOYED

(IN % & ₹ IN CRORE)



ROE, EQUITY

(IN % & ₹ IN CRORE)



GROSS DEBT TO EQUITY

(IN TIMES)



Q1FY23 Performance Highlights

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Q1FY23 Operational Highlights

SLIDE 29

Q1FY23 Segment Highlights

SLIDE 30

Q1FY23 Financial Highlights

SLIDE 31





Management Commentary

SLIDE 32

Corporate Information

Q1FY23 Operational Highlights

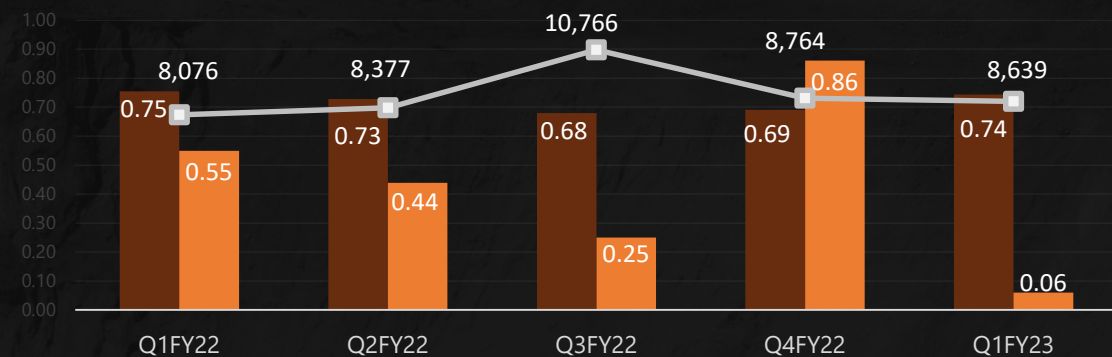
FIRING ON ALL CYLINDERS

MANGANESE ORE	IRON ORE	FERROALLOYS	COKE
			
<ul style="list-style-type: none"> 0.74 Lakh Tonne Production Full Capacity Utilization 	<ul style="list-style-type: none"> 4.10 Lakh Tonne Production Full Capacity Utilization 	<ul style="list-style-type: none"> 15,945 Tonne Production Partial Capacity Utilization 	<ul style="list-style-type: none"> 1.03* Lakh Tonne Production Full Capacity Utilization <p><small>*Excludes production under contract manufacturing 0.05 Lakh tonnes</small></p>
<ul style="list-style-type: none"> 0.06 Lakh Tonne Sales (89%) Y-o-Y Sales Volume (93%) Q-o-Q Sales Volume ₹8,639/- Tonne Avg. Realization (1%) Change in Realizations Q-o-Q 	<ul style="list-style-type: none"> 1.00 Lakh Tonne Sales (75%) Y-o-Y Sales Volume (80%) Q-o-Q Sales Volume ₹3,990/- Tonne Avg. Realization +22% Change in Realizations Q-o-Q 	<ul style="list-style-type: none"> 10,455 Tonne Sales (15%) Y-o-Y Sales Volume (31%) Q-o-Q Sales Volume ₹89,318/- Tonne Avg. Realization (5%) Change in Realizations Q-o-Q 	<ul style="list-style-type: none"> 1.01 Lakh Tonne Sales 78% Y-o-Y Sales Volume 22% Q-o-Q Sales Volume ₹50,694/- Tonne Avg. Realization[#] +29% Change in Realizations Q-o-Q <p><small>[#]Excludes conversion & screening income under contract manufacturing of 0.05 Lakh tonnes during the quarter.</small></p>
Realization: Stable	Realization: Improvement	Realization: Stable	Realization: Significant improvement
Sales Volumes: Significant decline	Sales Volumes: Significant decline	Sales Volumes: Significant decline	Sales Volumes: Significant increase

