2014-15. 2015-16. 2016-17

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 neighbouring rural areas"

64th ANNUAL REPORT 2017-18

The Sandur Manganese & Iron Ores Limited

Estd: 1954

The Sandur Manganese & Iron Ores Limited

ANNUAL REPORT 2017-18

DIRECTORS

S. Y. Ghorpade, Chairman
Nazim Sheikh, Managing Director
V. Balasubramanian, Director
U. R. Acharya, Director (Commercial)[1]
([1]Retired w.e.f. 1 April 2018)
B. Ananda Kumar, Director
S. S. Rao, Director
Vatsala Watsa, Director
K. V. Ramarathnam, Director
T. R. Raghunandan, Director
G. P. Kundargi, Director
Rajnish Kumar Singh, Director (Corporate)[2]
([2]Appointed w.e.f. 1 January 2018)
P. Anur Reddy, Additional Director[3]
([3]Appointed w.e.f. 30 May 2018)
Lakshmi Venkatachalam, Additional Director[4]
([4]Appointed w.e.f. 27 June 2018)

COMPANY SECRETARY & COMPLIANCE OFFICER

Divya Ajith, Company Secretary
(With effect from 1 April 2018)
Md. Abdul Saleem, Company Secretary & Vice President (Mines)
(Up to 31 March 2018)

CHIEF FINANCIAL OFFICER

Sachin Sanu
(With effect from 1 April 2018)
K. Raman
(Up to 31 March 2018)

AUDITORS

R. Subramanian and Company LLP, Chennai

SHARE TRANSFER AGENTS

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

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

AUDIT COMMITTEE

B. Ananda Kumar, Chairman
V. Balasubramanian, Member
S. S. Rao, Member
Vatsala Watsa, Member
G. P. Kundargi, Member

NOMINATION & REMUNERATION COMMITTEE

V. Balasubramanian, Chairman
S. S. Rao, Member
Vatsala Watsa, Member
K. V. Ramarathnam, Member

RISK MANAGEMENT COMMITTEE

S. Y. Ghorpade, Chairman
Nazim Sheikh, Member
U. R. Acharya, Member[1]
([1]Retired w.e.f. 1 April 2018)
B. Ananda Kumar, Member
Vatsala Watsa, Member
K. V. Ramarathnam, Member

ENVIRONMENT COMMITTEE

S. Y. Ghorpade, Chairman
Nazim Sheikh, Member
U. R. Acharya, Member[1]
([1]Retired w.e.f. 1 April 2018)
V. Balasubramanian, Member
G. P. Kundargi, Member

STAKEHOLDERS' RELATIONSHIP COMMITTEE

B. Ananda Kumar, Chairman
S. Y. Ghorpade, Member
Nazim Sheikh, Member
T. R. Raghunandan, Member

PROJECT COMMITTEE
(Reconstituted w.e.f. 23 March 2018)

Nazim Sheikh, Chairman
U. R. Acharya, Member[1]
([1]Retired w.e.f. 1 April 2018)
B. Ananda Kumar, Member
K. V. Ramarathnam, Member
T. R. Raghunandan, Member
G. P. Kundargi, Member
Rajnish Singh, 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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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

NOTICE

Notice is hereby given that the Sixty-fourth Annual General Meeting of Members of the Company will be held on Saturday, 1st day of September 2018 at 11.00 a.m. at Golden Jubilee Hall, Sandur Residential School, Shivapur, Palace Road, 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 2018, 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 2018, together with the Report of the Auditors thereon.
2. To confirm interim dividend of ₹5/- per equity share already paid and declare final dividend of ₹2/- per equity share for the financial year ended 31 March 2018.
3. To appoint a Director in place of T. R. Raghunandan (DIN - 03637265) who retires by rotation and being eligible, offers himself for re-appointment.

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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI(LODR) 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 (LODR) Regulation 2015, the Register of Members and Share Transfer Books of the Company will be closed from **Monday, 27th August 2018 to Saturday, 1st September 2018 (Both days inclusive).**
5. The Company has fixed Saturday, 25 August 2018 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 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 Section 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 Investors' Education and Protection Fund (IEPF) established by the Central Government. The unclaimed dividends and the relevant due dates for transfer of such amounts are as under:

Financial Year	Unclaimed Dividend as on 30 May 2018 (in ₹)	Date of declaration	Due date for transfer to IEPF
2010-11 (Final dividend)	2,90,500	10 September 2011	16 October 2018
2013-14 (Final dividend)	2,08,728	27 September 2014	3 November 2021
2014-15 (Final dividend)	2,46,894	19 September 2015	26 October 2022
2015-16 (Final dividend)	2,27,757	14 September 2016	21 October 2023
2016-17 (Interim dividend-I)	2,66,320	12 November 2016	19 December 2023
2016-17 (Interim dividend-II)	1,18,740	31 March 2017	7 May 2024
2016-17 (Final Dividend)	221,730	26 September 2017	2 November 2024
2017-18 (Interim Dividend)	5,26,370	27 December 2017	2 February 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 64th 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 SEBI (LODR) 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 64th Annual General Meeting (AGM) through e-Voting Services provided by National Securities Depository Limited (NSDL).

The voting period begins on 29 August 2018 at 10.00 a.m. and ends on 31 August 2018 at 5.00 p.m. During this period, members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of 25 August 2018, 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.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices 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:

(E) Your password 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 IN300***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***

(a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.

(b) 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.

(c) How to retrieve your 'initial password'?

(i) 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'.

(ii) 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:

(a) 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.

(b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

(c) 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?

(A) 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.

(B) 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.

(C) Select "EVEN" of company for which you wish to cast your vote.

(D) Now you are ready for e-voting as the Voting page opens.

(E) 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.

(F) Upon confirmation, the message "Vote cast successfully" will be displayed.

(G) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

(H) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for Members

(A) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. 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, 29 August 2018 at 10.00 a.m. and ends on Friday, 31 August 2018 at 5.00 p.m. During this period, Members holding shares either in physical form or in dematerialized form, as on Saturday, 25 August 2018, 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 and Corporate Office of the Company.

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

DIVYA AJITH
Company Secretary

Place : Bengaluru
Date : 30 May 2018

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	Mr. T. R. Raghunandan (DIN - 03637265)
Date of Birth	6 October 1959
Date of Appointment	28 May 2016
Qualifications	B. Sc., LLB
Experience	He is a former IAS officer of 1983 batch. He served as Rural Development and Panchayati Raj Secretary in Karnataka and as Joint Secretary of Ministry of Panchayati Raj, Government of India, before he resigned in March 2013. He has more than twenty-six years of experience as a high ranking civil servant holding executive, corporate management and policy making positions in state (provincial) and national government. He is also a consultant and advisor to international development agencies, governments and non-profit institutions on anti-corruption and decentralised public governance. He has worked with Janagraha to start ipaidabribe.com. Currently, T. R. Raghunandan is based in Bengaluru and works as a freelance development consultant with the UNDP, the Swiss Development Corporation and an NGO. He is a Director and co-founder of Avantika Foundation, a non-profit organization engaged in building the Museum of Movement, an effort to showcase India's romance with transport. He is also a director of Cardiac Design Labs Private Limited.
Expertise in specific functional areas	A Specialist in formulating policy with respect to local governments, decentralisation and anti-corruption with a special interest in training and mentoring on the above aspects of governance.
Names of listed entities in which the person also holds the directorship and the membership of Committees of the board	Nil
Relationships between directors inter-se	He is a sibling of Vatsala Watsa, Non-Executive Director of the Company.
Shareholding	He does not hold any shares in the Company.

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

Place : Bengaluru
Date : 30 May 2018

DIVYA AJITH
Company Secretary

ADDENDUM TO THE NOTICE DATED 30 MAY 2018, CONVENING 64TH ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD ON SATURDAY, THE 1ST DAY OF SEPTEMBER 2018 AT 11.00 A.M. AT GOLDEN JUBILEE HALL, SANDUR RESIDENTIAL SCHOOL CAMPUS, PALACE ROAD, SANDUR - 583 119

Attention of the members is invited to the Notice dated 30 May 2018 for 64th Annual General Meeting of the Company. Notice is further given that the following items shall be included in the aforesaid Notice as Item No.4, which shall be read in tandem with the Notice dated 30 May 2018.

SPECIAL BUSINESS:

4. To consider, and if thought fit, 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), Lakshmi Venkatachalam (DIN - 00758451), who was appointed as an Additional Director of the Company with effect from 27 June 2018, 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, from a member 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 with effect from 1 September 2018 for a period of five consecutive years and whose office shall not be liable to retirement by rotation."

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

Place : Bengaluru
Date : 27 June 2018

DIVYA AJITH
Company Secretary

EXPLANATORY STATEMENT

In terms of Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to the special business mentioned in the accompanying addendum to the Notice. Further, relevant details of the person seeking appointment as Director under Item No. 4 of the Notice, as required under Regulations 26(4) and 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are also provided hereunder:

ITEM No.4

Ms. Lakshmi Venkatachalam, (DIN: 00758451), born on 25 September 1953, holds a Master of Arts Degree in Economics and a Master of Business Administration Degree from Boston University, USA. She also holds a Master of Arts Degree in English Literature from Jadavpur University, Calcutta, India.

She has over three decades of experience in the public sector and in development banking. She joined the Indian Administrative Service (IAS) in 1978 and held many senior management positions in the areas of District Administration, Public Works, Agriculture (Commodities) Urban Development, Industry and Commerce, Planning and Program Implementation and Shipping.

Some of the important senior positions she held in the State Government of Karnataka included, Commissioner of the Bangalore Development Authority, Principal Secretary in the departments of Industry, Urban Development, Planning and Program Implementation. Her assignments in the Government of India were in the capacity of Director, Ministry of Steel, Chairperson Coffee Board of India, and Director General of Shipping and ex-officio Additional Secretary to the Government of India.

From 2010 to 2015, Ms. Venkatachalam served in the Asian Development Bank (ADB), Manila, as the first Vice President for Private Sector and Co-financing Operations. In this capacity, she was entrusted with overall responsibility to lead and manage ADB's private sector operations in the Asia Pacific region. She was also responsible for building and strengthening co-financing partnerships with various official and commercial co-financiers, with a view to mobilising investment capital for public and private sector projects.

After her retirement from public service, Ms. Venkatachalam is engaged in various capacities, including being an independent director on boards of companies. She is a director on the boards of ICICI Prudential Asset Management Company Limited and Brigade Enterprises Limited. She is a member of the Audit and Risk Committee of ICICI Prudential Asset Management Company Limited.

In pursuance of Section 161 of the Companies Act, 2013, Ms. Venkatacham was co-opted as an Additional Director on the Board with effect from 27 June 2018, and holds office upto the date of ensuing 64th Annual General Meeting of the Company.

A member proposing appointment of Ms. Venkatachalam, as a Director on the Board of the Company, has in accordance with Section 160 of the Companies Act, 2013, left a notice signifying such intention at the registered office of the Company.

She does not hold any shares in 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. Lakshmi Venkatachalam.

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

Place : Bengaluru
Date : 27 June 2018

DIVYA AJITH
Company Secretary

AROGYA COMMUNITY HEALTH CENTRE

Arogya

Physiotherapy facilities

Eye care

Dental care

SANDUR RESIDENTIAL SCHOOL

New Entrance

New Diamond Jubilee Block

Library

M. Y. Ghorpade Bal Bhavan

SANDUR KUSHALA KALA KENDRA


Khadi Weaving


Rural Artisans at work


Tailoring Unit

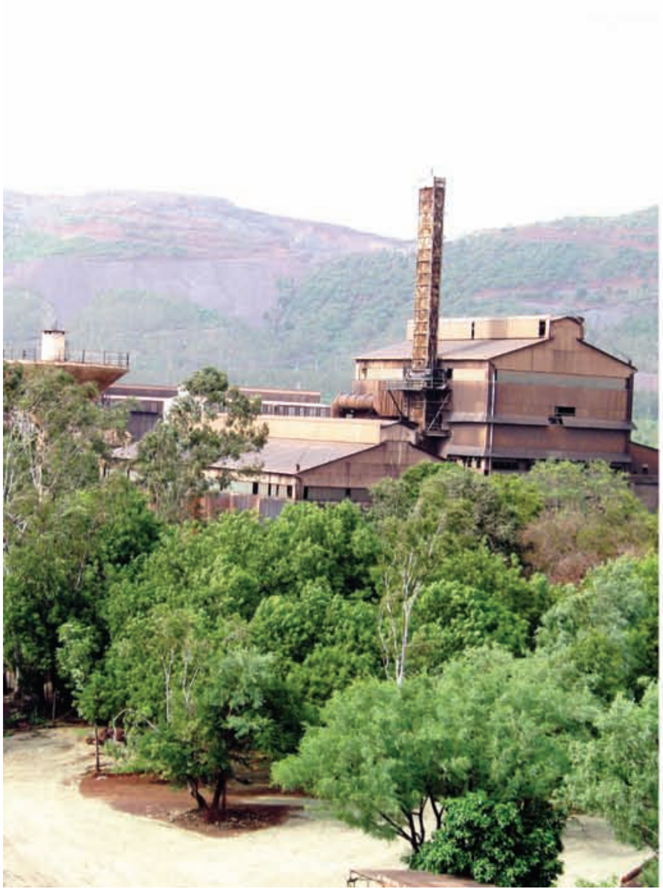

Bamboo and Cane works


Traditional Lambani Mirror & Embroidery


Stone Carving

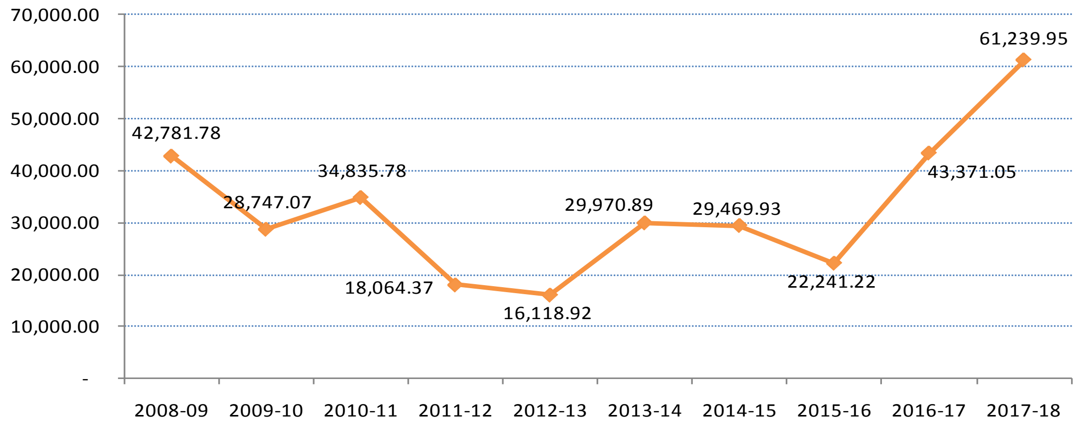
MINES

FERRO ALLOY PLANT & 32 MW POWER PLANT, VYASANKERE

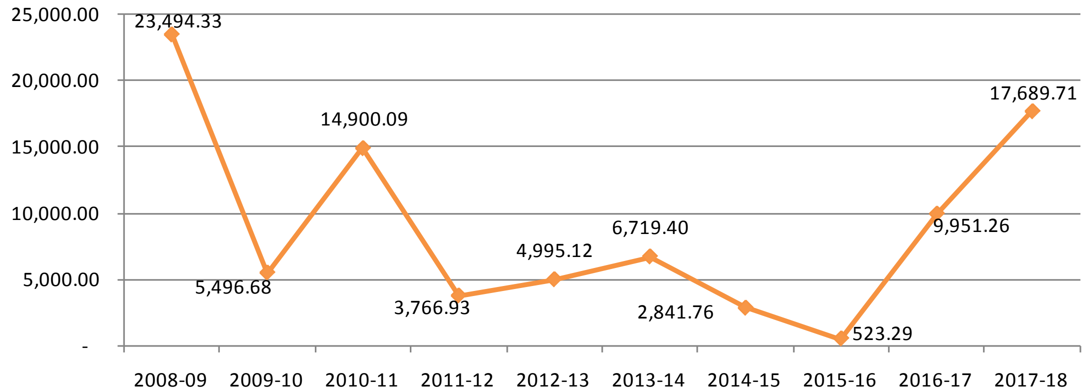


10 Years at a Glance

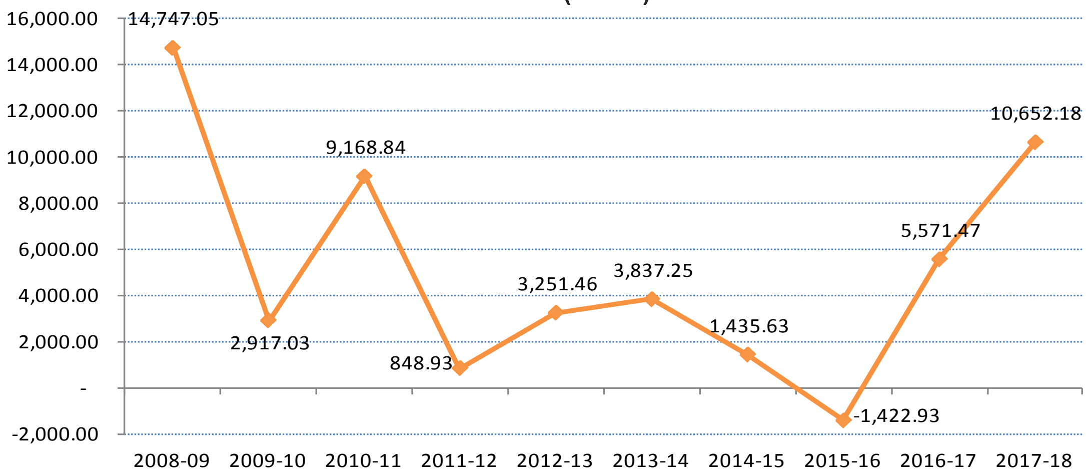
Revenue (₹ lakh)



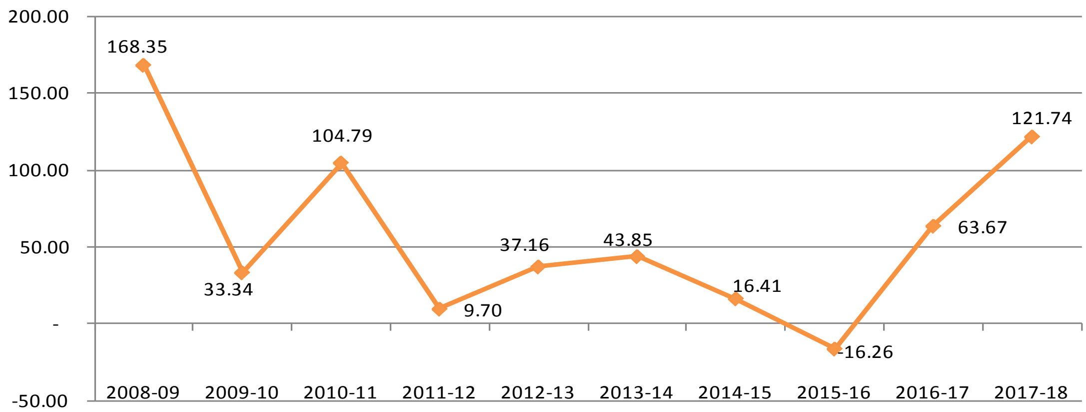
EBITDA (₹ lakh)



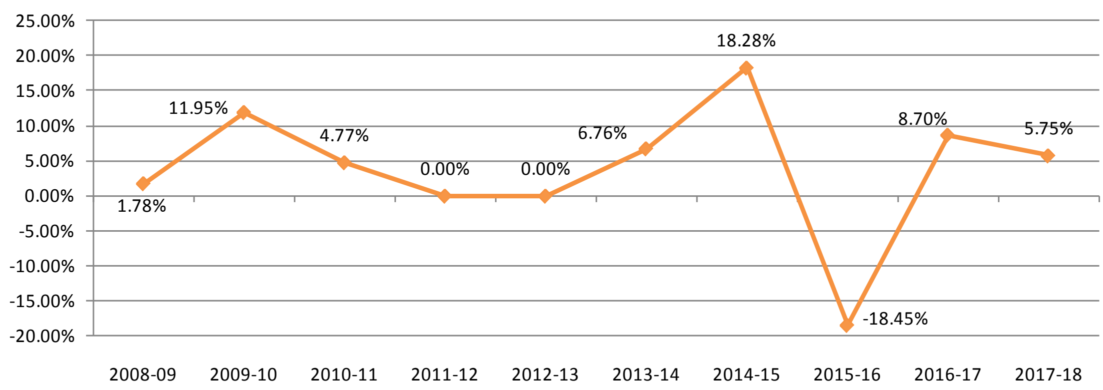
Net Profit (₹ lakh)



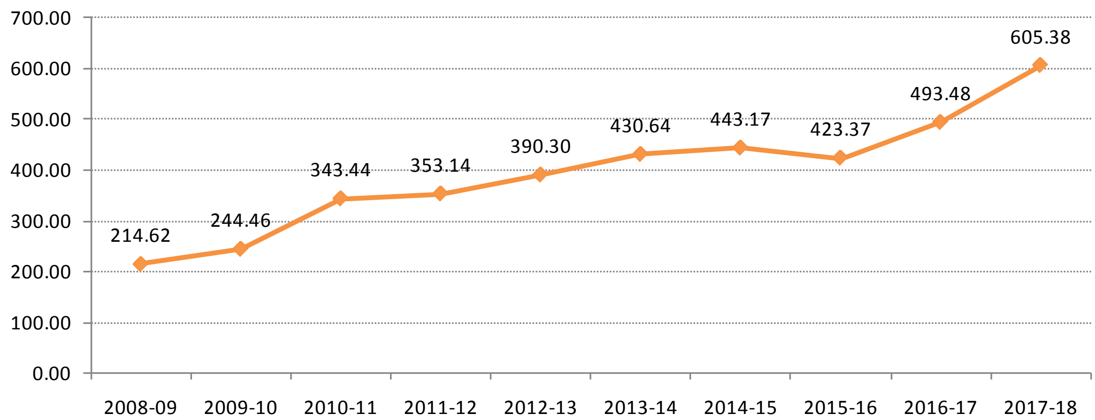
Earnings per Share (₹)



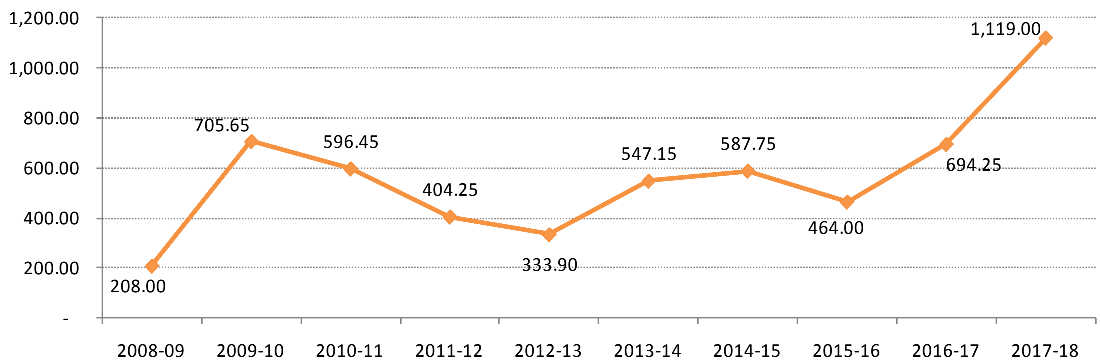
Dividend Payout Ratio



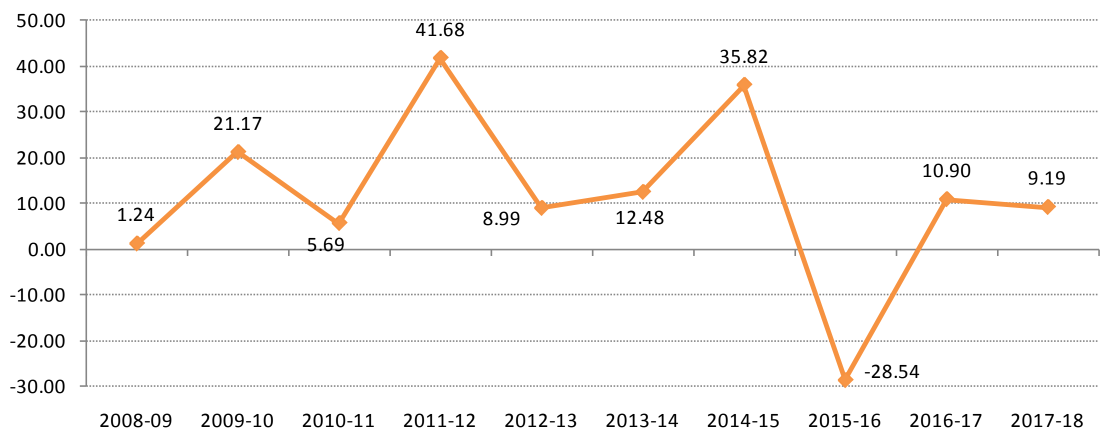
Book Value per Share (₹)



Stock Price (₹)



P/E Ratio



REPORT OF DIRECTORS FOR THE YEAR ENDED 31 MARCH 2018

Dear Shareholders,

The Directors are pleased to present their Report and Audited Statement of Accounts for the year ended 31 March 2018:

FINANCIAL RESULTS

₹ lakh

Sl. No.	Particulars	Current Year 2017-18	Previous Year 2016-17
a)	Net Sales / Income	61,239.95	43,371.05
b)	Other Income	1,109.53	856.21
	Total	**62,349.48**	**44,227.26**
c)	Expenditure		
	(i) Variable	30,047.12	22,104.67
	(ii) Fixed	14,612.65	12,171.33
	(iii) Depreciation / Amortization	742.63	704.87
	(iv) Interest	494.90	724.92
	Total	**45,897.30**	**35,705.79**
d)	**Profit Before Taxes**	**16,452.18**	**8,521.47**
e)	Less:		
	(i) Current Tax	5,420.00	3,220.00
	(ii) Deferred Tax	380.00	(270.00)
f)	**Net Profit/(Loss)**	**10,652.18**	**5,571.47**
g)	Add: Balance brought forward from the previous year	42,304.91	37,066.87
h)	**Profit before appropriation**	**52,957.09**	**42,638.34**
i)	Less: Appropriations		
	(i) Dividend on Equity Shares	612.50	262.50
	(ii) Tax on Dividend	124.69	54.93
	(iii) Other comprehensive income/(loss)	124.00	16.00
	Total	861.19	333.43
j)	**Profit carried to Balance Sheet**	**52,095.89**	**42,304.91**

The Company earned profit before tax of ₹16,452.18 lakh after charging ₹742.63 lakh towards depreciation on fixed assets and ₹494.90 lakh towards interest. After charging income tax of ₹5,420.00 lakh and deferred tax of ₹380.00 lakh, the profit for the current year is ₹10,652.18 lakh.

