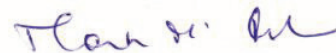


**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM
FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF
THE SANDUR MANGANESE & IRON ORES LIMITED**

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **THE SANDUR MANGANESE & IRON ORES LIMITED** ("the Company") for the Quarter and Six months ended September 30, 2016 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (AS 25), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

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



Monisha Parikh
Partner
(Membership No. 47840)

Bengaluru, November 12, 2016
MP/KNK/2016



The Sandur Manganese & Iron Ores Limited

Registered Office : Lakshmiipur, Sandur 583 119 Bellary Dist., Karnataka
CIN:L85110KA1954PLC000759

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30.09.2016

Particulars	₹ lakh					
	Three months ended 30.09.2016 (Unaudited)	Preceding three months ended 30.06.2016 (Unaudited)	Corresponding three months ended in the previous year 30.09.2015 (Unaudited)	Half-year ended 30.09.2016 (Unaudited)	Corresponding Half year ended in the previous year 30.09.2015 (Unaudited)	Previous year ended 31.03.2016 (Audited)
PART I						
Statement of Standalone Unaudited/ Audited results						
1. Income from operations						
(a) Net sales/ income from operations (net of excise duty)	7,554	8,606	5,221	16,160	10,799	21,745
(b) Other operating income	136	178	98	314	217	497
Total income from operations (net)	7,690	8,784	5,319	16,474	11,016	22,242
2. Expenses						
(a) Cost of materials consumed	968	2,791	1,075	3,759	1,081	2,467
(b) Changes in inventories of finished goods and work-in-progress	(72)	(396)	(1,746)	(468)	(732)	746
(c) Raw material conversion cost	-	-	1,842	-	1,842	2,490
(d) Employee benefits expense	1,671	1,460	1,320	3,131	2,703	5,499
(e) Mine running expenses	1,260	1,870	1,429	3,130	2,512	4,842
(f) Freight, loading and siding charges	382	382	279	764	557	1,173
(g) Rates and taxes	823	807	511	1,630	1,097	2,138
(h) Depreciation and amortisation expense	199	114	108	313	213	438
(i) Other expenses	1,528	1,178	580	2,706	1,221	2,852
Total expenses	6,759	8,206	5,398	14,965	10,494	22,645
3. Profit/ (loss) from operations before other income/ finance costs and exceptional items	931	578	(79)	1,509	522	(403)
4. Other Income	151	193	171	344	264	488
5. Profit/ (loss) from ordinary activities before finance costs and exceptional items	1,082	771	92	1,853	786	85
6. Finance costs	-	-	-	-	1	1
7. Profit/ (loss) from ordinary activities after finance cost but before exceptional items	1,082	771	92	1,853	785	84
8. Exceptional Items- [expenses/ (income) (net)] (Refer note 3)	-	-	-	-	-	577
9. Profit/ (loss) from ordinary activities before Tax	1,082	771	92	1,853	785	(493)
10. Tax expense	380	300	25	680	275	930
11. Net profit/ (loss) from ordinary activities after tax	702	471	67	1,173	510	(1,423)
12. Paid up equity share capital (face value : ₹10 per share)	875	875	875	875	875	875
13. Reserves excluding revaluation reserves	-	-	-	-	-	36,170
14. Basic and diluted earnings per share (of ₹ 10 each) (not annualised)	8.03	5.38	0.77	13.41	5.83	(16.26)



See accompanying notes to the financial results

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Segment wise revenue, results, assets and liabilities (Primary Segment) Particulars	Three months ended	Preceding three months	Corresponding three months ended in the	Half-year ended	Corresponding Half year ended in the previous	Previous year ended
	30.09.2016 (Unaudited)	30.06.2016 (Unaudited)	30.09.2015 (Unaudited)	30.09.2016 (Unaudited)	30.09.2015 (Unaudited)	31.03.2016 (Audited)
1. Segment revenue						
(a) Mining	5,694	6,791	4,246	12,485	8,653	16,605
(b) Ferroalloys and Power	2,295	2,207	1,352	4,502	2,637	5,914
(c) Unallocable	11	5	5	16	10	43
Less: Inter segment revenue	8,000	9,003	5,603	17,003	11,300	22,562
	310	219	284	529	284	320
Total	7,690	8,784	5,319	16,474	11,016	22,242
2. Segment result						
(a) Mining	2,459	1,528	837	3,987	1,824	2,210
(b) Ferroalloys and Power	(1,036)	(338)	(574)	(1,374)	(693)	(1,193)
Less: (i) Finance costs	1,423	1,190	263	2,613	1,131	1,017
(ii) Other unallocable expenditure/ (income) net of unallocable (income)/ expenditure	-	-	-	-	1	1
Net profit/(loss) before tax and exceptional items	341	419	171	760	345	932
Exceptional items (Refer note 3)	1,082	771	92	1,853	785	84
(a) Mining	-	-	-	-	-	(1,723)
(b) Ferroalloys and Power	-	-	-	-	-	2,300
Profit/ (loss) before tax and minority interest	1,082	771	92	1,853	785	(493)
	As at					
	30.09.2016	30.06.2016	30.09.2015	30.09.2016	30.09.2015	31.03.2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
3. Segment Assets						
(a) Mining	7,137	5,560	7,960	7,137	7,960	6,250
(b) Ferroalloys and Power	16,862	18,019	19,744	16,862	19,744	17,338
(c) Steel	3,191	3,175	3,167	3,191	3,167	3,170
(d) Unallocable	21,532	21,335	20,130	21,532	20,130	20,852
Total	48,722	48,089	51,001	48,722	51,001	47,610
4. Segment Liabilities						
(a) Mining	8,900	8,791	10,648	8,900	10,648	8,163
(b) Ferroalloys and Power	1,114	980	733	1,114	733	676
(c) Steel	3	2	-	3	-	2
(d) Unallocable	699	800	332	699	332	1,724
Total	10,716	10,573	11,713	10,716	11,713	10,565