Q1FY23 Segment Highlights

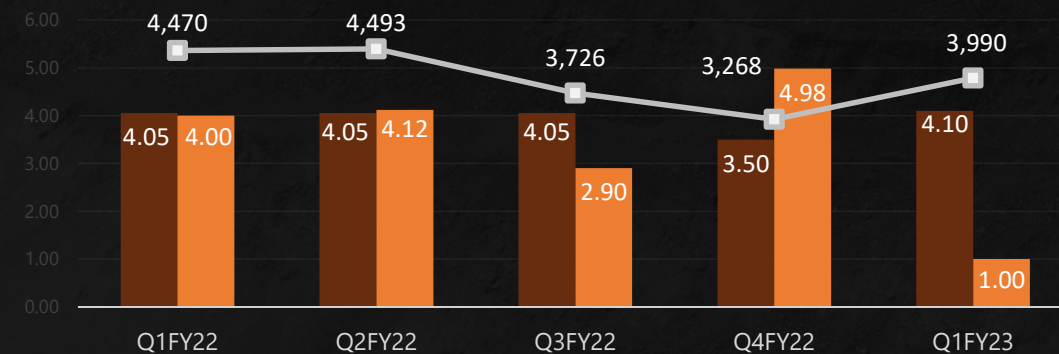
MANGANESE ORE OPERATIONAL PERFORMANCE

(Lakh Tonnes & ₹/Tonne)



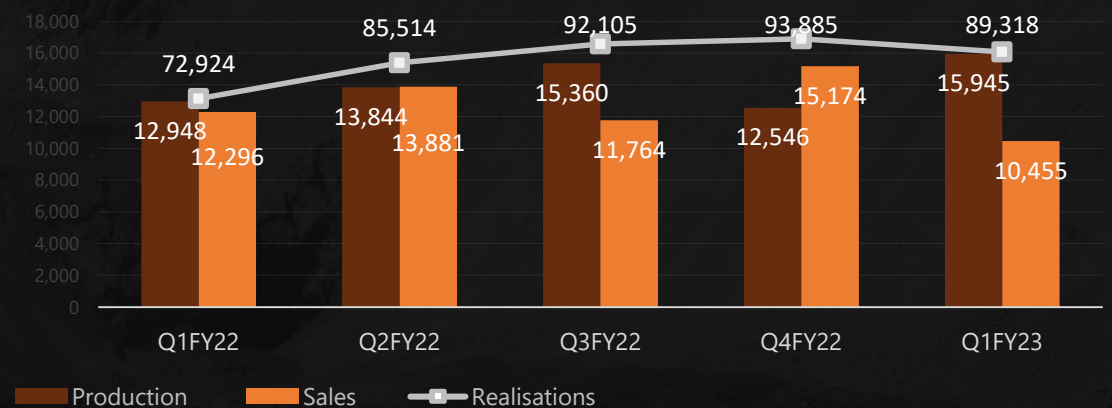
IRON ORE OPERATIONAL PERFORMANCE

(Lakh Tonnes & ₹/Tonne)



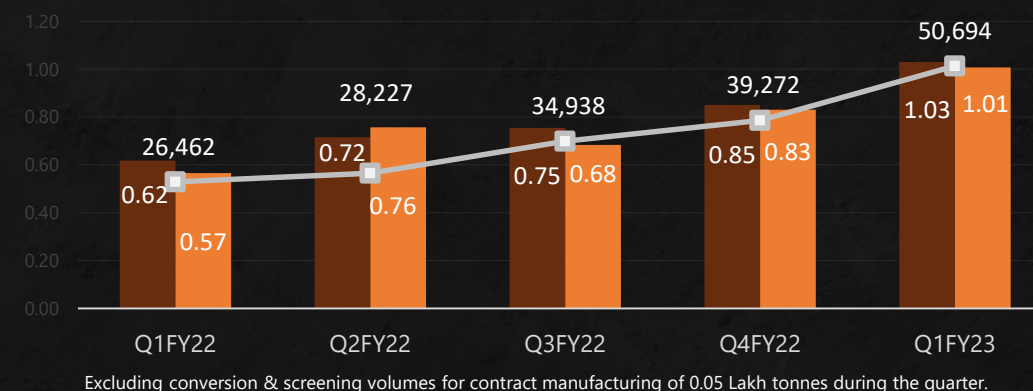
FERROALLOYS OPERATIONAL PERFORMANCE

(Tonnes & ₹/Tonne)