OPERATIONS AT A GLANCE:

MINING:

In Tonnes

	Opening stock	Production	Internal Consumption	Sales	Closing stock
Manganese Ore	1,46,532 (1,26,907)	2,59,669 (2,22,271)	41,968 (25,172)	2,23,832 (1,77,373)	1,40,401 (1,46,532)
Iron Ore	1,70,254 (2,13,970)	15,80,021 (11,49,899)	- (-)	13,32,386 (11,93,615)	4,17,597 (1,70,254)
NOTE: Previous year figures are in brackets.					

The Company's production of manganese ore increased by 16.83% and iron ore increased by 37.41% during the financial year 2017-18. The Company witnessed an increase in sales of manganese ore by 27.23% and iron ore by 11.63% during the financial year 2017-18.

The Company has been able to step up its iron ore production in 4th Quarter following Central Empowered Committee (CEC) permitting restoration of iron ore production limit to 1.60 Million Tonnes Per Annum (MTPA) in December 2017.

FERROALLOYS

In Tonnes

	Opening stock	Production	Sales	Closing stock
Silico-Manganese	2,663 (163)	29,317 (24,862)	30,987 (22,362)	993 (2,663)
NOTE: Previous year figures are in brackets.				

The Company's production of Silico Manganese increased by 17.92% and sales increased by 38.57% as compared to previous year. Increase in production and sales of Silico Manganese was largely driven by improvement in price realization for the product.

ENERGY

In MWh

	Generation	Captive Consumption		Grid Sales
		Ferroalloy Plant	Auxiliary	
Energy	1,64,229	1,24,039	23,024	17,166
	(1,57,578)	(1,03,449)	(20,775)	(33,354)

NOTE: Previous year figures are in brackets.

Energy generation at the Power Plant increased by 4.22% compared to previous year and captive consumption at Ferroalloy Plant also increased by 19.90% as compared to previous year.

COKE OVEN PROJECT

The Company has embarked upon implementation of the Stage I of the Iron & Steel (I&S) Project (0.4 MTPA Coke Oven Plant (COP), 30 MW Waste Heat Recovery Boiler (WHRB) and Repair and 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. The Company is targeting to complete the Stage I by October 2019.

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

'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.

ISO CERTIFICATION

It is a pleasure to report that the Indian Register Quality Systems (IRQS) has carried out due diligence and found that the Company's:

(a) Quality Management Systems are in conformity with the ISO 9001:2015 Standards;

(b) Environment Management Systems are in conformity with the ISO 14001:2015 Standards; and

(c) 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 it's 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 27 December 2017 declared interim dividend of ₹5/- per share.

In addition to the above, the Board of Directors is pleased to recommend a final dividend of ₹2/- per share, out of the profits of the Company for the financial year ended 31 March 2018.

Accordingly, approval of the shareholders is being sought at the ensuing Annual General Meeting for dividend of ₹7/- per share (including ₹5/- paid as interim dividend) for the financial year 2017-18.

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

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 could be considered material in accordance with the policy of the Company on materiality of related party transactions. Since all the related party transactions were in ordinary course of business and at arm's length, hence, no disclosure in Form AOC-2 has been made.

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

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 2018).

As mentioned earlier, the Company, in order to ensure long term viability of its business has commenced work on Stage I of Phase 1 of 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] has been submitted to BSE Limited seeking its No-objection to the Draft Scheme before approaching the National Company Law Tribunal (NCLT) for the same. The application is under process.

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 was only lease rental from the Company.

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

₹ lakh

Particulars	Current Year 2017-18	Previous Year 2016-17
Income		
Revenue from Operations	**1,020.00**	1,020.00
Other Income	**160.30**	185.29
TOTAL	**1,180.30**	1,205.29
Expenditure		
Operating and Other Expenses	**232.70**	231.20
Finance Cost	**0.03**	0.00
Depreciation	**506.61**	507.36
TOTAL	**739.34**	738.56
Profit/(Loss) before Tax	**440.96**	466.73
Profit/(Loss) after Tax	**440.96**	466.73
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	**0.47**	0.50

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 Nos.5, 6 and 27(b) 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, four Non-Executive Directors (including the Chairman, a Woman Director and the newly inducted non-executive director; appointed on 30 May 2018), and five Independent Directors. The Company is in the process of appointing an Independent Director. The Managing Director, Whole Time Director, Chief Financial Officer and the Company Secretary constitute the Key Managerial Personnel of the Company.

Inductions

The Board appointed Rajnish Kumar Singh as an Additional Director with effect from 1 January 2018. Subject to ratification of the shareholders, the Board has also appointed him as a whole-time director designated as Director (Corporate) for a period of 3 years with effect from 1 January 2018. Resolution seeking shareholders' approval for his appointment is being sought by way of postal ballot.

Sachin D. Sanu and Divya Ajith were appointed as Chief Financial Officer and Company Secretary of the Company, respectively, with effect from 1 April 2018.

P. Anur Reddy, Principal Chief Conservator of Forests - Wildlife (Retired), has been appointed as an additional director on 30 May 2018. Subject to ratification of the shareholders, the Board has also appointed him as a Non-Executive Director. Resolution seeking shareholders' approval for his appointment is being sought by way of postal ballot.

Retirement/Cessation

U. R. Acharya, Director (Commercial) and K. Raman, Chief Financial Officer retired with effect from closing hours of 31 March 2018.

With a view to enable Md Abdul Saleem to pay significant attention and be continuously available for supervising mining operations in his capacity as Vice President (Mines), he was allowed to step down from the post of Company Secretary with the closure of business hours on 31 March 2018

Re-appointment

T. R. Raghunandan, is liable to retire by rotation at the ensuing 64th AGM and being eligible, has offered himself for re-appointment. He is not disqualified from being appointed as a director as specified under Section 164 of the Companies Act, 2013. The Board recommends his re-appointment.

NUMBER OF MEETINGS OF THE BOARD

The Board met 8 (Eight) 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.

The Company's Policy in this regard has been formulated with a view to:

(a) Devise a transparent system of determining appropriate level of remuneration throughout all levels of directors, KMPs, core management team and the senior management personnel in the Company;

(b) Encourage personnel to perform to their highest level;

(c) Provide consistency in remuneration throughout the Company; and

(d) aligning the performance of the business with the performance of key personnel and teams within the Company.

There has been no change in the Policy during the year under review.

DECLARATION BY INDEPENDENT DIRECTORS

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

BOARD EVALUATION

As mandated by the statutory provisions of 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 2017-18 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 seven committees - namely Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Environment Committee, Corporate Social Responsibility Committee, Risk Management Committee and Project Committee.

DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM

The Audit Committee comprises four Independent Directors, namely, B. Ananda Kumar as its Chairman, V. Balasubramanian, S. S. Rao, G. P. Kundargi and a Non-Executive Director, Vatsala Watsa, as its members.

The Company believes in conduct of its affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and 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.

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 2018 and of the profit and loss of the Company for the year ended 31 March 2018;

(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 2018 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 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 – 'B'*** attached to this Report.

STATUTORY AUDITORS

M/s. R. Subramanian and Company LLP, Chartered Accountants, Chennai (Firm Registration No. FRN004137S), 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.33507 and Certificate of Practice No.12400) has been appointed as Secretarial Auditor of the Company for the financial year 2017-18. The Secretarial Audit Report is forming part of this Annual Report as ***Annexure- 'C'.***

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 said delays were inadvertent and unintentional and the Company is striving to ensure timely filing of forms.

It is observed in the Secretarial Audit Report that the Board composition is not in compliance with provisions of Regulation 17 of the SEBI (LODR) Regulations, 2015 during the period 1 January 2018 to 31 March 2018.

In this connection, the Board states that the composition of Board digressed for a brief period of 3 months when an executive director was appointed with effect from 1 January 2018. However, the composition was corrected upon retirement of another executive director with effect from closure of working hours on 31 March 2018.

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

COST AUDITORS

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

The Board has, at its 317th Meeting held on 30 May 2017, appointed M/s. K. S. Kamalakara & Co. as Cost Auditors for the Financial Year 2017-18.

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 2016-17 was filed with the MCA on 12 October 2017.

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 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- 'D'.***

The Company's Corporate Social Responsibility Policy can be accessed on Company's website at http://sandurgroup.com/doc/CSR/CSRPolicy.pdf. 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- 'E'*** 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	Amount (in ₹)	Date of Transfer
2009-10 (Final dividend)	1,40,430.00	20 November 2017

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 - 'F'.***

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 2018.

ACKNOWLEDGEMENTS

The directors wish to thank members of judiciary, its associates and legal fraternity for their strong commitment to justice, fairness and equity. The directors also extend 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 : 30 May 2018

Annexure – 'A'

Form AOC-I

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

Statement containing salient features of the financial statement of subsidiary – Star Metallics and Power Private Limited

Part "A": Subsidiary

1.	Name of the subsidiary	Star Metallics and Power Private Limited
2.	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	₹ 7,119.54 lakh
7.	Total assets	₹ 16,927.18 lakh
8.	Total Liabilities (excluding reserves & surplus)	₹ 469.67 lakh
9.	Investments	NIL
10.	Turnover	₹ 1,020.00 lakh
11.	Profit/(Loss) before taxation	₹ 440.96 lakh
12.	Provision for taxation	--
13.	Profit/ (Loss) after taxation	₹ 440.96 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 Shareholding 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 the Board of Directors

S. Y. GHORPADE
Chairman
(DIN: 00080477)

NAZIM SHEIKH
Managing Director
(DIN: 00064275)

Place: Bengaluru
Date : 30 May 2018

DIVYA AJITH
Company Secretary

SACHIN SANU
Chief Financial Officer

Form MGT 9
EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31 March 2018

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 Taluk Office, Sandur - 583119, Ballari District, Karnataka. Tel : 08395 260301 Fax : 08395 260473 Email: investors@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, Bharatnagar, Hyderabad - 500018 Phone: 040-23818475/23818476/23868023 Fax : +9140-23868024

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name & Description of Main Products/Services	NIC code of the Product/ Service	% to total turnover of the Company
1	Mining of Manganese Ore	07293	19%
2	Mining of Iron Ore	07100	50%
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 - 583222 Karnataka	U40102KA2007PTC043446	Subsidiary Company	80.58%	2(87)(ii) of the Companies Act, 2013

IV Shareholding pattern (Equity Share Capital Breakup as percentage of Total Equity)

I) Category-wise Share Holding

	Category of Shareholder	Number of shares held at the beginning of the year				Number of shares held at the end of the year				% change during the year
		Number of shares held in dematerialized form	Number of shares held in physical form	Total	% of total shares	Number of shares held in dematerialized form	Number of shares held in physical form	Total	% of total shares	
A	**Promoters**									
1	**Indian**									
(a)	Individuals/ Hindu Undivided Family	54545	4300	58845	0.67%	58745	100	58845	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%
	Directors & Persons Acting in Concert	286680	0	286680	3.28%	286680	0	286680	3.28%	0.00%
	Sub Total(A)(1)	**6333264**	**4300**	**6337564**	**72.43%**	**6337464**	**100**	**6337564**	**72.43%**	**0.00%**
2	**Foreign**									
a	NRIs - Individuals	0	0	0	0.00%	0	0	0	0.00%	0.00%
b	others - Individuals	0	0	0	0.00%	0	0	0	0.00%	0.00%
c	Bodies Corporate	0	0	0	0.00%	0	0	0	0.00%	0.00%
d	Banks/Financials Institutions	0	0	0	0.00%	0	0	0	0.00%	0.00%
e	Any Others(Specify)	0	0	0	0.00%	0	0	0	0.00%	0.00%
	Sub Total(A)(2)	**0.00**	**0.00**	**0**	**0.00%**	**0.00**	**0.00**	**0**	**0.00%**	**0.00%**
(A)	**Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)**	**6333264**	**4300**	**6337564**	**72.43%**	**6337464**	**100**	**6337564**	**72.43%**	**0.00%**
B	**Public Shareholding**									
1	**Institutions**									
(a)	Mutual Funds/ UTI	0	1200	1200	0.01%	0	1150	1150	0.01%	0.0%
(b)	Financial Institutions/Banks	70000	2500	72500	0.83%	70000	2500	72500	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)									
	Foreign Portfolio Investors	250	0	250	0.00%	109255	0	109255	1.25%	1.25%
	Alternative Investment Funds	0	0	0	0.00%	60000	0	60000	0.69%	0.69%
	Sub-Total (B)(1)	**70250**	**3700**	**73950**	**0.85%**	**239255**	**3650**	**242905**	**2.78%**	**1.93%**
2	**Non-institutions**									
(a)	Bodies Corporate	390799	2350	393149	4.49%	298982	2000	300982	3.44%	-1.05%
(b)	Individuals									
	i. Individual shareholders holding nominal share capital up to ₹1 lakh	1088313	119510	1207823	13.80%	1136880	99370	1236250	14.13%	0.32%
	ii. Individual shareholders holding nominal share capital in excess of ₹1 lakh.	576415	40150	616565	7.05%	528561	40150	568711	6.50%	-0.55%
(c)	Any Other (specify)									
	i. Clearing members	86300	0	86300	0.99%	21103	0	21103	0.24%	-0.75%
	ii. Non Resident Individuals	34249	150	34399	0.39%	33289	150	33439	0.38%	-0.01%
	iii. Trusts	250	0	250	0.00%	0	0	0	0.00%	0.00%
	iii. Investor Education and Protection Fund Authority (IEPFA)	0	0	0	0.00%	9046	0	9046	0.10%	0.10%
	Sub-Total (B)(2)	**2176326**	**162160**	**2338486**	**26.73%**	**2027861**	**141670**	**2169531**	**24.79%**	**-1.93%**
(B)	**Total Public Shareholding (B) = (B)(1)+(B)(2)**	**2246576**	**165860**	**2412436**	**27.57%**	**2267116**	**145320**	**2412436**	**27.57%**	**0.00%**
	TOTAL (A)+(B)	**8579840**	**170160**	**8750000**	**100.00%**	**8604580.00**	**145420.00**	**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)	**8579840**	**170160**	**8750000**	**100%**	**8604580**	**145420**	**8750000**	**100%**	**0.00%**

(ii) Shareholding of Promoters & Promoter's Group

Sl No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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%	100	0.00%	0.00%	0.00%
2	Ajai M. Ghorpade	16730	0.19%	0.00%	16730	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	Yashodhara 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%	0.00%	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%	8300	0.09%	0.00%	0.00%
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%	2180	0.02%	0.00%	0.00%
	TOTAL	**6337564**	**72.43%**	**0.00%**	**6337564**	**72.43%**	**0.00%**	**0.00%**

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%
	Purchase during the year	0	0.00%	100	0.00%
	Sale during the year	0	0.00%	100	0.00%
	At the end of the year			100	0.00%
2	Ajai M. Ghorpade				
	At the beginning of the year	16730	0.19%	16730	0.19%
	Purchase during the year	0	0.00%	16730	0.19%
	Sale during the year	0	0.00%	16730	0.19%
	At the end of the year			16730	0.19%
3	Suryaprabha A. Ghorpade				
	At the beginning of the year	500	0.01%	500	0.01%
	Purchase during the year	0	0.00%	500	0.01%
	Sale during the year	0	0.00%	500	0.01%
	At the end of the year			500	0.01%
4	Bahirji A. Ghorpade				
	At the beginning of the year	4200	0.05%	4200	0.05%
	Purchase during the year	0	0.00%	4200	0.05%
	Sale during the year	0	0.00%	4200	0.05%
	At the end of the year			4200	0.05%
5	Ekambar A. Ghorpade				
	At the beginning of the year	4200	0.05%	4200	0.05%
	Purchase during the year	0	0.00%	4200	0.05%
	Sale during the year	0	0.00%	4200	0.05%
	At the end of the year			4200	0.05%
6	S. Y. Ghorpade				
	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%
7	Yashodhara S. Ghorpade				
	At the beginning of the year	5000	0.06%	5000	0.06%
	Purchase during the year	0	0.00%	5000	0.06%
	Sale during the year	0	0.00%	5000	0.06%
	At the end of the year			5000	0.06%

to be continued

continued from previous page

8	Aditya S. Ghorpade				
	At the beginning of the year	500	0.01%	500	0.01%
	Purchase during the year	0	0.00%	500	0.01%
	Sale during the year	0	0.00%	500	0.01%
	At the end of the year			500	0.01%
9	Dhananjai S. Ghorpade				
	At the beginning of the year	785	0.01%	785	0.01%
	Purchase during the year	0	0.00%	785	0.01%
	Sale during the year	0	0.00%	785	0.01%
	At the end of the year			785	0.01%
10	Skand Private Limited				
	At the beginning of the year	4632040	52.94%	4632040	52.94%
	Purchase during the year	0	0.00%	4632040	52.94%
	Sale during the year	0	0.00%	4632040	52.94%
	At the end of the year			4632040	52.94%
11	Sandur Udyog Pvt. Ltd.				
	At the beginning of the year	364529	4.17%	364529	4.17%
	Purchase during the year	0	0.00%	364529	4.17%
	Sale during the year	0	0.00%	364529	4.17%
	At the end of the year			364529	4.17%
12	Sandur Sales & Services Pvt. Ltd.				
	At the beginning of the year	279126	3.19%	279126	3.19%
	Purchase during the year	0	0.00%	279126	3.19%
	Sale during the year	0	0.00%	279126	3.19%
	At the end of the year			279126	3.19%
13	Lohagiri Industrials Pvt. Ltd.				
	At the beginning of the year	290539	3.32%	290539	3.32%
	Purchase during the year	0	0.00%	290539	3.32%
	Sale during the year	0	0.00%	290539	3.32%
	At the end of the year			290539	3.32%
14	Euro Industrial Enterprises Pvt. Ltd.				
	At the beginning of the year	425805	4.87%	425805	4.87%
	Purchase during the year	0	0.00%	425805	4.87%
	Sale 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%
	Purchase during the year	0	0.00%	273300	3.12%
	Sale 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%
	Purchase during the year	0	0.00%	8300	0.09%
	Sale during the year	0	0.00%	8300	0.09%
	At the end of the year			8300	0.09%
17	U. R. Acharya				
	At the beginning of the year	2000	0.02%	2000	0.02%
	Purchase during the year	0	0.00%	2000	0.02%
	Sale during the year	0	0.00%	2000	0.02%
	At the end of the year			2000	0.02%
18	K. Raman				
	At the beginning of the year	900	0.01%	900	0.01%
	Purchase during the year	0	0.00%	900	0.01%
	Sale 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%
	Purchase during the year	0	0.00%	2180	0.02%
	Sale during the year	0	0.00%	2180	0.02%
	At the end of the year			2180	0.02%

iii) 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	149135	1.70%	149135	1.70%
	Purchase during the year	0	0.00%	149135	1.70%
	Sale during the year	4704	0.05%	144431	1.65%
	At the end of the year			144431	1.65%
2	ANAND SHANKAR MALL				
	At the beginning of the year	86731	0.99%	86731	0.99%
	Purchase during the year	0	0.00%	86731	0.99%
	Sale 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%
	Purchase during the year	0	0.00%	70000	0.80%
	Sale 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%
	Purchase during the year	0	0.00%	63745	0.73%
	Sale during the year	0	0.00%	63745	0.73%
	At the end of the year		0.00%	63745	0.73%
5	EQ India Fund				
	At the beginning of the year	0	0.00%	0	0.00%
	Purchase during the year	60000	0.69%	60000	0.69%
	Sale 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%
	Purchase during the year	0	0.00%	50000	0.57%
	Sale during the year	0	0.00%	50000	0.57%
	At the end of the year			50000	0.57%
7	GANESH SRINIVASAN				
	At the beginning of the year	0	0.00%	0	0.00%
	Purchase during the year	46800	0.53%	46800	0.53%
	Sale during the year	0	0.00%	46800	0.53%
	At the end of the year			46800	0.53%
8	MADHURI OMPRAKASH DAMANI				
	At the beginning of the year	100650	1.15%	100650	1.15%
	Purchase during the year	0	0.00%	100650	1.15%
	Sale during the year	63000	0.72%	37650	0.43%
	At the end of the year			37650	0.43%
9	ERROL FERNANDES				
	At the beginning of the year	0	0.00%	0	0.00%
	Purchase during the year	37514	0.43%	37514	0.43%
	Sale during the year	0	0.00%	37514	0.43%
	At the end of the year			37514	0.43%
10	JM FINANCIAL SERVICES LIMITED				
	At the beginning of the year	0	0.00%	0	0.00%
	Purchase during the year	30150	0.34%	30150	0.34%
	Sale during the year	0	0.00%	30150	0.34%
	At the end of the year			30150	0.34%

(v) Shareholding of Directors & Key Managerial Personnel

Sl. No.	Name of the shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	S. Y. Ghorpade - Chairman				
	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	0	0.00%	8300	0.09%
	Sale during the year	0	0.00%	8300	0.09%
	At the end of the year			8300	0.09%
3	U. R. Acharya - Director (Commercial)[1]				
	At the beginning of the year	2000	0.02%	2000	0.02%
	Purchase during the year	0	0.00%	2000	0.02%
	Sale during the year	0	0.00%	2000	0.02%
	At the end of the year			2000	0.02%
4	B. Ananda Kumar - Independent Director				
	At the beginning of the year	2378	0.03%	2378	0.03%
	Purchase during the year	0	0.00%	2378	0.03%
	Sale during the year	1878	0.02%	500	0.01%
	At the end of the year			500	0.01%
5	Rajnish Kumar Singh - Director (Corporate)[2]				
	At the beginning of the year	0	0.00%	0	0.00%
	Purchase during the year	100	0.00%	100	0.00%
	Sale during the year	0	0.00%	100	0.00%
	At the end of the year			100	0.00%
6	K. Raman - Chief Financial Officer[3]				
	At the beginning of the year	900	0.01%	900	0.01%
	Purchase during the year	0	0.00%	900	0.01%
	Sale during the year	0	0.00%	900	0.01%
	At the end of the year			900	0.01%
7	Md. Abdul Saleem - CS & VP (Mines)[4]				
	At the beginning of the year	2180	0.02%	2180	0.02%
	Purchase during the year	0	0.00%	2180	0.02%
	Sale during the year	0	0.00%	2180	0.02%
	At the end of the year			2180	0.02%

Note:
[1] Retired with effect from 1 April 2018
[2] Appointed with effect from 1 January 2018
[3] Chief Financial Officer upto 31 March 2018
[4] Company Secretary upto 31 March 2018

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	U. R. Acharya[1] Director (Commercial)	Rajnish Kumar Singh[2] Director (Corporate)	Total Amount
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	39.60	22.27	5.61	67.48
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	107.93	61.08	11.22	180.23
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission - as % of profit”	16.48	16.48	4.12	37.08
5	Others, please specify (Contributions)	10.69	6.01	1.51	18.21
	Total (A)	**174.70**	**105.84**	**22.46**	**303.00**
	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				**1,688.50**

Note:
[1] Retired with effect from 1 April 2018
[2] Appointed with effect from 1 January 2018

B. Remuneration to other directors						₹ lakh
Particulars of remuneration						Total Amount
3. Independent Directors	V. Balasubramanian	B. Ananda Kumar	S. S. Rao	K. V. Ramarathnam	G. P. Kundargi	
Fee for attending board/ committee meeting	3.55	4.20	4.11	2.65	3.40	**17.26**
Commission	16.48	16.48	16.48	16.48	16.48	**82.40**
Others, please specify	0	0	0	0	0	**0.00**
Total (1)	**20.03**	**20.03**	**20.59**	**19.13**	**19.88**	**99.66**

4. Other Non-Executive directors	S. Y. Ghorpade	Vatsala Watsa	T. R. Raghunandan	
Fee for attending board/ committee meeting	2.70	3.11	2.45	**8.26**
Commission	16.48	16.48	16.48	**49.44**
Others, please specify	0	0	0	**0.00**
Total (2)	**19.18**	**19.59**	**18.93**	**57.70**
Total(B) = (1)+(2)				**157.36**
Total Managerial Remuneration (exclusive of sitting fees paid to the Directors)				**131.84**
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)				**168.85**

C. Remuneration to Key Managerial Personnel other than Managing Director/ Manager/WTD			**₹ lakh**
Sl. No.	**Particulars of Remuneration**	**Md. Abdul Saleem CS & VP (Mines)**	**K. Raman CFO**
1	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7.99	22.44
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	22.94	44.90
	(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)	2.13	6.06
	Total (C)	**33.06**	**73.40**

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 of Directors

Place : Bengaluru
Date : 30 May 2018

S. Y. GHORPADE
Chairman
(DIN: 00080477)

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH 2018

[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 - 583 119, Ballari District, Karnataka

I have conducted the Secretarial Audit of the compliance of specific applicable statutory provisions and the adherence to good corporate practices by **The Sandur Manganese & 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 2018,** 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 2018** and made available to me, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made thereunder.

(ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder.

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. **(Not applicable during the audit period)**

   d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. **(Not applicable during the audit period)**

   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. **(Not applicable during the audit period)**

   f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.

   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. **(Not applicable during the audit period)**

   h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998. **(Not applicable during the audit period)**

   i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. (hereinafter referred as ‘SEBI (LODR) 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, Rules, Regulations, Guidelines, Secretarial Standards etc. as mentioned above *except in few instances where the e-forms have been filed after due dates with additional fees*.

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.

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 observations:*

1. *During the audit period, from 01 January 2018 to 31 March 2018 the Board’s composition was not as per the provisions of Regulation 17 (1) (b) of SEBI (LODR) 2015.*

2. *In one instance, the Company has delayed in filing the Statement as required under the provisions of Regulation 13 (3) of SEBI (LODR) 2015.*

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

(i) Mines and Minerals (Development and Regulation) Act, 1957

(ii) Mines Act, 1952

(iii) The Environment (Protection) Act, 1986

(iv) Air (Prevention and Control of Pollution) Act, 1981

(v) Water (Prevention and Control of Pollution) Act, 1981

(vi) Indian Forest Act, 1927

(vii) Karnataka Forest Act, 1963

(viii) Forest (Conservation Act), 1980

(ix) Karnataka Mineral Policy, 2008

(x) National Mineral Policy, 2008

(xi) Explosives Act, 1884

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors *except for a brief period between 01 January 2018 to 31 March 2018, during the period under review, when the composition of Board of Directors was not in compliance with provisions of Regulations 17(1)(b) of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, which stipulates that a listed entity, where the chairperson of the board of directors is a non-executive director, but a promoter of the listed entity, then in that case at least half of the board of directors of the listed entity shall consist of independent directors.* The Company has a Woman Director on the Board. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance of the provisions of the Act.

Adequate notice 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.

Place : Bengaluru   Name and Signature: **N. D. SATISH**
Date : 30 May 2018   Designation: Practicing Company Secretary
Stamp: ACS No. 33507; CP No.12400

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

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 - 583 119, Ballari District, Karnataka

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

(1) Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

(2) I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that 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.

Place: Bengaluru   Name and Signature: **N. D. SATISH**
Date : 30 May 2018   Designation: Practicing Company Secretary
Stamp: ACS No. 33507; CP No.12400

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY

1. A brief outline of the company’s CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

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

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

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

Various other initiatives taken by the Company towards development of society where the Company has its presence are enumerated below:

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

2. Composition of the CSR Committee:

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

(i) S. Y. Ghorpade, Chairman - Chairman
(ii) Nazim Sheikh, Managing Director - Member
(iii) V. Balasubramanian, Independent Director - Member
(iv) S. S. Rao, Independent Director - Member
(v) T. R Raghunandan, Non - Executive Director - Member

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

The Company’s average net profit for last three financial years 2014-15, 2015-16 and 2016-17 amounts to ₹3,417.60 lakh.

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

The Company is required to spend ₹68.35 lakh during the financial year 2017-18.

5. Details of CSR spent for the financial year:

(a) Total amount spent for the financial year: ₹76.85 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.	76.00	76.85	290.35	Karnataka Seva Sangha (Implementing Agency)

6. **Reasons for not spending the prescribed amount:** Not Applicable

7. **Responsibility Statement of the CSR Committee:**

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

for and on behalf of the Board and CSR Committee

Place : Bengaluru
Date : 30 May 2018

S. Y. GHORPADE
Chairman of the Board &
CSR Committee
DIN : 00080477

NAZIM SHEIKH
Managing Director
Member, CSR Committee
DIN : 00064275

Annexure – 'E'

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	:	Energy conservation measures taken are by using energy efficient and star rated electrical equipment's and use of CFL/LED lights etc.
(ii)	Steps taken by the Company for utilization of alternate sources of energy	:	Solar powered street lighting & solar water heating systems implemented for some of the employee quarters. The energy saved by using solar power is about 4 lakh units per year.
(iii)	Capital Investment on energy Conservation Equipment	:	₹1.83 lakh

A. CONSERVATION OF ENERGY:		:	
(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: (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.	:	Not Applicable
(iv)	Expenditure incurred on Research and Development	:	NIL

C. FOREIGN EXCHANGE EARNINGS & OUTGO:		:	
1.	Foreign Exchange Earnings	:	₹935.77 lakh
2.	Foreign Exchange Outgo	:	₹1703.44 lakh

for and on behalf of the Board of Directors

Place: Bengaluru
Date : 30 May 2018

S. Y. GHORPADE
Chairman
(DIN: 00080477)

Annexure – 'F'

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		₹ 3.98 lakh
	₹ lakh	**Ratio**
Nazim Sheikh	174.70	43.89
U. R. Acharya	105.84	26.59
Rajnish Kumar Singh[1]	22.46	22.57

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

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:

	2017-18 (₹ lakh)	**2016-17 (₹ lakh)**	**% Increase**
Nazim Sheikh, Managing Director	174.70	128.99	35.44
U. R. Acharya, Director (Commercial)	105.84	75.68	39.85
Rajnish Kumar Singh, Director (Corporate)[1]	22.46	-	NA
K. Raman, CFO	73.40	74.55	(1.54)
Md. Abdul Saleem, CS & VP (Mines)	33.06	25.15	31.45
Total	409.46	304.37	27.15[2]

[1] Appointed as Director (Corporate) w.e.f. 1 January 2018
[2] Percentage increase calculated excluding remuneration paid to Director (Corporate) in 2017-18

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

	2017-18 (₹ lakh)	**2016-17 (₹ lakh)**	**% Increase**
Median remuneration of employees	3.98	2.98	33.56

4. Number of permanent employees on the rolls of company as on 31 March 2018: 1748

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 33.56%

b. Percentile increase in the managerial remuneration 27.15%

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

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	174.70	Permanent	B. E, 42 Years	02 August 1976	64	-	-	-
2	U. R. Acharya	Director (Commercial)[1]	105.84	Permanent	B. E, 43 Years	04 March 1976	65	-	-	-
3	K. Raman	Chief Financial Officer[2]	73.40	Permanent	M. Com, AICWA, 37 Years	01 January 1981	70	-	-	-
4	P. Sridaran	Senior Vice President (Plant)	57.78	Permanent	B. E. 44 Years	01 February 2016	69	Director Star Metallics & Power Pvt. Ltd.	-	-
5	Rajnish Kumar Singh	Director (Corporate)[3]	34.88	Permanent	B. E., PGDM 26 Years	14 June 2017[4]	50	Executive Vice President Kotak Mahindra Bank	-	-
6	Md. Abdul Saleem	Vice President (Mines)	33.06	Permanent	B. Com, FCS, BL 19 Years	01 September 2005	44	Company Secretary VBC Ferroalloys Limited	-	-
7	Tamil Mani M	Vice President (Iron & Steel Project)	32.56	Permanent	B. E. 30 Years	01 August 2016	52	Asst. Vice President Jindal Stainless Ltd.	-	-
8	Aditya S. Ghorpade	Vice President (Plant Operations)	28.83	Permanent	B. Com., Diploma in Comp. Appl. 25 Years	16 August 1993	51	-	-	Son of S. Y. Ghorpade
9	Mubeen A Sheriff	Senior General Manager (Commercial)	23.21	Permanent	B. E., 16 Years	01 June 2013	39	Deputy General Manager (Commercial) Star Metallics & Power Pvt. Ltd.	-	Son-in-law of Nazim Sheikh
10	H. Yellappa	General Manager (Mines)	29.04	Permanent	Dip in Mining, Ist Cls Cert 31 Years	09 April 1987	61	-	-	-

[1&2] Retired w.e.f. 1 April 2018.
[3&4] Appointed as Chief Executive (Finance & HR) w.e.f. 14 June 2017. Elevated to Director (Corporate) w.e.f. 1 January 2018.

8. NAME 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	174.70	Permanent	B. E, 42 Years	02 August 1976	64	--	--	--

(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	--	--	--	--	--	--	--	--	--	--

for and on behalf of the Board of Directors

Place: Bengaluru
Date : 30 May 2018

S. Y. GHORPADE
Chairman
(DIN: 00080477)

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR 2017-18

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 2018 the Board consists of eleven members, including a managing director, two whole time directors, five independent directors and three non-executive directors including a woman director. The Chairman is one of the promoters of the Company. All the directors are adequetly qualified, professional and have vast experience in the industry.

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

Name of Directors	Category / Designation	Attendance	
		Board meetings	Last AGM
S. Y. Ghorpade	Chairman	8	Yes
Nazim Sheikh	Managing Director	7	No
V. Balasubramanian	Non-Executive & Independent	7	Yes
U. R. Acharya[1]	Director (Commercial)	8	Yes
B. Ananda Kumar	Non-Executive & Independent	8	Yes
S. S. Rao	Non-Executive & Independent	8	Yes
Vatsala Watsa	Non-Executive Director	6	Yes
K. V. Ramarathnam[2]	Non-Executive & Independent	8	Yes
T. R. Raghunandan	Non-Executive Director	7	No
G. P. Kundargi	Non-Executive & Independent	7	Yes
Rajnish Kumar Singh[3]	Director (Corporate)	2	NA[4]

[1]Retired from closure of working hours on 31 March 2018
[2]Re-designated as Independent Director on 30 May 2017
[3]Appointed as Director (Corporate) with effect from 1 January 2018
[4]Was not yet appointed as a Director as on the date of last AGM

- ***Number of directorships and committee memberships held by the directors in domestic public companies as at 31 March 2018 are as indicated below:***

Name of Directors	Directorships (Excluding this Company)	Committee Memberships* (Excluding this Company)	
		As Chairman	As Member
S. Y. Ghorpade	1	-	-
Nazim Sheikh	1	-	-
V. Balasubramanian	6	-	3
B. Ananda Kumar	2	-	-
U. R. Acharya	2	-	1
S. S. Rao	4	2	2
Vatsala Watsa	0	-	-
K. V. Ramarathnam	2	-	2
T. R. Raghunandan	0	-	-
G. P. Kundargi	0	-	-
Rajnish Kumar Singh	1	-	-

*Membership of Audit Committee and Stakeholders' Relationship Committee are only considered

- ***Board meetings:***

Meetings of the Board of Directors are generally held at the Company's Corporate Office at Bengaluru 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(LODR) 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 eight times during the financial year on 30 May 2017, 29 June 2017, 13 September 2017, 26 September 2017, 4 December 2017, 27 December 2017, 14 February 2018, and 23 March 2018. 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. They are updated on a frequent basis with regard to operations of the Company. Any material development is intimated promptly. The Management encourages participation by the independent directors and accordingly, any clarification sought by the independent directors with regard to the Company's operations is duly addressed.

In addition, the independent directors are acquainted with their roles, rights, and responsibilities at the time of induction. Presently, no formal training programme exists. Learning for the independent directors on the 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 via participation.

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

3. **<u>Audit Committee</u>**

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

a) to investigate any activity within its terms of reference;

b) to seek information from any employee;

c) to obtain outside legal or other professional advice; and

d) to secure attendance of outsiders with relevant expertise, if considered necessary.

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

a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.

b) Recommending the appointment, remuneration and terms of appointment of auditors of the company.

c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

d) Reviewing with the management the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

- Matters required to be included in the Directors Responsibility Statement in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
- Changes, if any, in accounting policies and practices and reasons for the same
- Major accounting entries based on the exercise of judgment by management
- Significant adjustments made in the financial statements arising out of audit findings
- Compliance with listing and other legal requirements relating to financial statements
- Disclosure of any related party transactions
- 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	Designation	Category	No. of meetings attended
B. Ananda Kumar	Chairman	Non-Executive & Independent	6
V. Balasubramanian	Member	Non-Executive & Independent	5
S. S. Rao	Member	Non-Executive & Independent	6
Vatsala Watsa	Member	Non-Executive Director	5
G. P Kundargi	Member	Non-Executive & Independent	5

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 six times during the financial year on 30 May 2017, 29 June 2017, 13 September 2017, 4 December 2017, 14 February 2018 and 23 March 2018. 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 26 September 2017 to answer the queries of the shareholders.

4. Nomination and Remuneration Committee

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

• ***Terms of reference of the Nomination & Remuneration Committee:***

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

b) formulation of criteria for evaluation of performance of independent directors and the board of directors;

c) devising a policy on diversity of board of directors;

d) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and/or removal.

e) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

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

Name	Designation	Category	No. of meetings attended
V. Balasubramanian	Chairman	Non-Executive & Independent	4
S. S. Rao	Member	Non-Executive & Independent	4
Vatsala Watsa	Member	Non-Executive Director	4
K. V. Ramarathnam[1]	Member	Non-Executive & Independent Director	4

[1]Redesignated as Independent Director w.e.f. 30 May 2017

The Nomination and Remuneration Committee is duly constituted in compliance with the SEBI (LODR) Regulations, 2015. V. Balasubramanian, 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 30 May 2017, 4 December 2017, 14 February 2018 and 23 March 2018. all Directors were present for all the meetings.

The Chairman of the Nomination and Remuneration Committee was present at the Annual General Meeting held on 26 September 2017 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:

a) Director's attendance in Board/Committee/General Meetings

b) Director comes well prepared and informed for the Board / committee meeting(s).

c) Director demonstrates willingness to devote time and effort to understand the Company and its business and readily participates in events outside the meeting room, such as site visits etc.

d) Director's proactively contributes to development of strategy and to risk management of the Company.

e) Director is effective and successful in managing relationships with fellow Board Members and senior management during and as well as outside the Board Meeting.

f) Director understands governance, regulatory, financial, fiduciary and ethical requirements of the Board /Committees.

g) Director actively and successfully refreshes his/ her knowledge and skills and is upto date with the latest developments in areas such as corporate governance framework, financial reporting and the industry and market conditions.

h) Candidness, objectivity & constructiveness in advising the management & ability to present his/ her views convincingly yet diplomatically.

i) Director listens and takes cognisance of views of other members of Board.

j) Director scrutinises the performance of management against the agreed goals and objectively monitors the reporting of performance.

k) Director has maintained high standard of ethics and integrity.

l) Director adheres to the applicable code of conduct for Independent Directors.

m) Exercise of objective independent judgment in the best interest of Company.

n) Ability to contribute to and monitor the corporate governance practice.

5. <u>Remuneration of Directors and KMP:</u>

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

a) the remuneration of the Managing Director, Whole-time Directors and KMPs

b) the total level of remuneration of Non-Executive Directors and for individual remuneration for Non-Executive Directors;

c) the remuneration policies for KMPs, senior management personnel and other employees

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

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

The whole-time directors are remunerated in accordance with the remuneration approved by the shareholders. The Managing Director and Director (Commercial) were remunerated in the financial year 2017-18 in accordance with the special resolutions passed by the shareholders at the 63rd Annual General Meeting held on 26 September 2017. Remuneration paid to Director (Corporate) in the financial year is subject to the approval of the shareholders at the next general meeting.

- ***Details of remuneration paid to the whole-time directors for the year 2017-18:***

(₹ lakh)

Name of Director	Salary	Perquisites	Contributions[2]	Commission	Term
Nazim Sheikh Managing Director	39.60	107.93	10.69	16.48	3 years from 1 April 2017
U. R. Acharya Director(Commercial)	22.27	61.08	6.01	16.48	1 year from 1 April 2017
Rajnish Kumar Singh[1] Director (Corporate)	5.61	11.22	1.51	4.12	3 years from 1 January 2018

[1] Appointed as Director (Corporate) with effect from 1 January 2018.

[2] 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 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.

f) Details of sitting fees and commission paid to non-executive directors for the financial year 2017-18:

(₹ lakh)

Sl. No.	Name of Director	Sitting Fees*	Commission
1	S. Y. Ghorpade	2.70	16.48
2	V. Balasubramanian	3.55	16.48
3	B. Ananda Kumar	4.20	16.48
4	S. S. Rao	4.11	16.48
5	Vatsala Watsa	3.11	16.48
6	K. V. Ramarathnam	2.65	16.48
7	T. R. Raghunandan	2.45	16.48
8	G. P. Kundargi	3.40	16.48

*excluding applicable taxes

6. Stakeholders' Relationship Committee

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

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 attends to share transfers and transmissions, issue of fresh share certificates in lieu of old share certificates lost / mutilated or on transfer, sub-division, consolidation, renewal, exchange etc., subject to the related deeds / documents being in order.

Venture Capital and Corporate Investments Private Limited (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 a statement of share transfers / transmissions effected, share certificates issued in each quarter are placed before the Stakeholders' Relationship Committee for approval and are also placed before the Board of Directors for ratification at their next meeting.

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

Md. Abdul Saleem, Company Secretary & Vice President (Mines)
(upto 31 March 2018)

Divya Ajith, Company Secretary and Compliance Officer
(with effect from 1 April 2018)

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

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

The Company Secretary acts as Secretary to the Committee.

The Stakeholders' Relationship Committee met four times during the financial year on 30 May 2017, 13 September 2017, 4 December 2017 and 14 February 2018. 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 2017	0
Complaints received during the year ended 31 March 2018	2
Complaints resolved during the year	2
Complaint not solved to the satisfaction of shareholders during the year ended 31 March 2018	0
Complaints pending as on 31 March 2018	0

7. **Environment Committee**

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

Name	Designation	Category	No. of meetings attended
S. Y. Ghorpade	Chairman	Non-Executive Director	1
Nazim Sheikh	Member	Executive Director	1
V. Balasubramanian	Member	Non-Executive & Independent	1
U. R. Acharya[1]	Member	Executive Director	1
G. P. Kundargi	Member	Non-Executive & Independent	1

[1]Retired from closure of working hours on 31 March 2018

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

The Company Secretary acts as Secretary to the Committee.

The Committee met once during the financial year on 27 December 2017. All the members attended the meeting.

8. **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.

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
S. Y. Ghorpade	Chairman	Non-Executive Director	1
Nazim Sheikh	Member	Executive Director	1
V. Balasubramanian	Member	Non-Executive & Independent	1
S. S. Rao	Member	Non-Executive & Independent	1
T. R. Raghunandan	Member	Non-Executive Director	1

The CSR Committee met once during the financial year on 27 December 2017. All the members attended the meeting.

The Company Secretary acts as Secretary to the Committee.

9. Risk Management Committee:

The Risk Management Committee was constituted by the Board of Directors in its meeting held on 28 May 2014. The SEBI (LODR) 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
S. Y. Ghorpade	Chairman	Non - Executive Director	1
Nazim Sheikh	Member	Executive Director	1
U. R. Acharya[1]	Member	Executive Director	1
B. Ananda Kumar	Member	Non-Executive & Independent	1
Vatsala Watsa	Member	Non-Executive Director	1
K. V. Ramarathnam	Member	Non-Executive & Independent	1

[1]Retired from closure of working hours on 31 March 2018.

The Company Secretary acts as Secretary to the Committee.

The Committee met once during the financial year on 24 March 2018. All members were present for the meeting.

10. 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
Nazim Sheikh	Chairman	Executive Director	2
U. R. Acharya[1]	Member	Executive Director	2
B. Ananda Kumar	Member	Non-Executive & Independent	1
K. V. Ramarathnam	Member	Non-Executive & Independent	2
T. R. Raghunandan	Member	Non-Executive Director	2
G. P. Kundargi	Member	Non-Executive & Independent	2
Rajnish Kumar Singh[2]	Member	Executive Director	NA[3]

[1] Retired from closure of working hours on 31 March 2018

[2&3] Inducted as a member on the Committee w.e.f. 23 March 2018.

The Company Secretary acts as Secretary to the Committee.

The Committee met twice during the financial year on 21 June 2017 and 19 March 2018. The Phase I Stage 1 of the project having commenced in May ’18, the Committee is expected to meet more often now onwards.

11. General Body Meetings

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

	Location	Date & Time
63rd AGM	Golden Jubilee Hall Sandur Residential School, Shivapur, Palace Road, Sandur - 583 119	26 September 2017 at 11.00 A.M
62nd AGM	Golden Jubilee Hall Sandur Residential School, Shivapur, Palace Road, Sandur - 583 119	14 September 2016 at 11.00 A.M
61st AGM	Golden Jubilee Hall Sandur Residential School, Shivapur, Palace Road, Sandur - 583 119	19 September 2015 at 11.00 A.M

- ***Special resolutions passed in the previous three annual general meetings***

AGM	Whether Special Resolution passed thereat	Special Resolutions
63rd AGM held on 26 September 2017	Yes	1. Re-appointment of Nazim Sheikh as Managing Director for a term of 3 years with effect from 1 April 2017. 2. Re-appointment of U. R. Acharya 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.
62nd AGM held on 14 September 2016	No	Nil
61st AGM held on 19 September 2015	No	Nil

- During the year, no resolutions were passed by way of 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 taken by the Company.

12. Subsidiary Company

Star Metallics 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 2018.

The following directors of the Company - S. Y. Ghorpade, Nazim Sheikh, V. Balasubramanian, S. S. Rao and B. Ananda Kumar hold 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 SMIORE have been appointed as non-executive & Independent Directors on the Board of SMPPL.

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

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

13. 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.

14. General Shareholder Information

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

01 September 2018 at 11.00 a.m. at Golden Jubilee Hall, Sandur Residential School, Shivapur, Palace Road, Sandur - 583 119.

ii) Financial Year: 1 April 2017 to 31 March 2018

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

Financial Reporting for the quarter ending 30 June 2018	On or before 14 August 2018
Financial Reporting for the quarter ending 30 September 2018	On or before 14 November 2018
Financial Reporting for the quarter ending 31 December 2018	On or before 14 February 2019
Financial Reporting for the quarter ending 31 March 2019	By end of May 2019

iv) Dates of Book Closure: 27 August 2018 to 01 September 2018 (both days inclusive)

v) Dividend Payment Date: On or after 01 September 2018

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

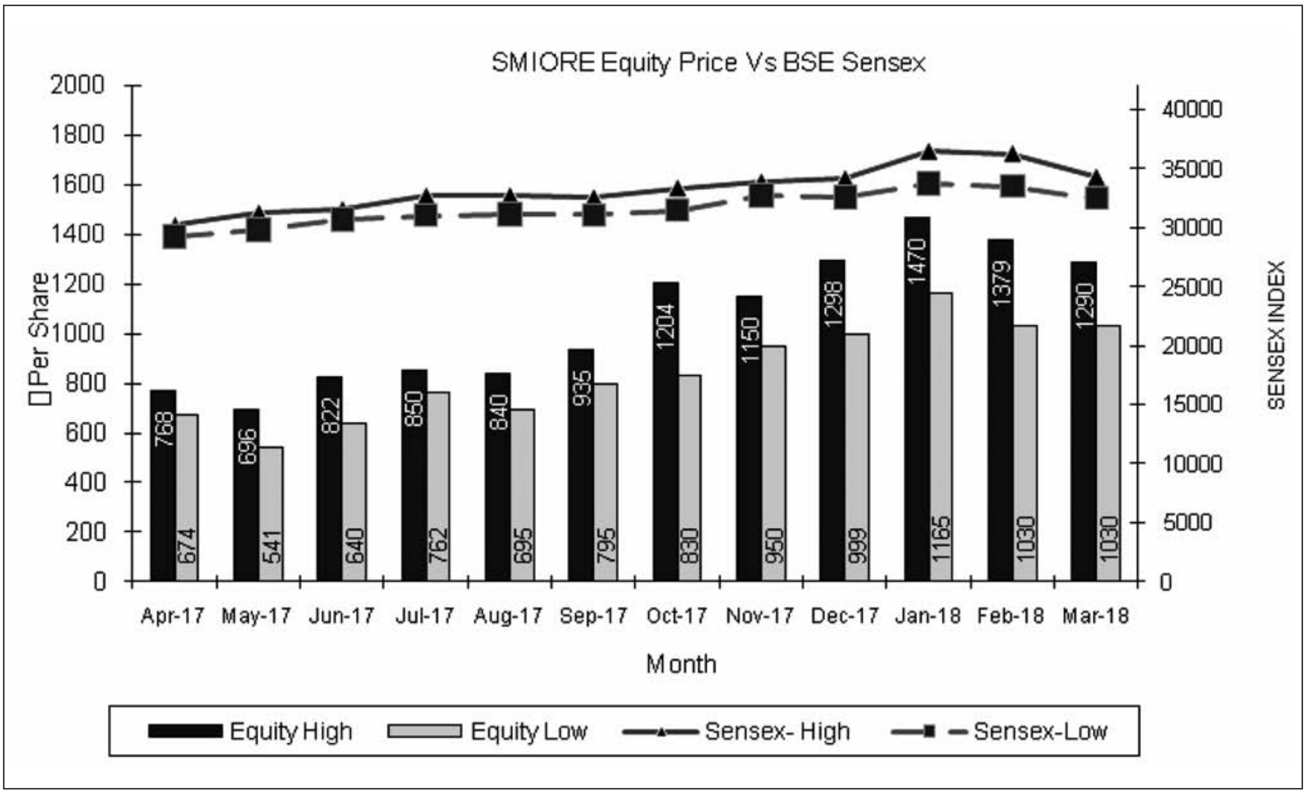
Listing Fee: The Company has paid annual listing fee for the year 2017-18 to BSE Limited where the securities of the Company are listed.