Notes :		Particulars		As at	As at
1. Standalone statement of assets and liabilities		30.09.2016	31.03.2016	(Unaudited)	(Audited)
A. EQUITY AND LIABILITIES					
1. Shareholders' funds					
(a) Share capital		875			875
(b) Reserves and surplus		37,131			36,170
Sub-total - Shareholders' fund		38,006			37,045
2. Non-current liabilities					
(a) Other long-term liabilities		28			28
(b) Long-term provisions		1,866			1,696
Sub-total - Non-current liabilities		1,894			1,724
3. Current liabilities					
(a) Trade payables		2,670			1,921
(b) Other current liabilities		5,670			6,309
(c) Short-term provisions		482			611
Sub-total - Current liabilities		8,822			8,841
TOTAL - EQUITY AND LIABILITIES		48,722			47,610
B. ASSETS					
1. Non-current assets					
(a) Fixed assets					
(i) Tangible assets		7,998			7,487
(ii) Intangible assets		255			282
(iii) Capital work-in-progress		80			139
		8,333			7,908
(b) Non-current investments		12,748			12,748
(c) Deferred tax assets (net)		2,140			2,160
(d) Long-term loans and advances		7,877			7,886
(e) Other non-current assets		332			333
Sub-total - Non-current assets		31,430			31,035
2. Current assets					
(a) Current investments		6,858			4,791
(b) Inventories		6,999			6,033
(c) Trade receivables		569			847
(d) Cash and bank balances		1,257			2,175
(e) Short-term loans and advances		1,606			1,814
(f) Other current assets		3			915
Sub-total - Current assets		17,292			16,575
TOTAL - ASSETS		48,722			47,610



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2. The above statement of financial results was reviewed by the Board Audit Committee and approved by the Board of Directors in their meeting held on 12 November 2016.


3. Exceptional items comprise:

Particulars	Expenses / (Income)						Previous year ended
	Three months ended	Preceding three months ended	Corresponding three months ended in the previous year	Half-year ended	Corresponding Half year ended in the previous year	Previous year ended	
	30.09.2016	30.06.2016	30.09.2015	30.09.2016	30.09.2015	31.03.2016	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	
Provision for other than temporary diminution in value of investment in Star Metallica and Power Private Limited (SMPPL), a subsidiary company	-	-	-	-	-	2,300	
Provision towards Forest Development Tax for the years 2008 - 09 to 2011 - 12 written back in view of the Order of The Hon'ble High Court of Karnataka (Net of estimated expenses)	-	-	-	-	-	(1,723)	
Net	-	-	-	-	-	577	

4. The Karnataka State Government promulgated the Karnataka Forest (Amendment) Act, 2016, through notification dated 26 July 2016, inserting certain amendments with retrospective effect from 16 August 2008 to the provisions of the Karnataka Forest Act, 1963, re-designating Forest Development tax ("FDT") as "Forest Development Fee" ("FDF"), including inter-alia lease holders of mines under "body notified by the Government" and increasing the rate of FDF from 8% to 12%. The Company has filed a Writ Petition contesting the above amendments before the Hon'ble Supreme Court. The Company had already filed a Special Leave Petition (SLP) before the Hon'ble Supreme Court challenging the competence of the State to legislate in the filed of forests and mines/minerals. Pending the outcome of the SLP and the Writ Petition, no provision is considered necessary at this stage towards estimated FDF of Rs. 3,558 lakh for the period 27 August 2008 to 11 July 2011, being the date of commencement of e-auction by the Monitoring committee. Subsequent to the commencement of e-auction by the Monitoring Committee, FDT/FDF is being recovered from the customers directly by the Monitoring Committee and remitted to the authorities.

5. The Board of Directors has declared an interim dividend of ₹ 2 (Rupee Two only) per equity share of ₹ 10/- each for the financial year 2016 - 17.
6. The figures of the previous periods have been regrouped / recasted where necessary.

for and on behalf of the Board of Directors


S.Y. GHORPADE

Chairman & Managing Director

Bengaluru
12 November 2016



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