COKE OPERATIONAL PERFORMANCE

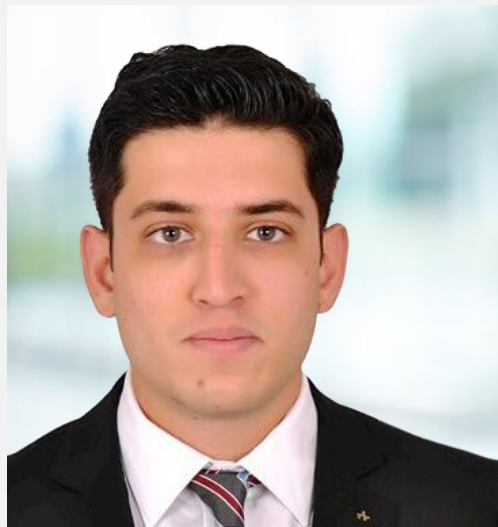
(Lakh Tonnes & ₹/Tonne)



Q1FY23 Financial Highlights

(₹ in Crore)	Revenue from Operations	EBITDA (excluding OI)	PAT	Capital Structure
	652	56	34	1,693 Shareholders funds
Growth (YoY)	37%	(78%)	(77%)	
Growth (QoQ)	(9%)	(75%)	(86%)	
Margin		9%	5%	
Margins Expansion/(Contraction) (YoY)		(4,492 bps)	(2,571 bps)	
Gross Debt/Equity				0.17

Q1FY23 Management Commentary



BAHIRJI A. GHORPADE
MANAGING DIRECTOR

Recent Industry Developments

A lot of developments have transpired with the advent of the new financial year. To begin with, a landmark and welcome decision from the Honourable Supreme Court allowing the export of manganese and iron ore from mines in Karnataka's Ballari, Chitradurga, and Tumkur districts. Further, the Honourable Supreme Court also permitted miners to sell ores through a direct sale mechanism, as opposed to only e-auctions in the earlier regime. It is a positive event for the overall Karnataka mining industry as it allows for a level playing field on par with other mines across the country. Initially, there were some uncertainties around certain elements of the Order. However, after the Central Empowered Committee constituted by the Honourable Supreme Court clarified the matter, Government of Karnataka issued interim guidelines on the sale and despatch of minerals through e-auction or otherwise. In the process there was a delay in offering the mined ore in Q1FY23 for sale, and thus, our Revenue from this segment was significantly lower during the quarter. Nonetheless, the production was in line with the maximum permissible limits.

Another notification shortly following the Honourable Supreme Court's Order was that the Government of India has increased export duty on minerals and metal products. The policy changes and global commodity pricing scenario have been major factors that have had a significant adverse impact on the metal and mining industry. Therefore, the performance of Q1FY23 has been reflective of the same across the sector, including the Company.

The Company has swiftly strategised to face the uncertainties and optimise performance for the balance part of this year.

Coke and Energy

Coke and Energy witnessed higher Revenue during the quarter due to more direct sales coupled with higher realisations. Spreads for the segment were significantly lower during the quarter due to higher inventory costs and a sharp rise in input costs. Subsequently, there has been a steep fall in the prices of Coking coal and Coke, but due to available inventory, the input costs will remain high for sometime and adversely impact the performance.

However, the Company has entered into contract manufacturing arrangements to cover significant capacity utilisation, which ensures stable revenues, mitigates the risk of loss and more importantly ensures power at optimised cost for Ferroalloys operations.

Ferroalloys

Profitability of the Ferroalloys segment during the quarter was lower due to higher input costs. The Company is evaluating some changes in product mix to optimise overall realisation for the segment.

On the Ferroalloys expansion front, the Company has made arrangements for renewable power generation & consumption at its Metal & Ferroalloys Plant. The project is expected to be commissioned by April 2023, and post that, the Company will purchase renewable power to meet the additional requirement to expand its ferroalloys operations. With this project, the Company has once again solidified its commitment to growing its operations with a sustainable and integrated approach.