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-17	685	768	674	678	127899	3775	29713
May-17	682	696	541	646	133094	4318	30530
Jun-17	663	822	640	770	262910	7509	31102
Jul-17	777	850	762	825	253129	6305	31845
Aug-17	833	840	695	807	121155	3394	31907
Sep-17	809	935	795	834	601104	16090	31803
Oct-17	842	1204	830	1086	835412	21356	32390
Nov-17	1099	1150	950	1092	369675	10146	33275
Dec-17	1110	1298	999	1204	519249	16681	33352
Jan-18	1219	1470	1165	1259	437758	19749	35074
Feb-18	1259	1379	1030	1245	165827	7401	34870
Mar-18	1265	1290	1030	1119	116739	5266	33381

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



x) Distribution of Equity Shareholding as on 31 March 2018:

Shareholding of Nominal value of ₹		No. of shareholders	No. of Shares	% to total Capital
Up to	5000	8,599	6,27,018	7.17
5001	10000	265	2,04,470	2.34
10001	20000	121	1,82,883	2.09
20001	30000	56	1,38,876	1.59
30001	40000	28	1,00,533	1.15
40001	50000	18	84,661	0.97
50001	100000	29	2,03,549	2.33
100001	Above	34	72,08,010	82.38
Total		**9,150**	**87,50,000**	**100.00**

xi) Shareholding pattern as on 31 March 2018:

Categories	No. of Shares	% to total
Promoters, Directors and their relatives and persons acting in concert	63,37,564	72.43
Banks and Financial Institutions	72,500	0.83
Mutual Funds	1,150	0.01
Insurance Companies	0	0.00
Foreign Institutional Investors	0	0.00
Other bodies corporate	4,91,340	5.62
Public	18,38,400	21.01
Investor Education and Protection Fund Authority (IEPFA)	9,046.00	0.10
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 had been appointed as Share Transfer Agent of the Company to process share transfer requests on behalf of the Company with effect from 18 January 2008. The Chairman or Managing Director or Company Secretary approves the share transfer registers and statement of share transfers / transmissions effected, share certificates issued in each quarter are placed before the Stakeholders' Relationship Committee for approval and are also placed before the Board of Directors for ratification at their next meeting.

xiv) Dematerialization of Shares and Liquidity: As on 31 March 2018, 86,04,580 equity shares have been dematerialized.

xv) There are no outstanding GDRs / ADRs / Warrants or any Convertible Instruments due for conversion.

xvi) Commodity price risk or foreign exchange risk and hedging activities: Nil

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

xviii) Address for correspondence:

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

15. 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 shareholding.
- **Details of non-compliance:** There have been no instances of non-compliance by the Company and no penalties, strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.
- **Vigil Mechanism:** The Company has put in place a mechanism of reporting illegal or unethical behavior. Employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor/notified persons. The reports received from any employee will be reviewed by the audit committee. It is affirmed that no personnel 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 (LODR) 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.

(iii) **Shareholder Rights:** The quarterly and annual financial results of the Company are published in leading newspapers, placed on website of the Company and are provided to stock exchanges in compliance with the provisions of SEBI (LO&DR) 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
- **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 (Ind AS) - 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.
- **Disclosure of commodity price risks and commodity hedging activities:** Not applicable

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

17. 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 2017-18. The CEO/CFO certification is annexed hereto.

18. Affirmation of compliance with 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 2017-18 and the same were placed before the Board at its meeting held on 30 May 2018. A copy of the said certificate is annexed hereto.

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

Auditor's Certificate is annexed.

for and on behalf of the Board of Directors

Place: Bengaluru
Date : 30 May 2018

NAZIM SHEIKH
Managing Director
(DIN: 00064275)

CERTIFICATE

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;

(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) There 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 internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps that have been taken or propose to be taken to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit committee

(i) Significant changes in internal control over financial reporting during the year;

(ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Bengaluru
Date : 30 May 2018

NAZIM SHEIKH
Managing Director

SACHIN SANU
Chief Financial Officer

CERTIFICATE

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 2017-18 and the same are placed before the Board at its meeting held on 30 May 2018.

for and on behalf of the Board of Directors

Place : Bengaluru
Date : 30 May 2018

NAZIM SHEIKH
Managing Director

INDEPENDENT AUDITOR'S 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, 2018 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, 2018 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, 2017 to March 31, 2018;

      • Board of Directors ;
      • Audit Committee;
      • Nomination and Remuneration Committee;
      • 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, 2018, referred to in paragraph 1 above

9. *During the period January 1, 2018 to March 31, 2018 the Board's composition was not as per the provision of Regulation 17 (1) (b) 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 Registration Number: 004137S/S200041

Gokul S. Dixit
Partner
Membership Number: 209464

Place : Bengaluru
Date : May 30, 2018

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 (2017-18), 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

Production of iron ore in India during 2017-18 went up by 9% to 210 million tonnes (Mt) from 192 Mt during 2016-17. In Karnataka production was around 27-28 Mt. Sales by e-auction went up by 3% to 28.1 Mt in 2017-18 from 27.4 Mt during 2016-17.

Company received clearance to raise production up to 1.6 Mt of iron ore in Dec '17 and managed to produce 1.58 Mt, representing 96% of permissible limit. Despite marginal fall in % Fe, higher average price was realized during FY18.

NMDC, whose price is considered as bench mark price, has also seen increase in average realization by nearly 33%. This pushed price upward.

However, towards end of the financial year, the industry witnessed a downward trend in the price. Supply situation in Karnataka is improving and prices are therefore expected to moderate further in the coming months. Due to higher production levels in Odisha there has been a fall in prices. Users in Karnataka are also finding it cheaper to haul ore from Odisha, despite higher freight. Prices in the international market are also witnessing downward trend and Indian users are resorting to imports, which will adversely impact prices of Indian low-grade iron ore. Consequently, import of low grade iron ore at lower price will render beneficiation of very low-grade ore becoming economically unviable. Apart from this, recently auctioned 'C'- category mines to users in Karnataka, are also expected to commence production from its newly acquired mines, and when fully operational, an additional 4-5 Mt will become available resulting in improving the supply situation, which is expected to further moderate price of iron ore.

Manganese ore

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

The Company's production increased to 260 Kt in 2017-18 compared to 222 Kt during 2016-17. International prices rose during FY18 to a level of 7.5 to 8.5 $/% Mn, but dipped in the fourth quarter. Grade of the Mn ore produced by the Company during 2017-18 improved by 1.95 units of Mn, and consequently realization on sale of Mn ore in E-auction rose by 26%.

Grade of manganese ore to be produced by the Company during 2018-19 is expected to improve further and after meeting captive requirement for Fe alloy production, the grade of ore to be sold is also expected to be higher. Though, price is expected to remain at the same level as that achieved during last quarter of FY 18.

Ferro alloys

Ferro alloys capacity in India is about 5.5 Mt and production during the year was about 3.5 Mt, representing about 65% capacity utilization. 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 by nearly 39% to 30,987 tonnes against 22,362 tonnes in 2016-17. Market conditions during the year were favorable and saw an increase in prices. Higher price of imported manganese ore during most part of the year led to increased alloy prices. The Company was able to improve the average realization by 20%. Higher price of Mn ore results in offsetting, to some extent 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. 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 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 2018, the performance of the Company's Mines is given below:

(i) Produced 260 Kt of manganese ore and sold 224 Kt.

(ii) Produced 1580 Kt of iron ore and sold 1332 Kt.

b) Conversion of Manganese ore to Silicomanganese

During the year under review, Mn ore produced at Company's mines was used to produce 29,317 tonnes of Silicomanganese. 30,987 tonnes SiMn was sold mostly to domestic industries.

4. OUTLOOK, RISKS AND CONCERNS

Iron Ore

In Dec '17 Supreme Court relaxed cap for production of iron ore from 30 Mt to 35 Mt. for Ballari, Chitradurga & Tumkuru districts. More mines are coming into production after completing R & R. In addition, mines acquired in auction are also likely to commence production during 2018-19. 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 also result in lowering of prices and also affect saleability of low grade ores. Overall profitability of iron ore operations is expected to be under strain.

Manganese ore

Mn ore prices in the international market is expected to remain at current level, even if the demand falls as cost of production will be higher due to increasing prices of crude oil/diesel. The Company's Mn ore is expected to realize stable prices. During 2018-19, the Company hopes to produce Mn ore of higher Mn content (than 2017-18) and consequently, obtain better realisation.

Ferro alloys

Mn alloy business is expected to continue as in 2017-18, despite excess capacity in the country. Indian ferroalloy industry is operating at about 65% capacity utilization. Prices which picked up during first quarter of 2018-19 started declining. However, the Company's ferroalloy business is expected to slightly improve with higher production and also having developed a stable market for its SiMn. But, risk of fall in price of SiMn due to overcapacity in the Country continues to exist.

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 new initiatives taken by the Government to boost the market by insistence on usage of domestic steel in all infrastructural projects. This will go a long way in creating demand for input raw materials and alloys. Delay in statutory clearances, nevertheless, continue to cause concern in smooth functioning of mines. 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.

Although the prospects of manganese alloys remain stable, the Company faces the risk of incurring higher energy costs because of increase in (i) price of Indian coal purchased in e-auction, (ii) landed cost of imported coal, and (iii) logistics cost. These threats will be largely mitigated once the coke oven plant is commissioned next year, enabling cheap power generation using waste heat recovery from the coke oven plant, instead of coal.

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 2017, the Company's employee strength was 1994. During the year, 88 employees were recruited while 82 employees separated. This resulted in the strength going up to 2000 by end of FY18. 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 : 30 May 2018

INDEPENDENT AUDITOR'S REPORT

To
The Members of
The Sandur Manganese & Iron Ores Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of The Sandur Manganese & Iron Ores Limited, ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Ind AS Financial Statements").

Management's Responsibility for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the state of affairs(financial position), profit or loss(financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued thereunder.

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

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at March 31, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matters

The comparative financial information of the Company as at for the year ended 31st March 2017 and the transition date opening balance sheet as at 1st April 2016 prepared in accordance with Ind AS, included in these standalone Ind AS financial statements have been audited by the predecessor auditor who had audited the financial statements for the relevant periods. The report of the predecessor auditor on the comparative financial information and the opening balance sheet dated 30th May 2017 expressed an unmodified opinion.

Report on Other Legal and Regulatory Requirements

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

   (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   (c) The Balance Sheet, Statement of Profit and Loss including other Comprehensive Income, and the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards Specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rule, 2015, as amended.

   (e) On the basis of written representations received from the directors as on 31st March 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the existence of internal financial controls with reference to the Ind AS financial statements, and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"** to this report.

(g) With respect to the other matters to be included in the Auditors report in accordance with Rule 11 of the Companies (Audits and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us:-

(i) The Company has disclosed the impact of pending litigations on its financial positions in its standalone Ind AS Financial Statements

(ii) The Company did not have any long term contract including derivative contracts for which there were any material foreseeable losses.

(iii) There are no delay in transferring amounts which are required to be transferred to the Investor Education and Protection fund by the Company.

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

For R. Subramanian and Company LLP
Chartered Accountants
Firm Regd. No. 004137S/S200041

GOKUL S. DIXIT
Partner
M No. 209464

Place : Bengaluru
Date : 30th May 2018

"ANNEXURE-A" To the Independent Auditors' Report for the year ended March 31, 2018.

(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.)

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 & Iron Ores Limited** ("the Company") as of March 31, 2018 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, 2018, 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 Regd. No. 004137S/S200041

GOKUL S. DIXIT
Partner
M No. 209464

Place : Bengaluru
Date : 30th May 2018

"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, 2018.

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 asset 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 2018 for a period of more than six months from the date they became payable.

(c) Detalis 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 2018 on account of disputes are given below:

Name of Statute	Nature of Dues	Amount (₹ lakh)	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
		596.96**	2012-13 to 2013-14	Commissioner of Income Tax (Appeals)
Customs Act,1952	Customs duty Including Interest	333.50***	1986-2016	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 lakh Paid under protest. ** Net of ₹160 lakh Paid under protest.
*** Net of ₹42.22 lakh Paid under protest # excluding Interest

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 Regd. No. 004137S/S200041

GOKUL S. DIXIT
Partner
M No. 209464

Place : Bengaluru
Date : 30th May 2018

THE SANDUR MANGANESE AND IRON ORES LIMITED
Balance Sheet as at 31 March 2018

₹ lakh

	Particulars	Note No.	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
I	**ASSETS**				
1	**NON-CURRENT ASSETS**				
	(a) Property, plant and equipment	2	7,107.87	6,548.62	5,965.46
	(b) Capital work-in-progress	2.1	1,185.62	283.31	138.99
	(c) Investment property	3	4,947.15	1,490.26	1,521.49
	(d) Other intangible assets	4	222.08	235.09	281.92
	(e) Financial assets				
	(i) Investments	5	12,795.53	12,784.07	12,774.56
	(ii) Other financial assets	6	442.83	256.82	417.26
	(f) Deferred tax assets (net)	7	2,050.00	2,430.00	2,160.00
	(g) Other non-current assets	8	5,840.32	8,212.12	7,801.45
	SUB-TOTAL		34,591.40	32,240.29	31,061.13
2	**CURRENT ASSETS**				
	(a) Inventories	9	8,705.78	8,866.47	6,032.76
	(b) Financial assets				
	(i) Investments	5	17,462.17	11,889.38	5,571.89
	(ii) Trade receivables	10	426.40	630.54	846.64
	(iii) Cash and cash equivalents	11	1,878.56	1,584.56	1,625.46
	(iv) Other bank balances	11	389.98	470.47	550.00
	(v) Other financial assets	6	79.44	39.69	38.20
	(c) Other current assets	8	2,161.99	1,036.87	2,691.06
	SUB-TOTAL		31,104.32	24,517.98	17,356.01
	TOTAL ASSETS		**65,695.72**	**56,758.27**	**48,417.14**
II	**EQUITY AND LIABILITIES**				
1	**EQUITY**				
	(a) Equity share capital	13	875.00	875.00	875.00
	(b) Other Equity	13	52,095.90	42,304.91	37,066.87
	SUB-TOTAL		52,970.90	43,179.91	37,941.87
	LIABILITIES				
2	**NON-CURRENT LIABILITIES**				
	(a) Financial liabilities				
	(i) Other financial liabilities	14	4.50	-	28.00
	(b) Provisions	15	451.77	1,685.21	1,606.53
	SUB-TOTAL		456.27	1,685.21	1,634.53
3	**CURRENT LIABILITIES**				
	(a) Financial liabilities				
	(i) Trade payables	16	5,189.83	3,238.20	1,920.40
	(ii) Other financial liabilities	14	20.50	57.90	55.15
	(b) Provisions	15	86.07	479.37	611.16
	(c) Current tax liabilities (net)	12	839.51	986.22	-
	(d) Other current liabilities	17	6,132.64	7,131.46	6,254.03
	SUB-TOTAL		12,268.55	11,893.15	8,840.74
	TOTAL EQUITY AND LIABILITIES		**65,695.72**	**56,758.27**	**48,417.14**

The accompanying notes 1 to 43 are an integral part of the financial statements

In terms of our report attached
For R. Subramanian & Co., LLP
Chartered Accountants
FRN: 004137S/ S200041

GOKUL S. DIXIT
Partner
Membership No. 209464

Place: Bengaluru
Date: 30 May 2018

For and on behalf of the Board of Directors

S.Y. GHORPADE
Chairman

NAZIM SHEIKH
Managing Director

DIVYA AJITH
Company Secretary

SACHIN SANU
Chief Financial Officer

THE SANDUR MANGANESE AND IRON ORES LIMITED
Statement of profit and loss for the year ended 31 March 2018

₹ lakh

	Particulars	Note No.	For the year ended 31 March 2018	For the year ended 31 March 2017
I	Revenue from operations	18	61,239.95	43,371.05
II	Other income	19	1,109.53	856.21
III	**Total revenue (I + II)**		**62,349.48**	**44,227.26**
IV	**Expenses**			
	(a) Cost of materials consumed	20(a)	11,742.61	9,496.49
	(b) Changes in stock of finished goods, work-in-progress and stock-in-trade	20(b)	1,619.20	(2,139.63)
	(c) Employee benefit expense	21	8,279.24	6,513.16
	(d) Finance costs	22	494.90	724.92
	(e) Depreciation and amortisation expense	23	742.63	704.87
	(f) Other expenses	24	23,018.72	20,405.98
V	**Total expenses**		**45,897.30**	**35,705.79**
VI	**Profit before tax (III - IV)**		**16,452.18**	**8,521.47**
VII	**Tax expense**			
	(1) Current tax	25	5,420.00	3,220.00
	(2) Deferred tax	25	380.00	(270.00)
	Total tax expense		**5,800.00**	**2,950.00**
VIII	**Profit after tax for the year (VI-VII)**		**10,652.18**	**5,571.47**
	Other comprehensive income			
	Items that will not be reclassified to the statement of profit and loss			
IX	(i) Remeasurement of employee defined benefit plans	25(b)	(194.00)	(26.00)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	25(b)	70.00	10.00
X	**Total comprehensive income (net of tax) for the year**		**10,528.18**	**5,555.47**
XI	**Earnings per equity share of ₹ 10/-**			
	(1) Basic	26	121.74	63.67
	(2) Diluted	26	121.74	63.67

The accompanying notes 1 to 43 are an integral part of the financial statements

In terms of our report attached
For R. Subramanian & Co., LLP
Chartered Accountants
FRN: 004137S/ S200041

GOKUL S. DIXIT
Partner
Membership No. 209464

Place: Bengaluru
Date: 30 May 2018

For and on behalf of the Board of Directors

S.Y. GHORPADE
Chairman

NAZIM SHEIKH
Managing Director

DIVYA AJITH
Company Secretary

SACHIN SANU
Chief Financial Officer

Statement of changes in equity for the year ended 31 March 2018

₹ lakh

A. Equity share capital	
As at 1 April 2016	875.00
Changes in equity share capital during the year	-
As at 31 March 2017	875.00
Changes in equity share capital during the year	-
As at 31 March 2018	**875.00**

(b) Other equity

₹ lakh

Particulars	**Reserves and surplus**				**Total other equity**
	Capital redemption reserve	Securities Premium Reserve	General Reserve	Retained Earnings	
As at 1 April 2016	100.65	967.23	3,788.11	32,210.88	**37,066.87**
Profit / (loss) for the period	-	-	-	5,571.47	**5,571.47**
Other comprehensive income / (loss)	-	-	-	(16.00)	**(16.00)**
Total comprehensive income for the year	-	-	-	5,555.47	**5,555.47**
Dividend paid on equity shares	-	-	-	262.50	**262.50**
Dividend distribution tax	-	-	-	54.93	**54.93**
Transfers to reserves	-	-	-	-	**-**
Transfers from retained earnings	-	-	-	-	**-**
As at 31 March 2017	**100.65**	**967.23**	**3,788.11**	**37,448.92**	**42,304.91**
Profit / (loss) for the period	-	-	-	10,652.18	**10,652.18**
Other comprehensive income / (loss)	-	-	-	(124.00)	**(124.00)**
Total comprehensive income for the year	-	-	-	10,528.18	**10,528.18**
Dividend paid on equity shares	-	-		612.50	**612.50**
Dividend distribution tax	-	-		124.69	**124.69**
Transfers to reserves	-	-	-	-	**-**
Transfers from retained earnings	-	-	-	-	**-**
As at 31 March 2018	**100.65**	**967.23**	**3,788.11**	**47,239.91**	**52,095.90**

The accompanying notes 1 to 43 are an integral part of the financial statements

In terms of our report attached
For R. Subramanian & Co., LLP
Chartered Accountants
FRN: 004137S/ S200041

GOKUL S. DIXIT
Partner
Membership No. 209464

Place: Bengaluru
Date: 30 May 2018

For and on behalf of the Board of Directors

S.Y. GHORPADE
Chairman

NAZIM SHEIKH
Managing Director

DIVYA AJITH
Company Secretary

SACHIN SANU
Chief Financial Officer

THE SANDUR MANGANESE AND IRON ORES LIMITED
Statement of cash flows for the year ended 31 March 2018

Particulars	Note No.	Year ended 31 March 2018	Year ended 31 March 2017
Cash flows from operating activities			
Profit before tax for the year		16,452.18	8,521.47
Adjustments for:			
Depreciation and amortisation expense	23	742.63	704.87
Gain on disposal of property, plant and equipment	19	(2.02)	-
Allowance for credit losses on financial assets	24	12.98	-
Finance costs	22	494.90	724.92
Interest income	19	(47.55)	(65.10)
Dividend income	19	(175.92)	(197.18)
Gain on investments carried at fair value	19	(807.43)	(458.82)
Net foreign exchange (gain)/loss	28	5.33	-
Operating profit before working capital changes		**16,675.10**	**9,230.16**
Adjustments for (increase)/ decrease in operating assets:			
Other non-current financial assets	6	(214.01)	(10.56)
Other non-current assets	8	3,166.17	(156.68)
Inventories	9	160.69	(2,833.71)
Trade receivables	10	185.84	216.10
Other current financial assets	6	(39.98)	(0.66)
Other current assets	8	(1,125.12)	1,654.19
Adjustments for (increase)/ decrease in operating liabilities:			
Other non-current financial liabilities	14	4.50	(28.00)
Non-current provisions	15	(1,233.44)	78.68
Trade payables	16	1,951.63	1,317.80
Other current financial liabilities	14	(33.11)	46.32
Current provisions	15	(287.49)	72.61
Other current liabilities	17	(998.82)	877.43
Cash generated from operations		**18,211.96**	**10,463.68**
Income taxes paid		(5,980.72)	(2,431.78)
Net cash generated by operating activities		12,231.24	8,031.90
Cash flows from investing activities			
Additions to property, plant and equipment, intangible assets (including capital work-in-progress and capital advances)	2,2.1,4	(2,674.43)	(1,469.84)
Proceeds from sale of property, plant and equipment	2	4.84	-
Payments for investment property	3	(3,485.12)	-
Bank balances not considered as cash and cash equivalents	11	108.49	250.53
(Purchase)/ sale of investments (net)	5	(4,776.82)	(5,868.18)
Interest received	19	47.78	64.26
Dividends received	19	175.92	197.18
Net cash (used in)/generated by investing activities		**(10,599.34)**	**(6,826.05)**
Cash flows from financing activities			
Finance costs	22	(494.90)	(724.92)
Dividends paid	13(b)	(700.00)	(437.50)
Tax on dividends	13(b)	(143.00)	(84.33)
Net cash used in financing activities		**(1,337.90)**	**(1,246.75)**
Net increase in cash and cash equivalents		294.00	(40.90)
Cash and cash equivalents at the beginning of the year	11	1,584.56	1,625.46
Cash and cash equivalents at the end of the year	11	1,878.56	1,584.56

The accompanying notes 1 to 43 are an integral part of the financial statements

In terms of our report attached
For R. Subramanian & Co., LLP
Chartered Accountants
FRN: 004137S/ S200041

GOKUL S. DIXIT
Partner
Membership No. 209464

Place: Bengaluru
Date: 30 May 2018

For and on behalf of the Board of Directors

S.Y. GHORPADE
Chairman

NAZIM SHEIKH
Managing Director

DIVYA AJITH
Company Secretary

SACHIN SANU
Chief Financial Officer

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, Ballari District, Karnataka. The Company is also engaged in the manufacture of ferroalloys at the Metal & Ferroalloy Plant located at Vyasanakere, Hospet. The Company has its Registered Office at 'Satyalaya', Door No. 266 (old No.80), Behind Taluk Office, Ward No.1, Palace Road, Sandur 583 119, Ballari District, Karnataka and its Corporate Office at 1A & 2C, Rediffice Signature, No. 6, Hospital Road, Shivajinagar, Bengaluru 560 001.

1.1 Significant accounting policies

(i) Accounting Convention:

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Amendment Rules, 2016. For all the periods upto and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with Company's (Accounts) Rules 2014 (Indian GAAP). These are the Companies first annual financial statements prepared in accordance with Ind AS. The Company has adopted all applicable standards and the adoptions were carried out in accordance with Ind AS 101 - 'First Time Adoption of Indian Accounting Standards' considering April 1, 2016 as the transition date. Pursuant to adoption of Ind AS, the differences in the carrying amounts of assets and liabilities on the transition date under the Indian GAAP and the balances on adoption of Ind AS have been recognised directly in equity. The financial statements for the year ended March 31, 2017 and the Balance Sheet as at the transition date April 1, 2016 and as at March 31, 2017 have been presented under Ind AS for comparative purposes. Accounting policies have been applied consistently to all periods presented in these financial statements.

(ii) Basis of measurement:

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, unless otherwise stated. This 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 Use of estimates and judgement

The preparation of 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 recognised 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/ Power:

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

1.3.1 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.

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.

All amounts are in ₹ lakh unless otherwise stated

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 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 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.

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.

All amounts are in ₹ lakh unless otherwise stated

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 Company 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 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 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.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

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.

For transition to Ind AS, the Company has elected to continue with the carrying value of its investment property recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

All amounts are in ₹ lakh unless otherwise stated

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

1.11.4 Deemed cost on transition to Ind AS:

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

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 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 Mining, Ferroalloys & power & steel as operating segments and also additional information about revenue on geographical basis is provided.

The Company has realigned all its operations under four operating segments (i.e.) (a) Mining (b) Ferroalloys & Power (c) Steel and (d) Unallocable based on assessment of the overall risks and rewards.

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 above under Corporate information', the Company is based on the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company 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.

All amounts are in ₹ lakh unless otherwise stated

1.19 Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instruments.

Initial recognition and measurement:

Financial assets and financial 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 of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

Financial Assets

Subsequent measurement: Financial assets at amortised cost-Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and contractual terms of financial asset 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 ('FVTOCI') if these financial assets are held within business model 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 ('FVTPL') unless it is measured at amortised cost or fair value through other comprehensive income on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the statement of profit and loss.

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

Non-derivative financial assets

Financial assets at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortised cost using the effective interest method, less any impairment loss.

Amortised cost are represented by trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

Cash and cash equivalents comprise cash on hand and in banks and demand deposits with banks which can be withdrawn at any time without prior notice or penalty on the principal.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand, book overdraft and are considered part of the Company's cash management system.

Non-derivative financial liabilities

(i) Financial liabilities at amortised cost

Financial liabilities at amortised cost represented by borrowings, trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest rate method.

1.20 Impairment

a) Financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

b) Non-financial assets

The Company assesses at each reporting date whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss. An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and

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its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit”).

1.21 First-time adoption – mandatory exceptions, optional exemptions

1.21.1 Overall principle:

The Company has prepared the opening balance sheet as per Ind AS of April 1, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

1.21.2 Accounting for Investment in Subsidiary:

The Company has availed the optional exemption under “Ind AS 101 First time Adoption of Indian Accounting standards” with respect to Investments in subsidiary. Accordingly, the previous GAAP carrying amount of such investments as on transition date has been taken as deemed cost.

1.21.3 Deemed cost for property, plant and equipment, investment property, and intangible assets:

The Company has elected to continue with the carrying value of all of its plant and equipment, investment property, and intangible assets recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

1.22 New standards and interpretations not yet adopted

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs (“MCA”) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company is evaluating the effect of this on the financial statements.

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, the Ministry of Corporate Affairs notified Ind AS 115 Revenue from Contracts with Customers. The standard replaces Ind AS 11 Construction Contracts and Ind AS 18 Revenue.

The new standard applies to contracts with customers. The core principle of the new standard is that an entity should recognise revenue to depict transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, timing and uncertainty of revenues and cash flows arising from the entity’s contracts with customers. The new standard offers a range of transition options. An entity can choose to apply the new standard to its historical transactions and retrospectively adjust each comparative period. Alternatively, an entity can recognise the cumulative effect of applying the new standard at the date of initial application - and make no adjustments to its comparative information. The chosen transition option can have a significant effect on revenue trends in the financial statements. A change in the timing of revenue recognition may require a corresponding change in the timing of recognition of related costs.

The standard is effective for annual periods beginning on or after April 1, 2018. The Company is currently evaluating the requirements of Ind AS 115, and has not yet determined the impact on the financial statements.

Note No. 2 - Property, plant and equipment

₹ lakh

Description of Assets	Land - Freehold	Buildings - Freehold	Railway sidings	Plant and Equipment - Freehold	Office Equipment	Furniture and Fixtures	Vehicles	Total
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
I. Gross Carrying Amount								
Balance as at 1 April 2016	2,890.20	1,953.37	-	802.38	110.49	109.88	99.14	5,965.46
Additions	16.34	25.46	-	478.91	74.02	18.14	586.47	1,199.34
Disposals/ adjustments	-	-	-	-	-	-	-	-
	-							
Balance as at 31 March 2017	2,906.54	1,978.83	-	1,281.29	184.51	128.02	685.61	7,164.80
II. Accumulated depreciation and impairment								
Balance as at 1 April 2016	-	-	-	-	-	-	-	-
Depreciation expense for the year	-	102.32	-	271.57	58.80	33.83	149.66	616.18
Eliminated on disposal of assets	-	-	-	-	-	-	-	-
Balance as at 31 March 2017	-	102.32	-	271.57	58.80	33.83	149.66	616.18
III. Net carrying amount (I-II)	2,906.54	1,876.51	-	1,009.72	125.71	94.19	535.95	6,548.62

Notes:
1. For depreciation methods used and the useful lives or the depreciation refer note 1.9 of financial statement
2. All of the Company’s property, plant and equipment are held free hold interest.

Note No. 2.1 - Capital work-in-progress

Particulars			₹ lakh
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Balance at the beginning of the year	283.31	138.99	374.86
Additions during the year	1,369.44	230.90	472.80
Transfer to property, plant and equipment	(451.19)	(86.58)	(692.52)
Transfer to expenditure account	(15.94)	-	(16.15)
Balance at the end of the year	1,185.62	283.31	138.99

Note No. 3 - Investment Property

₹ 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
I. Gross Carrying Amount			
Balance as at 1 April 2016	916.59	604.90	1,521.49
Addition	-	-	-
Disposals	-	-	-
Balance as at 31 March, 2017	916.59	604.90	1,521.49
II. Accumulated depreciation and impairment			
Balance as at 1 April 2016	-	-	-
Addition	-	31.23	31.23
Disposals	-	-	-
Balance as at 31 March, 2017	-	31.23	31.23
III. Net carrying amount (I-II)	916.59	573.67	1,490.26

1. 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.
2. For depreciation methods used and the useful lives refer note 1.9 of financial statements.
3. All of the Company's investment property are held free hold interest.
4. Fair market value of 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:

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Land	6,923.67	1,211.89	1,159.22
Buildings	741.28	708.91	683.72
Total	7,664.95	1,920.80	1,842.94

5. The company has no restrictions on the realisability of its investment properties and no contractual obligations to either purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Note No. 4 - Other Intangible Assets

₹ lakh

Description of Assets	Computer software	Total
I. Gross Carrying Amount		
Balance as at 1 April 2017	292.55	292.55
Additions from separate acquisitions	50.38	50.38
Disposals	-	-
Balance as at 31 March 2018	342.93	342.93
II. Accumulated depreciation and impairment		
Balance as at 1 April 2017	57.46	57.46
Amortisation expense for the year	63.39	63.39
Balance as at 31 March 2018	120.85	120.85
III. Net carrying amount (I-II)	222.08	222.08
I. Gross Carrying Amount		
Balance as at 1 April 2016	281.92	281.92
Additions from separate acquisitions	10.63	10.63
Disposals	-	-
Balance as at 31 March, 2017	292.55	292.55
II. Accumulated depreciation and impairment		
Balance as at 1 April 2016	-	-
Amortisation expense for the year	57.46	57.46
Eliminated on disposal of assets	-	-
Balance as at 31 March, 2017	57.46	57.46
III. Net carrying amount (I-II)	235.09	235.09

Notes:

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

Note No. 5 - Investments

₹ lakh

Particular	As at 31 March 2018			As at 31 March 2017			As at 1 April 2016		
	QTY	Amount		QTY	Amount		QTY	Amount	
		Current	Non Current		Current	Non Current		Current	Non Current
I. Quoted investments in equity instruments									
HDFC Bank Limited	2,500	-	47.53	2,500	-	36.07	2,500	-	26.56
Equity shares of ₹ 2 each fully paid up									
Total Quoted Investments		-	47.53		-	36.07		-	26.56
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	75,240,000	-	12,748.00
		-	12,748.00		-	12,748.00		-	12,748.00
III. Unquoted investments in equity instruments in others									
Sandur Micro Circuits Limited (unquoted)	-	-	-	900,000	-	-	900,000	-	-
Equity share of ₹ 10 each fully paid		-	-						
(Refer note 41)		-	-		-	-		-	-
Sandur Laminates Limited									
Equity share of ₹10 each fully paid	4,725,191	-	-	4,725,191	-	-	4,725,191	-	-
(Refer note 41)									
		-	-		-	-		-	-
Total Unquoted Investments		-	12,748.00		-	12,748.00		-	12,748.00

Notes to the financial statements for the year ended 31 March 2018 Note No.5 - Investments (Contd...)

₹ lakh

Particular	As at 31 March 2018			As at 31 March 2017			As at 1 April 2016		
	QTY	Amount		QTY	Amount		QTY	Amount	
		Current	Non Current		Current	Non Current		Current	Non Current
Investments in Mutual Funds									
(Refer note 27(b))									
Quoted									
DSP BlackRock Dual Advantage Fund -S11-36 Month Regular Plan - Growth - Unit of ₹ 10 each	-	-	-	-	-	-	3,000,000	381.74	-
Deutsche DWS Hybrid Fixed Term Fund-Series 14- Regular Plan Growth - Unit of ₹ 10 each	-	-	-	1,000,000	134.33	-	1,000,000	123.48	-
Franklin Templeton India corporate Bond Opportunities Fund - Growth - Unit of Rs. 16.70 each	-	-	-	3,252,487	543.30	-	3,252,487	634.55	-
ICICI Pru Corporate Bond Fund Growth PlanA (G) - Unit of Rs. 25.37 each	-	-	-	2,160,364	548.05	-	2,160,364	642.55	-
ICICI Prudential Multiple Yield Fund Plan A Cumulative Unit of ₹10 each	-	-	-	-	-	-	1,000,000	134.10	-
ICICI Pru CPO Fund V-B Reg (G) - Unit of ₹10 each	-	-	-	-	-	-	1,700,000	214.47	-
DSP BlackRock Dual Advantage Fund - Series 29 - 40M - Reg - Gr Unit of ₹11.89 each	-	-	-	2,000,000	225.70	-	2,000,000	209.23	-
HDFC Corporate Debt Opportunities Fund - Regular - Growth - unit) of ₹14.41 each	3,617,672	521.34	-	4,846,511	657.09	-	4,846,511	594.75	-
ICICI Prudential Capital Protection Oriented Fund VI Pan B-1100 Days Regular - unit of ₹10 each	-	-	-	1,000,000	122.85	-	1,000,000	114.23	-
Kotak Medium Term Fund - Growth (Regular Plan) - Unit of ₹14.04 each	-	-	-	3,918,419	530.47	-	3,918,419	480.97	-
Sundaram Hybrid Fund SR H 5 YRS Regular Growth - Unit of ₹13.53 each	1,000,000	135.32	-	1,000,000	126.88	-	1,000,000	114.61	-
DWS Hybrid Fixed Term Fund -Series.23 - Regular Plan - Growth - Unit of ₹10 each	-	-	-	1,000,000	116.65	-	1,000,000	105.61	-
Reliance Corporation Bond Fund - Growth - Plan - CBGP - Unit of ₹13.71 each	-	-	-	2,950,636	388.47	-	2,950,636	349.37	-
Axis Hybrid Fund -Series 14 (1274 days) - Growth - A4GP - Unit of ₹11.73 each	-	-	-	2,000,000	223.43	-	2,000,000	206.93	-
DWS Hybrid Fixed Term Fund Series 32 - Regular Plan - Growth - units) of ₹10.97 each	-	-	-	2,000,000	209.68	-	2,000,000	196.04	-
UTI-Dual Advantage Fixed Term Fund - Series I - II Regular Plan- Growth - unit of ₹11.89 each	-	121.55	-	1,000,000	114.98	-	1,000,000	105.02	-

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Notes to the financial statements for the year ended 31 March 2018 Note No.5 - Investments (Contd...)

₹ lakh

Particular	As at 31 March 2018			As at 31 March 2017			As at 1 April 2016		
	QTY	Amount		QTY	Amount		QTY	Amount	
		Current	Non Current		Current	Non Current		Current	Non Current
Kotak Medium Term Fund - Growth - Unit of ₹14.43 each	4,400,246	634.74	-	4,400,246	595.70	-	4,400,246	540.12	-
Sundaram Hybrid Fund SR M Regular Growth - Unit of ₹11.84 each	1,000,000	118.36	-	1,000,000	111.65	-	1,000,000	102.88	-
Birla SL Cash Manager (DD) Rei - Unit of ₹100.62 each	-	-	-	1,504,022.00	1,513.43	-	-	-	-
DSP BR Income Opportunities-(G) - Unit of ₹ 28.59 each	2,030,050	580.49	-	2,030,050	545.63	-	-	-	-
Reliance RSF Debt (G) - Unit of ₹ 24.19 each	2,376,731	575.05	-	2,376,731	538.49	-	-	-	-
Birla SL Medium Term Plan-(G) Unit of ₹ 21.96 each	2,564,823	563.31	-	2,564,823	523.47	-	-	-	-
HDFC Equity Savings (G) - unit of ₹ 34.55 each	2,503,824	865.12	-	,617,404.00	526.13	-	-	-	-
DSP BR Money Manager Reg-DD - Unit of ₹1004.23 each	-	-	-	140,666	1,412.61	-	-	-	-
DHFL Pramerica Credit Opportunities Reg-(G) - Unit of ₹13.76 each	5,382,349	740.71	-	3,120,417	401.15	-	-	-	-
Franklin India Dynamic Accrual-(G) - Unit of ₹ 61.38 each	1,060,087	650.65	-	1,060,087	601.65	-	-	-	-
ICICI Pru Regular Savings-(G) Unit of ₹18.56 each	2,902,657	538.86	-	2,902,657	504.18	-	-	-	-
IDFC Credit Opportunities Fund Reg-(G) - units) of ₹10.71 each	5,874,720	629.39	-	3,000,000	302.52	-	-	-	-
SBI Corporate Bond-G - Unit of ₹ 27.93 each	2,274,863	635.41	-	-	-	-	-	-	-
UTI Income Opportunities-G - units) of ₹ 15.85 each	3,353,544	531.44	-	-	-	-	-	-	-
DSP BR Equity Savings Reg-G - units) of ₹ 12.25 each	4,355,401	533.71	-	-	-	-	-	-	-
ICICI Pru Equity Income-G - Unit of ₹ 24.86 each	4,128,819	1,026.57	-	-	-	-	-	-	-
Indiabulls High Yield Fund - units) of ₹ 9.89 each	4,000,000	395.52	-	-	-	-	-	-	-
Aditya Birla SL Equity Savings Reg-G - units) of ₹ 12.93 each	5,445,671	704.13	-	-	-	-	-	-	-
Reliance Corporate Bond-G - Unit of ₹ 14.01 each	4,413,710	618.18	-	-	-	-	-	-	-
HDFC Corporate Debt Opportunities Reg-G - Unit of ₹ 14.41 each	2,136,950	307.95	-	-	-	-	-	-	-
RELIANCE ARBITRAGE Fund - Unit of ₹ 10.58 each	943,547	99.81	-	-	-	-	-	-	-
AXIS FIXED INCOME OP Unit of ₹ 13.65 each	750,238	102.38	-	-	-	-	-	-	-
Franklin India CorpBondOpp-(G) - ₹ 18.04 each	1,126,113	203.19	-	-	-	-	-	-	-
Franklin India Low Duration-(G) - ₹ 19.97 each	4,579,899	914.86	-	-	-	-	-	-	-
DSP BlackRock Equity Savings Reg-(G) - ₹ 12.25 each	2,009,646	246.26	-	-	-	-	-	-	-
Franklin India Ultra Short Bond Super Inst-DD - ₹ 10.07 each	35,002,263	3,527.46	-	-	-	-	-	-	-
RELIANCE ARBITRAGE A - ₹ 10.58 each	4,726,568	500.00	-	-	-	-	-	-	-
		17,021.76	**-**		**11,518.49**	**-**		**5,250.65**	**-**

₹ lakh

Particular	As at 31 March 2018			As at 31 March 2017			As at 1 April 2016		
	QTY	Amount		QTY	Amount		QTY	Amount	
		Current	Non Current		Current	Non Current		Current	Non Current
Unquoted									
Arthaveda Star Fund - Unit of ₹1,000 each	28,471	362.44	-	28,705.00	287.05	-	29,663	296.63	-
Edelweiss Stressed & Troubled assets revival Fund - Unit of ₹ 8,446 each	1,000	77.97	-	1,000	83.84	-	1,000	24.61	-
		440.41			**370.89**			**321.24**	
Total aggregate of quoted investments	**-**	**17,021.76**	**47.53**		**11,518.49**	**36.07**		**5,250.65**	**26.56**
Total aggregate of un-quoted investments		**440.41**	**12,748.00**		**370.89**	**12,748.00**		**321.24**	**12,748.00**
Total investments		**17,462.17**	**12,795.53**		**11,889.38**	**12,784.07**		**5,571.89**	**12,774.56**
Total investments carrying value		**17,462.17**	**12,795.53**		**11,889.38**	**12,784.07**		**5,571.89**	**12,774.56**
Other disclosures									
Aggregate amount of quoted investments		**17,021.76**	**47.53**		**11,518.49**	**36.07**		**5,250.65**	**26.56**
Aggregate amount of Market value of investments		**17,021.76**	**47.53**		**11,518.49**	**36.07**		**5,250.65**	**26.56**
Aggregate amount of unquoted investments		**440.41**	**12,748.00**		**370.89**	**12,748.00**		**321.24**	**12,748.00**
Aggregate amount of impairment in value of investments		**-**	**-**		**-**	**-**		**-**	**-**

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

₹ lakh

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
(i) Security Deposits	-	308.93	-	94.92	-	84.36
(ii) Deposits against guarantees with maturity of more than 12 months	-	133.90	-	161.90	-	332.90
(iii) Loans and advances to employees	76.66	-	36.68	-	36.02	-
(iv) Interest accrued on deposits	2.78	-	3.01	-	2.18	-
	79.44	**442.83**	**39.69**	**256.82**	**38.20**	**417.26**

7. Deferred tax balances

₹ lakh

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Deferred Tax Assets	2,050.00	2,430.00	2,160.00
	2,050.00	**2,430.00**	**2,160.00**

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
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**

As at March 31, 2017

₹ 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	63.79	(70.37)	-	134.16
Intangible assets	(2.51)	27.37	-	(29.88)
Defined benefit obligation	650.25	(52.26)	-	702.51
Disallowances under section 40(a)(i), 43B of the Income-tax Act, 1961	1,448.47	(174.74)	-	1,623.21
Total	**2,160.00**	**(270.00)**	**-**	**2,430.00**

Note No. 8 - Other current assets

₹ lakh

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
(a) Capital advances						
Capital advances (Unsecured, considered good)						
(i) For Capital work in progress	-	924.44	-	420.07	-	348.08
(b) Advances other than capital advances						
(i) Balances with government authorities (other than income taxes)	380.56	156.99	257.97	156.68	774.01	-
(ii) Other advances						
Secured, considered good	-	-	-	600.00	-	600.00
Unsecured, considered good	1,662.89	3.55	689.68	2,570.03	1,004.45	2,570.03
iii) Prepaid expenses	-	-	21.38	-	-	-
iv) Unbilled revenue	68.32	-	44.81	-	912.60	-
v) Excess of plan asset on gratuity obligation	50.22	-	23.03	-	-	-
vi) Tax payments, net of provisions (Unsecured, considered good)	-	4,755.34	-	4,465.34	-	4,283.34
	2,161.99	**5,840.32**	**1,036.87**	**8,212.12**	**2,691.06**	**7,801.45**

Note No. 9 - Inventories

₹ lakh

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(a) Raw materials	3,023.31	1,627.80	1,139.84
(b) Finished and semi-finished goods	4,952.04	6,571.24	4,431.61
(c) Stores and spares	730.43	667.43	461.31
Total Inventories (at lower of cost and net realisable value)	**8,705.78**	**8,866.47**	**6,032.76**

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

THE SANDUR MANGANESE AND IRON ORES LIMITED
Notes to the financial statements for the year ended 31 March 2018

Note No. 10 - Trade receivables

₹ lakh

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Trade receivables						
(a) Secured, considered good	-	-	-	-	-	-
(b) Unsecured, considered good	426.40	-	630.54	-	846.64	-
(c) Doubtful	-	-	-	-	-	-
Less: Allowance for credit losses	-	-	-	-	-	-
TOTAL	**426.40**	**-**	**630.54**	**-**	**846.64**	**-**
Of the above, trade receivables from:						
- Subsidiary company	-	-	-	-	304.25	
Total	**-**	**-**	**-**	**-**	**304.25**	

Note No. 11 - Cash and Bank Balances

₹ lakh

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Cash and cash equivalents			
(a) Balances with banks In current accounts	1,873.17	1,580.60	1,620.22
(b) Cash on hand	5.39	3.96	5.24
Total cash and cash equivalent	**1,878.56**	**1,584.56**	**1,625.46**
(a) Earmarked balances with banks - dividend accounts	15.81	13.82	-
(b) Balances with banks:			
(i) On margin accounts	508.07	618.55	882.90
(ii) Fixed deposits with maturity greater than 3 months (disclosed under Note 6)	133.90	161.90	332.90
	374.17	456.65	550.00
Total other bank balances	**389.98**	**470.47**	**550.00**

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 2018	As at 31 March 2017	As at 31 March 2016
Current tax liabilities	839.51	986.22	-
Tax payable	**839.51**	**986.22**	**-**

Note No. 13 - Equity Share Capital

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	No. of shares	Amount ₹ lakh	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	14,000,000	1,400.00
Preference shares of ₹ 100 each	100,000	100.00	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	8,750,000	875.00
Total	**8,750,000**	**875.00**	**8,750,000**	**875.00**	**8,750,000**	**875.00**

Note No. 13 - Equity Share Capital (Contd.)

(i) 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 (give details)	Closing Balance
(a) Equity Shares with Voting rights						
Year Ended 31 March 2018						
No. of Shares	8,750,000	-	-	-	-	8,750,000
Amount ₹ lakh	875.00	-	-	-	-	875.00
Year Ended 31 March 2017						
No. of Shares	8,750,000	-	-	-	-	8,750,000
Amount ₹ lakh	875.00	-	-	-	-	875.00
Year Ended 1 April 2016						
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	No. of Shares: Equity Shares with Differential Voting rights	No. of Shares: Others
As at 31 March 2018			
Skand Private Limited	4,632,040	-	-
As at 31 March 2017			
Skand Private Limited	4,632,040	-	-
As at 1 April 2016			
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 2018		As at 31 March 2017		As at 1 April 2016	
	Number of shares held	% holding in that class of shares	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	4,632,040	52.94

Statement of changes in equity for the year ended 31 March 2018

13 (b). Other Equity

₹ lakh

Particulars	Reserves and surplus				Total
	Capital redemption reserve	Securities Premium Reserve	General Reserve	Retained Earnings	
As at 1 April 2016	100.65	967.23	3,788.11	32,210.88	**37,066.87**
Profit / (Loss) for the period	-	-	-	5,571.47	**5,571.47**
Other Comprehensive Income / (Loss)	-	-	-	(16.00)	**(16.00)**
Total Comprehensive Income for the year	-	-	-	5,555.47	**5,555.47**
Dividend paid on Equity Shares	-	-	-	262.50	**262.50**
Dividend Distribution Tax	-	-	-	54.93	**54.93**
Transfers to Reserves	-	-	-	-	**-**
Transfers from retained earnings	-	-	-	-	**-**
As at 31 March 2017	**100.65**	**967.23**	**3,788.11**	**37,448.92**	**42,304.91**
Profit / (Loss) for the period	-	-	-	10,652.18	**10,652.18**
Other Comprehensive Income / (Loss)	-	-	-	(124.00)	**(124.00)**
Total Comprehensive Income for the year	-	-	-	10,528.18	**10,528.18**
Dividend paid on Equity Shares	-	-		612.50	**612.50**
Dividend Distribution Tax	-	-		124.69	**124.69**
Transfers to Reserves	-	-	-	-	**-**
Transfers from retained earnings	-	-	-	-	**-**
As at 31 March 2018	**100.65**	**967.23**	**3,788.11**	**47,239.91**	**52,095.90**

Description of the nature and purpose of Other Equity

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

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Balance as at the beginning of the year	100.65	100.65	100.65
Balance as at the end of the year	100.65	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-18	31-Mar-17	01-Apr-16
Balance as at the beginning of the year	967.23	967.23	967.23
Balance as at the end of the year	967.23	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-18	31-Mar-17	01-Apr-16
Balance as at the beginning of the year	3,788.11	3,788.11	3,788.11
Balance as at the end of the year	3,788.11	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-18	31-Mar-17	01-Apr-16
Balance as at the beginning of the year	37,448.92	32,210.88	33,046.82
Balance as at the end of the year	47,239.91	37,448.92	32,210.88

Statement of changes in equity for the year ended 31 March 2018

Distributions made and proposed

₹ lakh

Particulars	31-Mar-18	31-Mar-17
Cash dividends on equity shares declared and paid		
Final dividend for the year ended on 31 March 2017: Rs 2 per share (₹ 2 per share)	175.00	262.50
Dividend Distribution Tax on final dividend	35.63	47.71
Interim dividend for the year ended on 31 March 2018: Rs 5 per share (₹ 3 per share)	437.50	262.50
	648.13	**572.71**
Proposed dividends on Equity shares		
Final dividend for the year ended on 31 March 2018: ₹ 2 per share (₹ 2 per share)	175.00	175.00
Dividend Distribution Tax on proposed dividend	35.97	35.63
	210.97	**210.63**

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 2018.