Mining Expansion

As communicated earlier, the Company has filed an amended TOR and is awaiting a public hearing date from respective authorities for the Iron Ore mining expansion. The Manganese Ore production increase is in process.

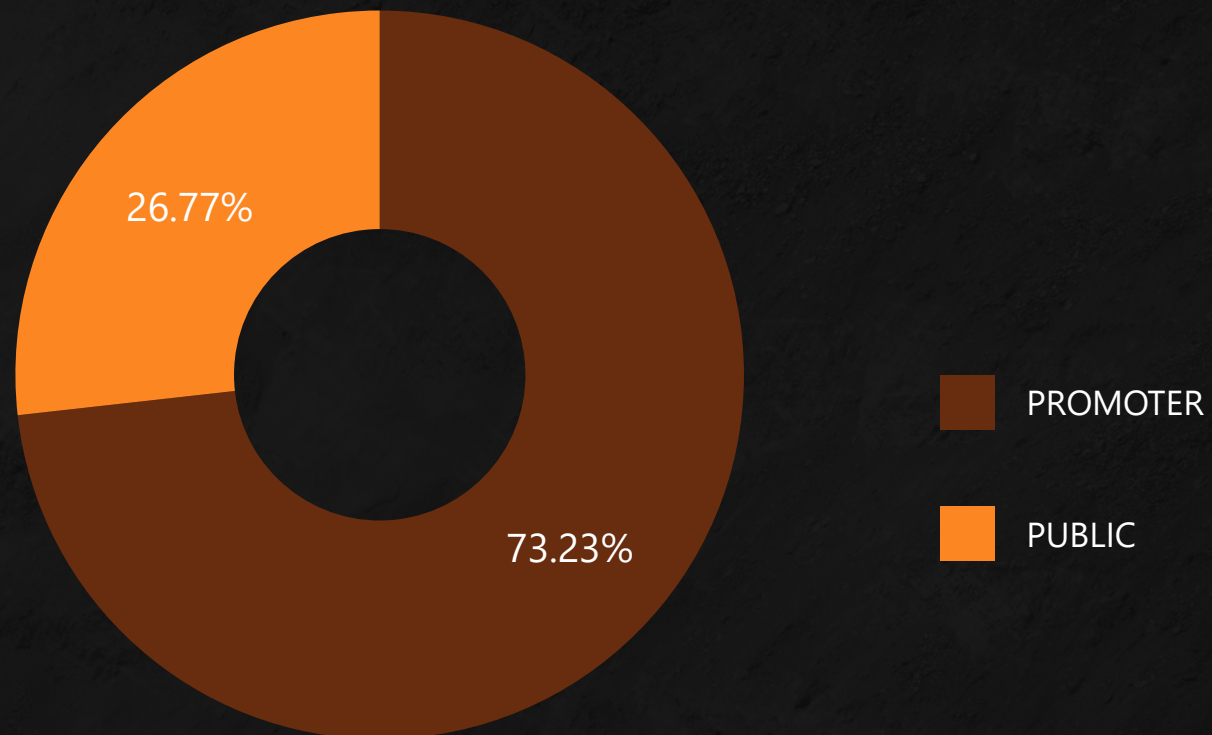
Phase 2 CAPEX

Our Hot Metal and DI Pipe project has received necessary approvals such as EC and CFE from the authorities, the initial site development works have commenced and the team is working on finalising the exact plant configuration and project details. The Company has also announced a project for manufacturing pellets, and a wholly-owned subsidiary has been incorporated for this purpose. More details on these projects will be announced in due course of time.

Corporate Information

SHAREHOLDING SUMMARY

(IN %)

*Shareholding Data as on 30th June 2022*

Current Market Price	₹934
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52 Week High/Low	₹1,700/520
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Market Capitalization	₹2,522 Cr
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Shares Outstanding	2.70 Cr
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BSE Scrip Code	504918
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Market Price Data as on 11th August 2022



Get in touch

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SAFE HARBOR

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