Note No. 14 - Other financial liabilities

₹ lakh

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
a. Security deposits	-	4.50	35.10	-	2.60	28.00
b. Payables on purchases of fixed assets	4.69	-	8.98	-	52.55	-
c. Unpaid dividends	15.81	-	13.82	-	-	-
Total	**20.50**	**4.50**	**57.90**	**-**	**55.15**	**28.00**

Note:

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

Note No. 15 - Provisions

₹ lakh

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
(a) Provision for employee benefits						
1. Pension	23.06	0.20	191.54	1,261.01	128.03	1,313.30
2. Compensated absences	63.01	195.57	182.02	328.30	172.92	264.54
(b) Other Provisions						
1. Mine closure	-	256.00	-	95.90	-	28.69
2. Interim equity dividend	-	-	87.50	-	262.50	-
3. Tax on interim dividend	-	-	18.31	-	47.71	-
Total	**86.07**	**451.77**	**479.37**	**1,685.21**	**611.16**	**1,606.53**

Details of movement in mine closure provision

Particulars	2017-18	2016-17	2015-16
Opening balance	95.90	28.69	-
Additional provisions recognised	149.53	63.11	28.69
Amounts used during the period	-	-	-
Unused amounts reversed during the period	-	-	-
Unwinding of discount and effect of changes in the discount rate	10.57	4.10	-
Closing balance	**256.00**	**95.90**	**28.69**

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.

Note No. 16 - Trade Payables

₹ lakh

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Trade payable - Micro and small enterprise						
Trade payable - Other than micro and small enterprises	5,189.83	-	3,238.20	-	1,920.40	-
Total trade payables	**5,189.83**	**-**	**3,238.20**	**-**	**1,920.40**	**-**

Notes:

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

Note No. 17 - Other current liabilities

₹ lakh

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
a. Advances received from customers	410.95	-	1,225.41	-	1,712.88	-
b. Statutory dues						
- taxes payable (other than income taxes)	5,712.65	-	5,898.41	-	4,171.11	-
c. Gratuity payable	-	-	-	-	362.48	-
d. Other creditors	9.04	-	7.64	-	7.56	-
Total Other Liabilities	**6,132.64**	**-**	**7,131.46**	**-**	**6,254.03**	**-**

1. Disputed statutory remittances as at March 31, 2018 ₹ 4,641.61 lakh (As at March 31, 2017 ₹ 4,314.81 lakh; As at March 31, 2016 ₹ 4,009.42 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 2018	For the year ended 31 March 2017
(a) Revenue from sale of products (including excise duty)	60,384.98	42,651.00
(b) Other operating revenue	854.97	720.05
Total revenue from operations	**61,239.95**	**43,371.05**
Notes :		
(i) Revenue from sale of products comprises:		
(a) Manganese ore (Includes ₹ 55.53 lakh (previous year ₹ 77.69 lakh) from sale of waste dumps)	11,339.54	7,148.05
(b) Iron ore (Includes ₹ 205.23 lakh (previous year ₹ 361.77 lakh) from sale of waste dumps)	30,472.94	22,492.64
(c) Silico-manganese	18,268.64	11,860.75
(d) Power	303.86	1,149.56
	60,384.98	**42,651.00**
(ii) Other operating revenues comprises:		
(a) Handling charges	639.25	622.94
(b) Sale of scrap/ waste	53.23	17.94
(c) Other miscellaneous receipts	162.49	79.17
	854.97	**720.05**

Note No. 19 - Other Income

₹ lakh

	Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
(a)	Interest Income on financial assets carried at amortised cost		
	On fixed-deposits with banks	33.03	34.72
	On long-term deposits	14.52	9.86
	Others	-	20.52
(b)	Dividend Income		
	On investments carried at fair value through profit & loss account	175.92	197.18
(c)	Rental income from Investment property	29.97	66.39
(d)	Gain on investments carried at fair value through profit & loss account	807.43	458.82
(e)	Profit on sale of capital assets (net of loss on assets sold / scrapped / written off)	2.02	-
(f)	Sale of petroleum products (net of consumption/ expenses of ₹ 1,230.87 lakh previous year : ₹ 1,322.25 lakh)	25.57	37.77
(g)	Others	21.07	30.95
Total Other Income		**1,109.53**	**856.21**

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

₹ lakh

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Material consumed comprises:		
- Manganese ore	1,438.09	1,146.29
- Coke	2,413.85	1,603.99
- Coal	7,490.62	6,452.00
- Other materials	400.05	294.21
	11,742.61	**9,496.49**

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

₹ lakh

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Inventories at the beginning of the year:		
Finished goods	6,571.24	4,431.61
	6,571.24	4,431.61
Inventories at the end of the year:		
Finished goods	4,952.04	6,571.24
	4,952.04	6,571.24
Net (increase) / decrease	**1,619.20**	**(2,139.63)**

Note No. 21 - Employee Benefits Expense

₹ lakh

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
(a) Salaries and wages, including bonus	6,142.07	4,439.42
(b) Contribution to provident and other funds	344.78	341.01
(c) Staff welfare expenses	1,220.57	1,143.05
(d) Subsidy on food grains	571.82	589.68
Total Employee Benefit Expense	**8,279.24**	**6,513.16**

Note No. 22 - Finance Cost

₹ lakh

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
(a) Interest expense	494.90	724.92
Total finance costs	**494.90**	**724.92**

Note No. 23 - Depreciation & amortisation expense

₹ lakh

Particulars		For the year ended 31 March 2018	For the year ended 31 March 2017
(a)	Depreciation on property, plant and equipment (Note 2)	651.01	616.18
(b)	Depreciation on investment property (Note 3)	28.23	31.23
(c)	Depreciation on other intangible assets (Note 4)	63.39	57.46
Total Other Expenses		**742.63**	**704.87**

Note No. 24 - Other Expenses

₹ lakh

		For the year ended 31 March 2018	For the year ended 31 March 2017
(a)	Stores consumed	792.05	544.17
(b)	Operation and maintenance charges	536.70	503.12
(c)	Power & Fuel	33.25	31.31
(d)	Rent including lease rentals	1,242.10	1,073.30
(e)	Rates and taxes	7,454.45	6,159.23
(f)	Insurance	56.97	32.07
(g)	Repairs and maintenance - Buildings	285.53	304.80
(h)	Repairs and maintenance - Machinery	286.03	100.83
(i)	Repairs and maintenance - Others	326.81	205.54
(j)	Mine running expenses	5,732.46	5,346.39
(k)	Advertisement	52.08	9.76
(l)	Freight, loading and siding charges	2,573.29	2,092.02
(m)	Selling expenses	494.38	337.72
(n)	Travelling and Conveyance Expenses	792.99	692.68
(o)	Expenditure on corporate social responsibility (CSR) under section 135 of the Companies Act, 2013.	76.85	69.79
(p)	Donations and Contributions	170.00	130.00
(q)	Excise duty on sale of products	430.33	1,147.40
(r)	Auditors remuneration and out-of-pocket expenses		
	(i) As Auditors	22.66	35.92
	(ii) For Taxation matters	4.68	4.50
	(iii) For Company Law matters	-	-
	(iv) For Other services	20.50	19.00
	(v) For reimbursement of expenses	0.72	9.08
(s)	Other expenses		
	(1) Legal and other professional costs	473.93	628.25
(t)	Allowance for credit losses on financial assets	12.98	-
(u)	Foreign exchange fluctuation (net)	5.33	-
(v)	Security charges	475.43	323.41
(w)	(Increase)/ Decrease of excise duty on inventory	(124.07)	170.18
(x)	Miscellaneous expenses	790.29	435.51
Total		**23,018.72**	**20,405.98**

Note No. 25 - Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

₹ lakh

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Current Tax:		
In respect of current year	5,420.00	3,220.00
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	380.00	(270.00)
Total income tax expense	**5,800.00**	**2,950.00**

(b) Income tax recognised in other Comprehensive income

₹ lakh

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Current Tax		
Income tax related to items recognised in other comprehensive income during the year:		
Remeasurement of defined benefit obligaitons	70.00	10.00
Total	**70.00**	**10.00**
Classification of income tax recognised in other comprehensive income		
Income taxes related to items that will not be reclassified to profit or loss	70.00	10.00
Income taxes related to items that will be reclassified to profit or loss		
Total	**70.00**	**10.00**

(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 2018	For the year ended 31 March 2017
Profit before tax	16,452.18	8,521.47
Income tax expense calculated at 34.61% (Previous year : 34.61%)	5,694.10	2,949.28
Effect of income that is exempt from taxation	350.98	106.63
Effect of Timining Difference in tax calculation	380.00	270.00
Effect of expenses that is non-deductible in determining taxable profit	(625.08)	(375.91)
Income tax expense recognised In profit or loss	**5,800.00**	**2,950.00**

The tax rate used for 31 March 2018 and 31 March 2017 reconciliations above is the corporate tax rate of 34.61% payable by corporate entities in India on taxable profits under Indian Income Tax Laws.

Note No. 26 - Earnings per Share

₹

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
	Per Share	Per Share
Basic Earnings per share		
From continuing operations	121.74	63.67
Total basic earnings per share	**121.74**	**63.67**
Diluted Earnings per share		
From continuing operations	121.74	63.67
Total diluted earnings per share	**121.74**	**63.67**

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:

	For the year ended 31 March 2018	For the year ended 31 March, 2017
Profit / (loss) for the year attributable to owners of the Company	10,652.18	5,571.47
Less: Preference dividend and tax thereon	-	-
Profit / (loss) for the year used in the calculation of basic earnings per share	10,652.18	5,571.47
Weighted average number of equity shares	8,750,000	8,750,000
Earnings per share from continuing operations - Basic	121.74	63.67

	For the year ended 31 March 2018	For the year ended 31 March, 2017
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

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 2018	As at 31 March 2017
Income tax (relating to disallowance of deduction)	4,372.96	3,284.47
Service tax (relating to applicability of tax)	293.35	293.35
Forest Development Tax including interest	4,850.80	4,210.36
Differential rate relating to sale of power, including interest	139.10	155.07
Differential royalty including interest	600.61	549.06
Others (relating to provident fund and other matters)	22.85	22.85

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

b) Guarantees given by the Company:

₹ lakh

Particulars	As at 31 March 2018	As at 31 March 2017
Corporate guarantee issued to Customs authorities on behalf of subsidiary company in respect of fulfilment of the export obligations by the subsidiary company and during the year the same has been cancelled on fulfilment of the obligations.	-	1,050.00
Bank guarantee issued to Indian Bureau of Mines towards progressive mine closure plan against lien on mutual funds at 125% of the value in the current year, however in the previous the lien was on fixed deposits. (Refer note 5 & 11)	3,859.02	321.59

(ii) Commitments:

₹ lakh

Particulars	As at 31 March 2018	As at 31 March 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for	367.81	712.27

Note No. 28 - Leases

₹ lakh

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Details of leasing arrangements		
As Lessee		
Expenses recognised in the Statement of Profit and Loss	1,242.10	1,073.30
Liabilities in respect of Operating Leases		
Current	85.00	85.00
Non-Current	-	-

Note No. 29 - Employee benefits

(a) Defined Contribution Plan

The Company's contribution to Provident Fund and Superannuation Fund aggregating ₹252.45 lakh (previous year: ₹227.09 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 admintered 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:

<u>Asset volatility</u>

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.

<u>Changes in bond yields</u>

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.

<u>Inflation risk</u>

Some of the Company's retirment 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.

<u>Life expectancy</u>

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-Mar-18	31-Mar-17	1-Apr-16
Discount rate(s)	7.65%	7.10%	7.85%
Expected rate(s) of salary increase	6.00%	6.00%	6.00%

Defined benefit plans – as per actuarial valuation on 31st March, 2018

₹ lakh

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
Opening amount recognised in other comprehensive income	26.40	-
Remeasurements during the period due to		
Changes in financial assumptions	(69.61)	79.98
Changes in demographic assumptions	-	-
Experience adjustments	229.15	24.06
Actual return on plan assets less interest on plan assets	34.78	(77.64)
Adjustment to recognise the effect of asset ceiling	-	-
Closing amount recognised in other comprehensive income	**220.72**	**26.40**
Remeasurement on the net defined benefit liability		
Return on plan assets (excluding amount included in net interest expense)	34.78	(77.64)
Actuarial gains and loss arising form changes in financial assumptions	(69.61)	79.98
Actuarial gains and loss arising form experience adjustments	229.15	24.06
Componenets of defined benefit costs recognised in other comprehensive income	194.32	26.40
Total	**194.32**	**26.40**
Expense recognised in statement of profit and loss under contribution to provident and other funds in note 21		
Current Service Cost	97.19	86.63
Past service cost	-	-
Administration expenses	-	-
Interest on net defined benefit liability/ (asset)	(5.19)	26.49
(Gains)/ losses on settlement	-	-
Components of defined benefit costs recognised in profit or loss	**92.00**	**113.12**
I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March		
1. Present value of defined benefit obligation as at 31st March	1,992.74	1,948.45
2. Fair value of plan assets as at 31st March	2,042.96	1,971.48
3. Surplus/(Deficit)	(50.22)	(23.03)
4. Current portion of the above	-	-
5. Non current portion of the above	(50.22)	(23.03)
II. Change in the obligation during the year ended 31st March		
1. Present value of defined benefit obligation at the beginning of the year	1,948.45	1,801.28
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	-	-
3. Expenses Recognised in Profit and Loss Account		
- Current Service Cost	97.19	86.63
- Past Service Cost	-	-
- Interest Expense (Income)	112.08	113.29
4. Recognised in Other Comprehensive Income		
Remeasurement gains / (losses)		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	-	-
ii. Financial Assumptions	(69.61)	79.98
iii. Experience Adjustments	229.15	24.06
5. Benefit payments	(324.52)	(156.79)
6. Others (Specify)	-	-

7. Present value of defined benefit obligation at the end of the year	**1,992.74**	**1,948.45**
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	1,971.48	1,438.80
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	-	-
3. Expenses Recognised in Profit and Loss Account		
- Expected return on plan assets	117.26	86.80
4. Recognised in Other Comprehensive Income		
Remeasurement gains / (losses)		
- Actual Return on plan assets in excess of the expected return	(34.78)	77.64
- Others (specify)		
5. Contributions by employer (including benefit payments recoverable)	313.52	525.03
6. Benefit payments	(324.52)	(156.79)
7. Fair value of plan assets at the end of the year	**2,042.96**	**1,971.48**
IV. The Major categories of plan assets		
- List the plan assets by category here		
Government of India Securities	54.21%	41.10%
Corporate Bonds	39.09%	46.32%
Others	6.70%	12.58%
V. Actuarial assumptions		
1. Discount rate	7.65% pa	7.10% 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	2018	0.50%	(2.97%)	3.16%
Salary growth rate	2018	0.50%	3.20%	(3.03%)

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 trust during the next financial year of 2018.

Maturity profile of defined benefit obligation:

	2018
Maturity profile	**Amount (₹ lakh)**
Expected benefits for Year 1	656.12
Expected benefits for Year 2	117.51
Expected benefits for Year 3	101.45
Expected benefits for Year 4	119.81
Expected benefits for Year 5	119.36
Expected benefits for Year 6	140.86
Expected benefits for Year 7	165.27
Expected benefits for Year 8	155.86
Expected benefits for Year 9	239.91
Expected benefits for Year 10 and above	1,884.03

Plan Assets

The fair value of Company's pension plan asset as of 31 March 2016 and 2015 by category are as follows:

Particulars	2018	2017
Asset category:		
Insurer managed funds	1,899.64	1,938.39
Others	143.33	33.09
Total	**2,042.96**	**1,971.48**

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 2018 is 6.13 years.

Summary of defined benefit obligation/ plan assets and experience adjustments

₹ lakh

Particulars	Year Ended				
	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
1. Defined Benefit Obligation	1,992.74	1,948.45	1,801.28	1,891.53	1,370.96
2. Fair value of plan assets	2,042.96	1,971.48	1,438.80	1,410.61	1,354.95
3. Surplus/(Deficit)	50.22	23.03	(362.48)	(480.92)	(16.01)
4. Experience adjustment on plan liabilities [(Gain)/Loss]	229.15	24.06	55.03	363.25	22.51
5. Experience adjustment on plan assets [Gain/(Loss)]	(69.61)	75.98	13.05	51.32	(25.46)

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 31.03.2018	Liability as at 31.03.2017
Compensated absences		
-Current	63.01	182.02
-Non Current	195.57	328.30
Total	**258.58**	**510.32**
Pension		
-Current	23.06	191.54
-Non Current	0.20	1,261.01
Total	**23.26**	**1,452.55**

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 - Related Party Transactions

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)	i) S. Y. Ghorpade,(Chairman & Managing Director Upto 31 March 2017 & Chairman from 1 April 2017)
	ii) Nazim Sheikh, Managing Director
	iii) U. R. Acharya, Director (Commercial) - Upto March 31, 2018
	iv) Rajnish Kumar Singh, Director (Corporate) w.e.f Jan 1, 2018
4. Relative of KMP	Aditya Shivrao Ghorpade
	Dhananjai Shivarao Ghorpade
	Mubeen A Sheriff
	S.Y. Ghorpade (HUF)
	Yashodhara Devi Ghorpade

Details of transaction between the Company and its related parties are disclosed below:

₹ lakh

Particulars	For the year ended	Parent Company	Subsidiary
Nature of transactions with Related Parties			
Purchase of goods - Raw material and stores and spares	31-Mar-18	-	-
	31-Mar-17	-	5,092.77
Lease expenses	31-Mar-18		1,021.47
	31-Mar-17		1,025.89
Other transactions - Electricity / Reimburesment	31-Mar-18		169.84
	31-Mar-17		256.32
Nature of Balances with Related Parties	**Balance as on**	**Parent Company**	**Subsidiaries**
Trade payables	31-Mar-18	-	810.08
	31-Mar-17	-	607.24
Guarantee given	31-Mar-18	-	-
	31-Mar-17	-	1,050.00

Compensation of key managerial personnel

The remuneration of directors and other members of key managerial personnel during the year was as follows:

₹ lakh

Name of the Key Managerial Personnel	Remuneration		Amounts payable at the year end	
	2017-18	**2016-17**	**31-Mar-18**	**31-Mar-17**
1. S. Y. Ghorpade	-	140.69	-	13.78
2. Nazim Sheikh	174.70	128.99	0.53	23.84
3. U. R. Acharya	105.84	75.68	2.79	12.27
4. Rajnish Kumar Singh	22.46	-	0.34	-
	303.00	**345.36**	**3.66**	**49.89**

₹ lakh

Particulars	Year ended 31/03/2018	Year ended 31/03/2017
Short-term employee benefits	284.78	319.28
Post-employment benefits*	18.22	26.08
Total	**303.00**	**345.36**

*Does not Include the provison made for gratuity and leave encashment as they are determined on an actuarial basis for all the employees together.

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

₹ lakh

Name of KMP	Remuneration		Amounts payable / (receivable) at the year end	
	2017-18	**2016-17**	**31-Mar-18**	**31-Mar-17**
Aditya Shivrao Ghorpade	28.83	23.27	(1.16)	(0.38)
Dhananjai Shivarao Ghorpade	18.79	15.04	0.26	0.95
Mubeen A. Sherriff	23.21	17.85	(0.08)	1.25

S. Y. Ghorpade (HUF)

₹ lakh

Particulars	2017-18	2016-17
Purchase of Land	478.24	-
Rental payments	28.04	-
Total	**506.28**	**-**

Yashodhara Devi Ghorpade

₹ lakh

Particulars	2017-18	2016-17
Rental payments	24.00	-
Total	**24.00**	**-**

Note No. 31 - Segment information

Effective 1 April 2016, 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) Steel (d) Unallocable, based on the assessment of the overall risks and rewards.

Year ended 31 March 2018

₹ lakh

Particulars	Mining	Ferroalloys & power	Steel	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
Income tax expense or income	-	-	-	5,800.00	-	5,800.00
Interest income	(16.64)	(5.79)	-	(25.12)		(47.55)
Interest expense	-	-	-	494.90	-	494.90
Total expenses	25,410.41	18,930.96	-	8,171.24	(1,924.84)	50,587.77
Segment profit	18,994.94	(291.56)	-	(8,051.20)	-	10,652.18
Total assets	9,045.84	18,457.43	1.47	38,190.99	-	65,695.72
Total liabilities	9,330.40	1,849.59	-	1,544.83	-	12,724.82

Year ended 31 March 2017

₹ lakh

Particulars	Mining	Ferroalloys & power	Steel	Un-allocable	Adjustment & Eliminations	Total
Revenue	30,279.72	13,036.24	-	55.09	-	43,371.05
External customers	-	-	-	-	-	-
Inter-segment	1,705.12	-	-	-	(1,705.12)	-
Total revenue	31,984.84	13,036.24	-	55.09	(1,705.12)	43,371.05
Income/ (Expenses)	19,492.17	14,505.36	-	1,192.48	(1,705.12)	33,484.89
Depreciation and amortisation	370.74	58.81	-	275.32	-	704.87
Income tax expense or income	-	-	-	2,950.00	-	2,950.00
Interest income	(44.09)	(1.36)	-	(19.65)	-	(65.10)
Interest expense	-	-	-	724.92	-	724.92
Total expenses	19,818.82	14,562.81	-	5,123.07	(1,705.12)	37,799.58
Segment profit	12,166.02	(1,526.57)	-	(5,067.98)	-	5,571.47
Total assets	8,419.94	17,894.26	3,170.46	27,273.61	-	56,758.27
Total liabilities	10,524.95	1,658.45	2.80	1,392.16	-	13,578.36

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 2018	Year Ended 31 March 2017
Manganese ore	11,339.54	7,148.05
Iron ore	30,472.94	22,492.64
Ferro alloys	18,268.64	11,860.75
Power	303.86	1,149.56
Total	**60,384.98**	**42,651.00**

Geographical Information

₹ lakh

Particulars	India		Rest of the World		Total	
	Year Ended 31 March 2018	Year Ended 31 March 2017	Year Ended 31 March 2018	Year Ended 31 March 2017	Year Ended 31 March 2018	Year Ended 31 March 2017
Revenue form Operation						
Manganese ore	11,339.54	7,148.05	-	-	11,339.54	7,148.05
Iron ore	30,472.94	22,492.64	-	-	30,472.94	22,492.64
Ferro alloys	17,353.32	11,556.24	915.31	304.51	18,268.64	11,860.75
Power	303.86	1,149.56	-	-	303.86	1,149.56
Others	854.97	720.05	-	-	854.97	720.05
Total	**60,324.65**	**43,066.54**	**915.31**	**304.51**	**61,239.96**	**43,371.05**

32. Financial Instruments

Categories of financial instruments

₹ lakh

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Financial assets			
Measured at fair value through profit or loss (FVTPL)			
(a) Equity investments	47.53	36.07	26.56
(b) Equity investments in subsidiary - Unquoted	12,748.00	12,748.00	12,748.00
(c) Mutual fund investments - Quoted	17,021.76	11,518.49	5,250.65
(d) Mutual fund investments - Unquoted	440.41	370.89	321.24
Total financial assets measured at FVTPL (a)	**30,257.70**	**24,673.45**	**18,346.45**
Measured at amortised cost			
Other financial assets	442.83	256.82	417.26
Trade receivables	426.40	630.54	846.64
Cash and cash equivalents	1,878.56	1,584.56	1,625.46
Other bank balances	389.98	470.47	550.00
Other financial assets	79.44	39.69	38.20
Total financial assets measured at amortised cost (b)	**3,217.21**	**2,982.08**	**3,477.56**
Total financial assets (a) + (b)	**33,474.91**	**27,655.53**	**21,824.01**
Financial liabilities			
Measured at fair value through profit or loss (FVTPL)			
Provisions	537.84	2,058.77	1,907.48
Total financial liabilities measured at FVTPL (a)	**537.84**	**2,058.77**	**1,907.48**
Measured at amortised cost			
Trade payables	5,189.83	3,238.20	1,920.40
Other financial liabilities	20.50	57.90	55.15
Total financial liabilities measured at amortised cost (b)	**5,210.33**	**3,296.10**	**1,975.55**
Total financial liabilities (a) + (b)	**5,748.17**	**5,354.87**	**3,883.03**

Fair value hierarchy

1. 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 consist of the following three levels:

   Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

   Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

   Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

Fair Valuation Techiques and Inputs used

Financial assets measured at Fair value	Fair value as at (₹ lakh)			Fair value hierarchy	Basis for valuation
	31-Mar-18	31-Mar-17	31-Mar-16		
(a) Equity investments	47.53	36.07	26.56	Level - 1	Quoted price
(b) Equity investments in subsidiary - Unquoted	12,748.00	12,748.00	12,748.00	Level - 3	Net Asset Method
(c) Mutual fund investments - Quoted	17,021.76	11,518.49	5,250.65	Level - 1	Quoted price
(d) Mutual fund investments - Unquoted	440.41	370.89	321.24	Level - 2	NAV of Mutual Funds
Total financial assets	**30,257.70**	**24,673.45**	**18,346.45**		

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.

32a. 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.

The Company does not have any foreign currency exposures as at 31st March, 2018.

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 ₹ 2,268.54 lakh at March 31, 2018 (31 March, 2017: ₹ 2,055.03 lakh, 1 April, 2016: ₹ 2,175.46 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 Compnay'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:.

₹ lakh

March 31, 2018					
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**	**-**

₹ lakh

March 31, 2017

Financial Liabilities	Due within (years)			Total	Carrying amount
	Less than 1 year	1 - 3 years	3+ years		
Trade payables	3,238.20	-	-	3,238.20	
Other financial liabilities	57.90	-	-	57.90	
Total	**3,238.20**	**-**	**-**	**3,238.20**	**-**

March 31, 2016 ₹ lakh

Financial Liabilities	Due within (years)			Total	Carrying amount
	Less than 1 year	1 - 3 years	3+ years		
Trade payables	1,920.40	-	-	1,920.40	
Other financial liabilities	55.15	-	-	55.15	
Total	**1,975.55**	**-**	**-**	**1,975.55**	**-**

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 Compnay 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, 2018, 31 March, 2017 and 1 April, 2016. The capital structure of the Company represents total equity which is as follows:

₹ lakh

Particulars	31 March, 2018	31 March, 2017	1 April, 2016
Total equity	52,970.90	43,179.91	37,941.87

Note 33. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

₹ lakh

Particulars	31-Mar-18	31-Mar-17
(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	-	-
Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.		

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 34 - Expenditure on Corporate Social Responsibility (As per Section 135 of the Companies Act, 2013)

(a) Gross amount required to be spent by the company during the year ₹ 68.35 lakh (previous year ₹ 53.90 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	76.85	-	76.85
	(69.79)		(69.79)

Previous year figures are in brackets

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)	**146,532**	**259,669**	**41,968**	**223,832**	**140,401**	**-**
	(126,907)	(222,271)	(25,172)	(177,373)	(146,532)	101
Iron Ore (Tonnes)	**170,254**	**1,580,021**	**-**	**1,332,386**	**417,597**	**292**
	(213,970)	(1,149,899)	(-)	(1,193,615)	(170,254)	(-)
Silico-Manganese (Tonnes)	**2,663**	**29,317**	**-**	**30,987**	**993**	**-**
	(163)	(24,862)	(-)	(22,362)	(2,663)	(-)
Energy (Mega watt)	**-**	**164,229**	**124,039**	**17,166**	**-**	**23,024**
	(-)	(157,578)	(103,449)	(33,354)	(-)	(20,775)

NOTES:

a) Manganese ore production & sales excludes 11,088 tonnes (previous year: Nil tonnes) salvaged from waste dumps.

b) Iron ore production & sales excludes 19,743 tonnes (previous year: Nil tonnes) salvaged from waste dumps.

c) Previous year figures are in brackets.

36. First-time IND AS adoption reconciliations

36.1 Effect of Ind AS adoption on the balance sheet as at March 31, 2017 and April 1, 2016

₹ lakh

Particulars	Notes	As at 31/03/2017 (End of last period presented under previous. GAAP)			As at 01/04/2016 (Date of transition)		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
Assets							
Non-current assets							
Property, Plant and Equipment	(a)	8,038.88	(1,490.26)	6,548.62	7,486.95	(1,521.49)	5,965.46
Capital work-in-progress		283.31	-	283.31	138.99	-	138.99
Investment Property	(a)	-	1,490.26	1,490.26	-	1,521.49	1,521.49
Other Intangible assets		235.09	-	235.09	281.92	-	281.92
Financial Assets							
(i) Investments	(b)	12,748.05	36.02	12,784.07	12,748.05	26.51	12,774.56
(ii) Other financial assets		256.82	-	256.82	417.26	-	417.26
Deferred tax assets (net)		2,430.00	-	2,430.00	2,160.00	-	2,160.00
Other non-current assets		8,212.12	-	8,212.12	7,801.45	-	7,801.45
Total Non - Current Assets		**32,204.27**	**36.02**	**32,240.29**	**31,034.62**	**26.51**	**31,061.13**
Current assets							
Inventories		8,866.47	-	8,866.47	6,032.76	-	6,032.76
Financial assets							
(i) Investments	(c)	10,770.26	1,119.12	11,889.38	4,791.22	780.67	5,571.89
(ii) Trade receivables		630.54	-	630.54	846.64	-	846.64
(iii) Cash and cash equivalents		1,584.56	-	1,584.56	1,625.46	-	1,625.46
(iv) Bank balances other than (iii) above		470.47	-	470.47	550.00	-	550.00
(vi) Other financial assets		39.69	-	39.69	38.20	-	38.20
Other current assets		1,036.87	-	1,036.87	2,691.06	-	2,691.06
Total current assets		**23,398.86**	**1,119.12**	**24,517.98**	**16,575.34**	**780.67**	**17,356.01**
Total assets		**55,603.13**	**1,155.14**	**56,758.27**	**47,609.96**	**807.18**	**48,417.14**

₹ lakh

Equity							
Equity share capital		875.00	-	875.00	875.00	-	875.00
Other equity		40,879.68	1,425.23	42,304.91	36,169.72	897.15	37,066.87
Total Equity (Shareholders funds under previous GAAP)		**41,754.68**	**1,425.23**	**43,179.91**	**37,044.72**	**897.15**	**37,941.87**
Non-current liabilities							
Financial Liabilities							
(i) Other financial liabilities		-	-	-	28.00		28.00
Provisions	(d)	1,955.30	(270.09)	1,685.21	1,696.50	(89.97)	1,606.53
Total Non - Current Liabilities		**1,955.30**	**(270.09)**	**1,685.21**	**1,724.50**	**(89.97)**	**1,634.53**
Current liabilities							
Financial Liabilities							
(i) Trade payables		3,238.20	-	3,238.20	1,920.40	-	1,920.40
(ii) Other financial liabilities		57.90	-	57.90	55.15	-	55.15
Provisions		479.37	-	479.37	611.16	-	611.16
Current tax liabilities (Net)		986.22	-	986.22	-	-	-
Other current liabilities		7,131.46	-	7,131.46	6,254.03	-	6,254.03
Total Current Liabilities		**11,893.15**	**-**	**11,893.15**	**8,840.74**	**-**	**8,840.74**
Total Liabilities		**13,848.45**	**(270.09)**	**13,578.36**	**10,565.24**	**(89.97)**	**10,475.27**
Total Equity and Liabilities		**55,603.13**	**1,155.14**	**56,758.27**	**47,609.96**	**807.18**	**48,417.14**

36.2 Reconciliation of total equity as at March 31, 2017 and April 1, 2016

₹ lakh

Particulars	Notes	As at 31/3/2017 (End of last period presented under previous GAAP)	As at 01/04/2016 (Date of transition)
Total equity (shareholders' funds) under previous GAAP		41,754.68	37,044.72
Fair valuation of investments under Ind AS	(b), (c)	1,155.14	807.18
Discounting of long-term provisions	(d)	270.09	89.97
Total adjustment to equity		**1,425.23**	**897.15**
Total Equity under Ind AS		**43,179.91**	**37,941.87**

36.3 Effect of Ind AS adoption on the statement of profit and loss for the year ended March 31, 2017

Particulars	Notes	As at 31/03/2017		
		Previous GAAP	Effect of transition to Ind AS	Ind AS
Revenue from Operations		43,371.05	-	43,371.05
Other Income	(b), (c)	508.30	(347.90)	856.21
Total Income (A)		**43,879.35**	**(347.90)**	**44,227.26**
Expenses				
Cost of materials consumed		9,496.49	-	9,496.49
Changes in stock of finished goods, work-in-progress and stock-in-trade		(2,139.63)	-	(2,139.63)
Employee benefit expense	(e)	6,539.16	(26.00)	6,513.16
Finance costs		724.92	-	724.92
Depreciation and amortisation expense		704.87	-	704.87
Other expenses	(d)	20,586.15	(180.18)	20,405.98
Total expenses (B)		**35,911.96**	**(206.18)**	**35,705.79**
Profit before tax (C) = (A-B)		**7,967.39**	**(141.72)**	**8,521.47**
Tax expense (D)				
(1) Current tax	(e)	3,210.00	10.00	3,220.00
(2) Deferred tax		(270.00)	-	(270.00)
		2,940.00	**10.00**	**2,950.00**
Profit after tax for the year (E) = (C) - (D)		**5,027.39**	**(151.72)**	**5,571.47**
Other Comprehensive Income (F)				
Items that will not be reclassified to the statement of profit and loss				
(i) Remeasurement of employee defined benefit plans	(e)	-	(26.00)	(26.00)
(ii) Income tax relating to items that will not be re-classified to profit or loss			10.00	10.00
Total comprehensive income for the year		**5,027.39**	**(167.72)**	**5,555.47**

Notes:

(a) Under previous GAAP, there was no requirement to present investment property separately and the same was included under property, plant and equipment and measured at cost. Under Ind AS, investment property is required to be presented separately in the balance sheet.

(b) Under previous GAAP, non current Investments were stated at cost. Where applicable, provision was made to recognise a decline, other than temporary, in valuation of such Investments. Under Ind AS, financial assets in equity instruments (other than investments in subsidiary) have been classified as FVTPL.

(c) Under previous GAAP, current investments were stated at lower of cost or fair value. Under Ind AS, these financial assets have been classified as Fair Value through Profit and Loss (”FVTPL”) on the date of transition and fair value changes after the date of transition has been recognised in the statement of profit and loss.

(d) Under previous GAAP, long-term provisions were not discounted, however under Ind AS, the long-term provisions relating to mine closure has been discounted (net of unwinding interest) .

(e) Under previous GAAP, actuarial gains and losses were recognised in the statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the defined benefit liability/asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in the Other Comprehensive Income under Ind AS.

36.4 Reconciliation of total comprehensive income for the year ended March 31, 2017

₹ lakh

Particulars	Notes	Year ended 31/03/2017 (latest period presented under previous GAAP)
Profit as per previous GAAP		5,027.39
Adjustments:		-
Discounting of long-terms provisions (Net of unwinding of interest)	(d)	180.18
Fair valuation of financial assets	(b), (c)	347.90
Remeasurements of the defined benefit liabilities/ assets (Net of tax)	(e)	26.00
Total effect of transition to Ind AS		554.08
Profit for the year as per Ind AS		5,581.47
Other comprehensive for the year (net of tax)	(e)	(26.00)
Total comprehensive income under Ind AS		5,555.47

Note: Under previous GAAP, total comprehensive income was not reported. Therefore, the above reconciliation starts with profit under the previous GAAP.

36.5 Effect of Ind AS adoption on the statement of cash flows for the year ended March 31, 2017

₹ lakh

Particulars	Notes	As at 31/03/2017		
		Previous GAAP	Effect of transition to Ind AS	Ind AS
Net cash flows from operating activities	(d), (e)	8,031.82	-	8,031.90
Net cash flows from investing activities	(b), (c)	(6,825.97)	-	(6,826.05)
Net cash flows from financing activities		(1,246.75)	-	(1,246.75)
Net increase (decrease) in cash and cash equivalents		**(40.90)**	**-**	**(40.90)**
Cash and cash equivalents at the beginning of the period		**1,625.46**	**-**	**1,584.56**
Cash and cash equivalents at the end of the period		**1,584.56**	**-**	**1,584.56**

36.6 Analysis of cash and cash equivalents as at March 31, 2017 and as at April 1, 2016 for the purpose of statement of cash flows under Ind AS

₹ lakh

Particulars	As at 31/03/2017 (End of last period presented under previous GAAP)	As at 01/04/2016 (Date of transition)
Cash and cash equivalents for the purpose of statement of cash flows as per previous GAAP	1,584.56	1,625.46
Cash and cash equivalents for the purpose of statement of cash flows under Ind AS	1,584.56	1,625.46

37. The Company has reviewed during the year that the point of transfer of risks and rewards for revenue recognition on sale of manganese and iron ore under e-auction has changed such that point of sale is shifted from that of actual despatch of minerals to the completion of e-auction sales and receipt of money from the buyer. Had the Company used the earlier estimate of point of sale for revenue recognition, its revenue from operations for the year ended 31st March 2018 would have been lower to the extent of Rs.2,023.57 lakh. However, the effect of such change in estimate has not been considered in the comparative reported previous year.

38. 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 Metallics & 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.

39. There are no material events occurred after the balance sheet date but before the approval of financial statements by the board of directors.

40. In respect of the current year, the directors propose that a dividend of ₹ 2 per share be paid on equity shares on 31 March 2018. 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 30 May 2018. The total estimated equity dividend to be paid is ₹ 175 lakh. The payment of this dividend is estimated to result in payment of dividend tax of ₹ 35.97 lakh @ 20.553% on the amount of dividends grossed up for the related dividend distribution tax.

41. Carrying value of equity investment in Sandur Laminates Limited and Sandur Micro Circuits Limited as on Ind AS transitional Date (April 1 2016) are at their fair value. Management of the company has decided to sell the equity investment in Sandur Laminates Limited in the near future.

42. The financial statements of The Sandur Manganese & Iron Ores Limited were approved by the Board of Directors and authorised for issue on 30 May 2018.

43. The figures of the previous year have been regrouped/recasted, wherever necessary to conform with the current year classification.

Signatures to notes 1 to 43
For and on behalf of the Board of Directors

S.Y. GHORPADE
Chairman

NAZIM SHEIKH
Managing Director

Place : Bengaluru
Date : 30 May 2018

DIVYA AJITH
Company Secretary

SACHIN SANU
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To
The Members of
The Sandur Manganese and Iron Ores Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **The Sandur Manganese and Iron Ores Limited,** ("hereinafter referred to as "the Holding Company"), and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"),

comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding 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 consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income , consolidated cash flows and change in equity of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Board of Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of the other auditors, referred to in the Other Matters paragraph below, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the

Consolidated state of affairs of the Group as at 31st March 2018, their consolidated profit, their consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Other Matters

a) We did not audit the financial statements of subsidiary included in the consolidated financial results, whose financial statements reflect total asset of Rs. 16,927 Lakhs as at 31st March 2018, total revenues of Rs. 1180 Lakhs, total net profit after tax of Rs. 440.96 Lakhs and total comprehensive income of Rs. 439.74 Lakhs for the year ended on that date, as considered in the consolidated financial results. The financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, is based solely on the reports of the other auditors.

b) The comparative financial information of the Group for the year ended 31st March 2017 and the transition date opening balance sheet as at 1st April 2016 prepared in accordance with Ind AS included in these consolidated Ind AS financial statements have been audited by the predecessor auditor who had audited the consolidated Ind AS financial statements for the relevant periods. The report of the predecessor auditor on the comparative financial information and the consolidated opening balance sheet dated 30th May 2017 expressed an unmodified opinion.

Our opinion 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 auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirement

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

   (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit of the consolidated Ind AS financials statements;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   (c) The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss (including other Comprehensive Income), and Consolidated the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Indian Accounting Standards Specified under Section 133 of the Act, read with relevant rule issued thereunder.

   (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of these entities is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the existence of internal financial controls with reference to the Ind AS financial statements, and the operating effectiveness of such controls, refer to our separate Report in **"Annexure",** which is based on the auditors' report of subsidiary companies.

   (g) With respect to the other matters to be included in the Auditors report in accordance with Rule 11 of the Companies (Audits and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us:-

      (i) The Group has disclosed the impact of pending litigations on its financial positions in its consolidated Ind AS Financial Statements

      (ii) Provision have been made, as required under the applicable law or accounting standards, for material foreseeable losses, if any on long-term contracts.

      (iii) There are no amounts which are required to be transferred to the Investor Education and Protection fund by the Group.

For R. Subramanian and Company LLP
Chartered Accountants
Firm Regd. No. 004137S/S200041

GOKUL S. DIXIT
Partner
M No. 209464

Place : Bengaluru
Date : 30th May 2018

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 1(f) of 'Report on Other Legal and Regulatory Requirements'

In conjunction with our audit of the consolidated Ind AS financial statements of the Holding Company as of and for the year ended March 31, 2018, we have audited the internal financial controls with reference to Ind AS financial statements of Sandur Manganese and Iron Ores Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiaries are responsible for establishing and maintaining internal financial controls with reference to the Consolidated Ind AS financial statements criteria established by these entities. These responsibilities include the design, implementation and maintenance of internal financial controls with reference to the consolidated 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 existence and operating efficiency of the Group's internal financial controls systems with reference to the Consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence obtained by us and the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's and its subsidiaries' internal financial controls system with reference to the consolidated Ind AS financial statements.

Meaning of Internal Financial Controls With Reference To Consolidated 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 Consolidated 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 Consolidated 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 Consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial controls with reference to the Consolidated 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 explanations given to us and based on the consideration of reports of other auditors, as referred to in the Other

Matters paragraph, the Holding Company and its subsidiaries, have, in all material respects, an internal financial controls system with reference to the Consolidated Ind AS financial statement and such internal financial controls with reference to the Consolidated Ind AS financial statement were operating effectively as at March 31, 2018, based on the internal control with reference to Ind AS financial statement criteria established by the respective companies, considering the essential components of internal control stated in the Guidance Note.

Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the existence and operating effectiveness of the internal financial controls with reference to Consolidated Ind AS financial statement of the holding company and its subsidiary, in so far as it relates to its subsidiaries which is , is based on the corresponding reports of the auditors of such subsidiary companies.

For R. Subramanian and Company LLP
Chartered Accountants
Firm's Registration Number: 004137S/S200041

GOKUL S. DIXIT
Membership Number: 209464

Place : Bengaluru
Date : 30th May 2018

THE SANDUR MANGANESE AND IRON ORES LIMITED
Consolidated balance sheet as at 31 March 2018

₹ lakh

	Particulars	Note No.	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
I	**ASSETS**				
	NON-CURRENT ASSETS				
	(a) Property, plant and equipment	2	20,881.36	20,670.31	20,488.67
	(b) Capital work-in-progress		1,210.33	366.12	258.01
	(c) Goodwill on consolidation		149.99	149.99	149.99
	(d) Investment property	3	4,947.15	1,490.26	1,521.49
	(e) Other intangible assets	4	222.08	235.09	281.92
	(f) Financial assets				
	(i) Investments	5	47.53	36.07	26.56
	(ii) Other financial assets	6	477.02	303.01	645.39
	(g) Deferred tax assets (net)	7	2,079.38	2,459.38	2,160.00
	(h) Other non-current assets	8	5,994.71	8,360.32	8,125.27
	SUB-TOTAL		36,009.55	34,070.55	33,657.30
	CURRENT ASSETS				
	(a) Inventories	9	8,705.78	8,866.47	6,040.54
	(b) Financial assets				
	(i) Investments	5	17,462.17	11,889.38	5,571.89
	(ii) Trade receivables	10	433.40	636.78	753.20
	(iii) Cash and cash equivalents	11	3,024.43	2,159.06	2,075.14
	(iv) Other bank balances	11	728.54	790.17	580.00
	(v) Other financial assets	6	141.82	124.72	172.80
	(c) Other current assets	8	2,176.24	1,058.79	2,802.25
	SUB-TOTAL		32,672.38	25,525.37	17,995.82
	TOTAL ASSETS		**68,681.93**	**59,595.92**	**51,653.12**
II	**EQUITY AND LIABILITIES**				
1	EQUITY				
	(a) Equity share capital	13	875.00	875.00	875.00
	(b) Other Equity	13	52,227.46	42,039.44	36,384.49
	(c) Non-controlling interests		3,192.93	3,111.57	2,891.74
	SUB-TOTAL		56,295.39	46,026.01	40,151.23
	LIABILITIES				
2	**NON-CURRENT LIABILITIES**				
	(a) Financial liabilities				
	(i) Other financial liabilities	14	4.50	-	28.00
	(b) Provisions	15	453.64	1,687.00	1,608.35
	SUB-TOTAL		458.14	1,687.00	1,636.35
3	**CURRENT LIABILITIES**				
	(a) Financial liabilities				
	(i) Trade payables	16	4,676.21	2,943.42	2,524.83
	(ii) Other financial liabilities	14	20.50	57.90	55.15
	(b) Provisions	15	93.98	491.77	625.22
	(c) Current tax liabilities (Net)	12	839.51	986.22	-
	(d) Other current liabilities	17	6,298.20	7,403.60	6,660.34
	SUB-TOTAL		11,928.40	11,882.91	9,865.54
	TOTAL EQUITY AND LIABILITIES		**68,681.93**	**59,595.92**	**51,653.12**

The accompanying notes 1 to 40 are an integral part of the consolidated financial statements

In terms of our report attached
For R. Subramanian & Co., LLP
Chartered Accountants
FRN: 004137S/ S200041

GOKUL S. DIXIT
Partner
Membership No. 209464

Place : Bengaluru
Date : 30 May 2018

For and on behalf of the Board of Directors

S.Y. GHORPADE
Chairman

NAZIM SHEIKH
Managing Director

DIVYA AJITH
Company Secretary

SACHIN SANU
Chief Financial Officer

THE SANDUR MANGANESE AND IRON ORES LIMITED
Consolidated statement of profit and loss for the year ended 31 March 2018

₹ lakh

	Particulars	Note No.	As at 31 March 2018	As at 31 March 2017
I	Revenue from operations	18	61,239.95	43,371.05
II	Other Income	19	1,269.76	1,041.50
III	**Total revenue (I + II)**		**62,509.71**	**44,412.55**
IV	**Expenses**			
	(a) Cost of materials consumed	20(a)	11,742.61	9,496.49
	(b) Changes in stock of finished goods, work-in-progress and stock-in-trade	20(b)	1,619.20	(2,139.63)
	(c) Employee benefit expense	21	8,388.61	6,603.72
	(d) Finance costs	22	494.93	724.92
	(e) Depreciation and amortisation expense	23	1,209.14	1,172.14
	(f) Other expenses	24	22,121.57	19,524.96
V	**Total expenses**		**45,576.06**	**35,382.60**
VI	**Profit before tax (III - IV)**		**16,933.25**	**9,029.95**
VII	**Tax expense**			
	(1) Current tax	25	5,420.00	3,220.00
	(2) Deferred tax	25	380.00	(270.00)
	Total tax expense		**5,800.00**	**2,950.00**
VIII	**Profit after tax (VI-VII)**		**11,133.65**	**6,079.95**
IX	**Other comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit liabilities / (asset)	25(b)	(192.54)	(26.91)
	(b) Income tax relating to items that will not be reclassified to profit or loss	25(b)	70.00	10.00
X	**Total comprehensive income for the year (VIII+IX)**		**11,010.11**	**6,063.04**
	Profit for the year attributable to:			
	Owners of the Company		**11,047.99**	**5,989.11**
	Non controlling interests		85.66	90.84
			11,133.65	**6,079.95**
	Other comprehensive income for the year attributable to:			
	Owners of the Company		(122.78)	(16.73)
	Non controlling interests		0.24	(0.18)
			(122.54)	**(16.91)**
XI	**Total comprehensive income for the year attributable to:**			
	Owners of the Company		**10,925.21**	**5,972.38**
	Non controlling interests		**85.90**	**90.66**
XII	**Earnings per equity share of ₹10/-**			
	(1) Basic	26	126.27	68.45
	(2) Diluted	26	126.27	68.45

The accompanying notes 1 to 40 are an integral part of the consolidated financial statements

In terms of our report attached
For R. Subramanian & Co., LLP
Chartered Accountants
FRN: 004137S/ S200041

GOKUL S. DIXIT
Partner
Membership No. 209464

Place : Bengaluru
Date : 30 May 2018

For and on behalf of the Board of Directors

S.Y. GHORPADE
Chairman

NAZIM SHEIKH
Managing Director

DIVYA AJITH
Company Secretary

SACHIN SANU
Chief Financial Officer

THE SANDUR MANGANESE AND IRON ORES LIMITED
Consolidated statement of changes in equity for the year ended 31 March 2018

₹ lakh

A. Equity share capital	
As at 1 April 2016	**875.00**
Changes in equity share capital during the year	-
As at 31 March 2017	**875.00**
Changes in equity share capital during the year	-
As at 31 March 2018	**875.00**

(b) Other equity

₹ lakh

Particulars	Reserves and surplus				Attributable to the owners of the Company	Non-controlling interest	Total other equity
	Capital redemption reserve	Securities Premium Reserve	General Reserve	Retained Earnings			
As at 1 April 2016	100.65	967.23	3,788.11	31,528.50	36,384.49	2,891.74	**39,276.23**
Profit / (loss) for the period	-	-	-	5,989.11	5,989.11	90.84	**6,079.95**
Other comprehensive income / (loss)	-	-	-	(16.73)	(16.73)	(0.18)	**(16.91)**
Total comprehensive income for the year	-	-	-	5,972.38	5,972.38	90.66	**6,063.04**
Dividend paid on equity shares	-	-	-	262.50	262.50	-	**262.50**
Dividend distribution tax	-	-	-	54.93	54.93	-	**54.93**
Transfers to reserves	-	-	-	-	-	-	**-**
Transfers from retained earnings	-	-	-	-	-	-	**-**
Adjustments during the year					-	129.17	**129.17**
As at 31 March 2017	**100.65**	**967.23**	**3,788.11**	**37,183.45**	**42,039.44**	**3,111.57**	**45,151.01**
Profit / (loss) for the period	-	-	-	11,047.99	11,047.99	85.66	**11,133.65**
Other comprehensive income / (loss)	-	-	-	(122.78)	(122.78)	0.24	**(122.54)**
Total comprehensive income for the year	-	-	-	10,925.21	10,925.21	85.90	**11,011.11**
Dividend paid on equity shares	-	-		612.50	612.50	-	**612.50**
Dividend distribution tax	-	-		124.69	124.69	-	**124.69**
Transfers to reserves	-	-	-	-	-	-	**-**
Transfers from retained earnings	-	-	-	-	-	-	**-**
Adjustments during the year						(4.54)	**(4.54)**
As at 31 March 2018	**100.65**	**967.23**	**3,788.11**	**47,371.47**	**52,227.46**	**3,192.93**	**55,420.39**

The accompanying notes 1 to 40 are an integral part of the consolidated financial statements

In terms of our report attached
For R. Subramanian & Co., LLP
Chartered Accountants
FRN: 004137S/ S200041

GOKUL S. DIXIT
Partner
Membership No. 209464

Place : Bengaluru
Date : 30 May 2018

For and on behalf of the Board of Directors

S.Y. GHORPADE
Chairman

NAZIM SHEIKH
Managing Director

DIVYA AJITH
Company Secretary

SACHIN SANU
Chief Financial Officer

THE SANDUR MANGANESE AND IRON ORES LIMITED
Statement of consolidated cash flows for the year ended 31 March 2018

₹ lakh

Particulars	Note No.	Year ended 31 March 2018	Year ended 31 March 2017
Cash flows from operating activities			
Profit before tax for the year		16,933.22	9,028.29
Adjustments for:			
Depreciation and amortisation expense	23	1,209.16	1,172.14
Provision for current assets	24	3.65	-
Loans and advances written off	24	5.20	24.02
Provisions/ Liabilities no longer required written back	19	(43.07)	(108.78)
Gain on disposal of property, plant and equipment	19	(2.87)	(0.23)
Capital work in progress written off	24	26.22	-
Allowance for credit losses on financial assets	24	12.98	-
Finance costs	22	494.93	724.92
Interest income	19	(89.60)	(111.00)
Dividend income	19	(175.92)	(197.18)
Gain on investments carried at fair value	19	(807.43)	(458.82)
Net foreign exchange (gain)/loss	24	5.33	5.27
Operating profit before working capital changes		**17,571.80**	**10,078.63**
Adjustments for (increase)/ decrease in operating assets:			
Other non-current financial assets	6	(202.01)	153.56
Other non-current assets	8	3,166.17	(156.68)
Inventories	9	160.69	(2,825.93)
Trade receivables	10	(827.09)	(795.24)
Other current financial assets	6	(18.07)	58.33
Other current assets	8	(1,126.30)	1,719.44
Adjustments for (increase)/ decrease in operating liabilities:			
Other non-current financial liabilities	14	4.50	(28.00)
Non-current provisions	15	(1,235.49)	79.56
Trade payables	16	2,786.59	1,478.42
Other current financial liabilities	14	(33.11)	46.32
Current provisions	15	(291.98)	70.95
Other current liabilities	17	(1,098.42)	912.04
Cash generated from operations		**18,857.28**	**10,791.40**
Income taxes paid	25	(6,021.97)	(2,285.54)
Net cash generated by operating activities		**12,835.31**	**8,505.86**
Cash flows from investing activities			
Additions to property, plant and equipment, intangible assets (including capital work-in-progress and capital advances)	2,4	(2,731.03)	(1,499.64)
Proceeds from sale of property, plant and equipment	2	4.84	0.43
Payments for investment property	3	(3,485.12)	-
Bank balances not considered as cash and cash equivalents	11	89.63	(39.17)
(Purchase)/ sale of investments (net)	5	(4,776.82)	(5,868.18)
Interest received	19	90.57	118.58
Dividends received	19	175.92	197.18
Net cash (used in)/generated by investing activities		**(10,632.01)**	**(7,090.80)**
Cash flows from financing activities			
Finance costs	22	(494.93)	(809.31)
Dividends paid	13	(700.00)	(437.50)
Tax on dividends	13	(143.00)	(84.33)
Net cash used in financing activities		**(1,337.93)**	**(1,331.14)**
Net increase in cash and cash equivalents		865.37	83.92
Cash and cash equivalents at the beginning of the year		2,159.06	2,075.14
Cash and cash equivalents at the end of the year		3,024.43	2,159.06

The accompanying notes 1 to 40 are an integral part of the consolidated financial statements

In terms of our report attached
For R. Subramanian & Co., LLP
Chartered Accountants
FRN: 004137S/ S200041

GOKUL S. DIXIT
Partner
Membership No. 209464

Place : Bengaluru
Date : 30 May 2018

For and on behalf of the Board of Directors

S.Y. GHORPADE
Chairman

NAZIM SHEIKH
Managing Director

DIVYA AJITH
Company Secretary

SACHIN SANU
Chief Financial Officer

All amounts are in ₹ lakh unless otherwise stated

1 Significant accounting policies

(i) Accounting Convention:

The Consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Amendment Rules, 2016. For all the periods upto and including the year ended March 31, 2017, the Group prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act, 2013, read together with Company (Accounts) Rules 2014 (Indian GAAP). These are the Group's first annual consolidated financial statements prepared in accordance with Ind AS. The Group has adopted all applicable standards and the adoptions were carried out in accordance with Ind AS 101 - 'First Time Adoption of Indian Accounting Standards' considering April 1, 2016 as the transition date. Pursuant to adoption of Ind AS, the differences in the carrying amounts of assets and liabilities on the transition date under the Indian GAAP and the balances on adoption of Ind AS have been recognised directly in equity. The consolidated financial statements for the year ended March 31, 2017 and the Balance Sheet as at the transition date and as at 1 April 2016 have been presented under Ind AS for comparative purposes. Accounting policies have been applied consistently to all periods presented in these financial statements.

(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 Metallics & 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, 2018. 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/ Power:

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

1.3.1 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 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

All amounts are in ₹ lakh unless otherwise stated

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.

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.

All amounts are in ₹ lakh unless otherwise stated

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 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 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."

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

All amounts are in ₹ lakh unless otherwise stated

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.

For transition to Ind AS, the Group has elected to continue with the carrying value of its investment property recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

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"

1.11.4 Deemed cost on transition to Ind AS

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

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 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 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 Mining, Ferro alloys & power & steel as operating segments and also additional information about revenue on geographical basis is provided.

The Company has realigned all its operations under four operating segments (i.e.) (a) Mining (b) Ferroalloys & Power (c) Steel and (d) Unallocable based on assessment of the overall risks and rewards.

Unallocable represents other income and expenses which relate to the Company 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 financial liabilities are recognised when the company becomes a party to the contractual provisions of the instruments.

“Initial recognition and measurement:

Financial assets and financial 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 of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.”

Financial Assets

“Subsequent measurement:

Financial assets at amortised cost-

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and contractual terms of financial asset 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 (‘FVTOCI’) if these financial assets are held within business model 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 (‘FVTPL’) unless it is measured at amortised cost or fair value through other comprehensive income on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the statement of profit and loss.”

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

Non-derivative financial assets

Financial assets at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

Amortised cost are represented by trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

Cash and cash equivalents comprise cash on hand and in banks and demand deposits with banks which can be withdrawn at any time without prior notice or penalty on the principal.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand, book overdraft and are considered part of the Group’s cash management system.

Non-derivative financial liabilities

(i) Financial liabilities at amortised cost

Financial liabilities at amortised cost represented by borrowings, trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate method.

1.20 Impairment

a) Financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Group follows ‘simplified approach’ for recognition of impairment loss allowance on trade receivable.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

b) Non-financial assets

The Group assesses at each reporting date whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Group estimates the amount of impairment loss.

An impairment loss is calculated as the difference between an asset’s carrying amount and recoverable amount. Losses are recognised in profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit”).

1.21 First-time adoption – mandatory exceptions, optional exemptions

1.21.1 Overall principle

The Group has prepared the opening balance sheet as per Ind AS of April 1, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Group as detailed below.

1.21.2 Accounting for Investment in Subsidiary

The Group has availed the optional exemption under “Ind AS 101 First time Adoption of Indian Accounting standards” with respect to Investments in subsidiary. Accordingly, the previous GAAP carrying amount of such investments as on transition date has been taken as deemed cost.

1.21.3 Deemed cost for property, plant and equipment, investment property, and intangible assets

The Group has elected to continue with the carrying value of all of its plant and equipment, investment property, and intangible assets recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

1.22 New standards and interpretations not yet adopted

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs (“MCA”) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Group is evaluating the effect of this on the financial statements.

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, the Ministry of Corporate Affairs notified Ind AS 115 Revenue from Contracts with Customers. The standard replaces Ind AS 11 Construction Contracts and Ind AS 18 Revenue.

The new standard applies to contracts with customers. The core principle of the new standard is that an entity should recognize revenue to depict transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, timing and uncertainty of revenues and cash flows arising from the entity’s contracts with customers. The new standard offers a range of transition options. An entity can choose to apply the new standard to its historical transactions and retrospectively adjust each comparative period. Alternatively, an entity can recognize the cumulative effect of applying the new standard at the date of initial application - and make no adjustments to its comparative information. The chosen transition option can have a significant effect on revenue trends in the financial statements. A change in the timing of revenue recognition may require a corresponding change in the timing of recognition of related costs.

The standard is effective for annual periods beginning on or after 1 April 2018. The Group is currently evaluating the requirements of Ind AS 115, and has not yet determined the impact on the financial statements.

Notes to the consolidated financial statements for the year ended 31 March 2018

Note No. 2 - Property, plant and equipment and capital work-in-progress

₹ lakh

Description of Assets	Land - Freehold	Buildings - Freehold	Railway sidings	Plant and Equipment - Freehold	Office Equipment	Furniture and Fixtures	Vehicles	Total
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
I. Gross Carrying Amount								
Balance as at 1 April 2016	4,245.55	3,409.43	-	12,442.48	130.52	143.35	117.34	20,488.67
Additions	16.34	25.46	-	533.82	76.57	18.14	594.96	1,265.29
Disposals/ adjustments	-	-	-	-	-	-	1.70	1.70
Balance as at 31 March 2017	4,261.89	3,434.89	-	12,976.30	207.09	161.49	710.60	21,752.26
II. Accumulated depreciation and impairment								
Balance as at 1 April 2016	-	-	-	-	-	-	-	-
Depreciation expense for the year	-	166.95	-	654.90	66.57	39.99	155.04	1,083.45
Eliminated on disposal of assets	-	-	-	-	-	-	1.50	1.50
Balance as at 31 March 2017	-	166.95	-	654.90	66.57	39.99	153.54	1,081.95
III. Net carrying amount (I-II)	4,261.89	3,267.94	-	12,321.40	140.52	121.50	557.06	20,670.31

Note No. 2.1 - Capital work-in-progress

₹ lakh

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Balance at the beginning of the year	366.12	258.01	439.86
Additions during the year	1,376.35	230.90	526.82
Transfer to property, plant and equipment	(489.98)	(122.79)	(692.52)
Transfer to expenditure account	(42.16)	-	(16.15)
Balance at the end of the year	1,210.33	366.12	258.01

Note No. 3 - Investment Property

Description of Assets			₹ lakh
	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
I. Gross Carrying Amount			
Balance as at 1 April 2016	916.59	604.90	1,521.49
Addition	-	-	-
Disposals	-	-	-
Balance as at 31 March, 2017	916.59	604.90	1,521.49
II. Accumulated depreciation and impairment			
Balance as at 1 April 2016	-	-	-
Addition	-	31.23	31.23
Disposals	-	-	-
Balance as at 31 March, 2017	-	31.23	31.23
III. Net carrying amount (I-II)	916.59	573.67	1,490.26

1. 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.
2. For depreciation methods used and the useful lives refer note 1.9 of the consolidated financial statements.
3. All of the Company's investment property are held free hold interest.
4. 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.

Particulars	**31-Mar-18**	**31-Mar-17**	**01-Apr-16**
Land	6,923.67	1,211.89	1,159.22
Buildings	741.28	708.91	683.72
Total	7,664.95	1,920.80	1,842.94

5. The company has no restrictions on the realisability of its investment properties and no contractual obligations to either purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Notes to the consolidated financial statements for the year ended 31 March 2018

Note No. 4 - Other Intangible Assets

₹ lakh

Description of Assets	Computer software	Total
I. Gross Carrying Amount		
Balance as at 1 April 2017	292.55	292.55
Additions from separate acquisitions	50.38	50.38
Disposals	-	-
Balance as at 31 March 2018	342.93	342.93
II. Accumulated depreciation and impairment		
Balance as at 1 April 2017	57.46	57.46
Amortisation expense for the year	63.39	63.39
Balance as at 31 March 2018	120.85	120.85
III. Net carrying amount (I-II)	222.08	222.08
I. Gross Carrying Amount		
Balance as at 1 April 2016	281.92	281.92
Additions from separate acquisitions	10.63	10.63
Disposals	-	-
Balance as at 31 March, 2016	292.55	292.55
II. Accumulated depreciation and impairment		
Balance as at 1 April 2016	-	-
Amortisation expense for the year	57.46	57.46
Eliminated on disposal of assets	-	-
Balance as at 31 March, 2017	57.46	57.46
III. Net carrying amount (I-II)	235.09	235.09

Notes:

1. For depreciation methods used and the useful lives or the depreciation refer note 1.11.3 of the consolidated financial statements.

THE SANDUR MANGANESE AND IRON ORES LIMITED
Notes to the consolidated financial statements for the year ended 31 March 2018

Note No. 5 - Investments

₹ lakh

Particulars	As at 31 March 2018			As at 31 March 2017			As at 1 April 2016		
	QTY	Amount		QTY	Amount		QTY	Amount	
		Current	Non Current		Current	Non Current		Current	Non Current
I. Quoted investments in equity instruments									
HDFC Bank Limited	2,500	-	47.53	2,500	-	36.07	2,500	-	26.56
Equity shares of ₹ 2 each fully paid up									
Total Quoted Investments		-	47.53		-	36.07		-	26.56
II. Unquoted investments in equity instruments in others									
Investments in equity instruments in others									
Sandur Micro Circuits Limited (unquoted)	-	-	-	900,000	-	-	900,000	-	-
Equity share of ₹ 10 each fully paid									
		-	-		-	-		-	-
Sandur Laminates Limited									
Sandur Laminates Limited	4,725,191	-	-	4,725,191		-	4,725,191	-	-
Equity share of ₹10 each fully paid									
		-	-		-	-		-	-
Total Unquoted Investments		-	-		-	-		-	-

₹ lakh

Particulars	As at 31 March 2018			As at 31 March 2017			As at 1 April 2016		
	QTY	Amount		QTY	Amount		QTY	Amount	
		Current	Non Current		Current	Non Current		Current	Non Current
Investments in Mutual Funds									
(Refer note 27(b))									
Quoted									
DSP BlackRock Dual Advantage Fund -S11-36 Month Regular Plan - Growth - Unit of ₹ 10 each	-	-	-	-	-	-	3,000,000	381.74	-
Deutsche DWS Hybrid Fixed Term Fund-Series 14- Regular Plan Growth - Unit of ₹ 10 each	-	-	-	1,000,000	134.33	-	1,000,000	123.48	-
Franklin Templeton India corporate Bond Opportunities Fund - Growth - Unit of ₹ 16.70 each	-	-	-	3,252,487	543.30	-	3,252,487	634.55	-
ICICI Pru Corporate Bond Fund Growth PlanA (G) - Unit of ₹ 25.37 each	-	-	-	2,160,364	548.05	-	2,160,364	642.55	-
ICICI Prudential Multiple Yield Fund Plan A Cumulative Unit of ₹10 each	-	-	-	-	-	-	1,000,000	134.10	-
ICICI Pru CPO Fund V-B Reg (G) - Unit of ₹10 each	-	-	-	-	-	-	1,700,000	214.47	-
DSP BlackRock Dual Advantage Fund - Series 29 - 40M - Reg - Gr Unit of ₹11.89 each	-	-	-	2,000,000	225.70	-	2,000,000	209.23	-
HDFC Corporate Debt Opportunities Fund - Regular - Growth - unit) of ₹ 14.41 each	3,617,672	521.34	-	4,846,511	657.09	-	4,846,511	594.75	-
ICICI Prudential Capital Protection Oriented Fund VI Pan B-1100 Days Regular - unit of ₹10 each	-	-	-	1,000,000	122.85	-	1,000,000	114.23	-
Kotak Medium Term Fund - Growth (Regular Plan) - Unit of ₹ 14.04 each	-	-	-	3,918,419	530.47	-	3,918,419	480.97	-
Sundaram Hybrid Fund SR H 5 YRS Regular Growth - Unit of ₹ 13.53 each	1,000,000	135.32	-	1,000,000	126.88	-	1,000,000	114.61	-
DWS Hybrid Fixed Term Fund -Series.23 - Regular Plan - Growth - Unit of ₹ 10 each	-	-	-	1,000,000	116.65	-	1,000,000	105.61	-
Reliance Corporation Bond Fund - Growth - Plan - CBGP - Unit of ₹ 13.71 each	-	-	-	2,950,636	388.47	-	2,950,636	349.37	-
Axis Hybrid Fund -Series 14 (1274 days) - Growth - A4GP - Unit of ₹ 11.73 each	-	-	-	2,000,000	223.43	-	2,000,000	206.93	-
DWS Hybrid Fixed Term Fund Series 32 - Regular Plan - Growth - units) of ₹ 10.97 each	-	-	-	2,000,000	209.68	-	2,000,000	196.04	-
UTI-Dual Advantage Fixed Term Fund - Series I - II Regular Plan- Growth - unit of ₹ 11.89 each	-	121.55	-	1,000,000	114.98	-	1,000,000	105.02	-

₹ lakh

Particulars	As at 31 March 2018			As at 31 March 2017			As at 1 April 2016		
	QTY	Amount		QTY	Amount		QTY	Amount	
		Current	Non Current		Current	Non Current		Current	Non Current
Kotak Medium Term Fund - Growth - Unit of ₹ 14.43 each	4,400,246	634.74	-	4,400,246	595.70	-	4,400,246	540.12	-
Sundaram Hybrid Fund SR M Regular Growth - Unit of ₹ 11.84 each	1,000,000	118.36	-	1,000,000	111.65	-	1,000,000	102.88	-
Birla SL Cash Manager (DD) Rei - Unit of ₹ 100.62 each	-	-	-	1,504,022.00	1,513.43	-	-	-	-
DSP BR Income Opportunities-(G) - Unit of ₹ 28.59 each	2,030,050	580.49	-	2,030,050	545.63	-	-	-	-
Reliance RSF Debt (G) - Unit of ₹ 24.19 each	2,376,731	575.05	-	2,376,731	538.49	-	-	-	-
Birla SL Medium Term Plan-(G) Unit of ₹ 21.96 each	2,564,823	563.31	-	2,564,823	523.47	-	-	-	-
HDFC Equity Savings (G) - unit of ₹ 34.55 each	2,503,824	865.12	-	1,617,404.00	526.13	-	-	-	-
DSP BR Money Manager Reg-DD - Unit of ₹ 1004.23 each	-	-	-	140,666	1,412.61	-	-	-	-
DHFL Pramerica Credit Opportunities Reg-(G) - Unit of ₹ 13.76 each	5,382,349	740.71	-	3,120,417	401.15	-	-	-	-
Franklin India Dynamic Accrual-(G) - Unit of ₹ 61.38 each	1,060,087	650.65	-	1,060,087	601.65	-	-	-	-
ICICI Pru Regular Savings-(G) Unit of ₹ 18.56 each	2,902,657	538.86	-	2,902,657	504.18	-	-	-	-
IDFC Credit Opportunities Fund Reg-(G) - units) of ₹ 10.71 each	5,874,720	629.39	-	3,000,000	302.52	-	-	-	-
SBI Corporate Bond-G - Unit of ₹ 27.93 each	2,274,863	635.41	-	-	-	-	-	-	-
UTI Income Opportunities-G - units) of ₹ 15.85 each	3,353,544	531.44	-	-	-	-	-	-	-
DSP BR Equity Savings Reg-G - units) of ₹ 12.25 each	4,355,401	533.71	-	-	-	-	-	-	-
ICICI Pru Equity Income-G - Unit of ₹ 24.86 each	4,128,819	1,026.57	-	-	-	-	-	-	-
Indiabulls High Yield Fund - units) of ₹ 9.89 each	4,000,000	395.52	-	-	-	-	-	-	-
Aditya Birla SL Equity Savings Reg-G - units) of ₹ 12.93 each	5,445,671	704.13	-	-	-	-	-	-	-
Reliance Corporate Bond-G - Unit of ₹ 14.01 each	4,413,710	618.18	-	-	-	-	-	-	-
HDFC Corporate Debt Opportunities Reg-G - Unit of ₹ 14.41 each	2,136,950	307.95	-	-	-	-	-	-	-
RELIANCE ARBITRAGE Fund - Unit of ₹ 10.58 each	943,547	99.81	-	-	-	-	-	-	-
AXIS FIXED INCOME OP Unit of ₹ 13.65 each	750,238	102.38	-	-	-	-	-	-	-
Franklin India CorpBondOpp-(G) - ₹ 18.04 each	1,126,113	203.19	-	-	-	-	-	-	-
Franklin India Low Duration-(G) - ₹ 19.97 each	4,579,899	914.86	-	-	-	-	-	-	-
DSP BlackRock Equity Savings Reg-(G) - ₹ 12.25 each	2,009,646	246.26	-	-	-	-	-	-	-
Franklin India Ultra Short Bond Super Inst-DD - ₹ 10.07 each	35,002,263	3,527.46	-	-	-	-	-	-	-
RELIANCE ARBITRAGE A - ₹ 10.58 each	4,726,568	500.00	-	-	-	-	-	-	-
		17,021.76	**-**		**11,518.49**	**-**		**5,250.65**	**-**

₹ lakh

Particulars	As at 31 March 2018			As at 31 March 2017			As at 1 April 2016		
	QTY	Amount		QTY	Amount		QTY	Amount	
		Current	Non Current		Current	Non Current		Current	Non Current
Quoted									
Arthaveda Star Fund - Unit of ₹1,000 each	28,471	362.44	-	28,705.00	287.05	-	29,663	296.63	-
Edelweiss Stressed & Troubled assets revival Fund - Unit of ₹ 8,446 each	1,000	77.97	-	1,000	83.84	-	1,000	24.61	-
		440.41			**370.89**			**321.24**	
Total Aggregate of Quoted Investments		**17,021.76**	**47.53**		**11,518.49**	**36.07**		**5,250.65**	**26.56**
Total Aggregate of unquoted Investments		**440.41**	**-**		**370.89**	**-**		**321.24**	**-**
TOTAL INVESTMENTS		**17,462.17**	**47.53**		**11,889.38**	**36.07**		**5,571.89**	**26.56**
TOTAL INVESTMENTS		**17,462.17**	**47.53**		**11,889.38**	**36.07**		**5,571.89**	**26.56**
Other disclosures									
Aggregate amount of quoted investments		**17,021.76**	**47.53**		**11,518.49**	**36.07**		**5,250.65**	**26.56**
Aggregate amount of Market value of investments		**17,021.76**	**47.53**		**11,518.49**	**36.07**		**5,250.65**	**26.56**
Aggregate amount of unquoted investments		**440.41**			**370.89**			**321.24**	**-**
Aggregate amount of impairement in value of investments			**-**			**-**			**-**

Note No. 6 - Other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
(i) Security Deposits	34.38	343.12	34.38	141.11	34.38	130.60
(ii) Deposits against guarantees with maturity of more than 12 months	-	133.90	-	161.90	-	496.97
(iii) Loans and advances to employees	76.66	-	36.68	-	36.02	
(iv) Interest accrued on deposits	17.51	-	18.48	-	8.23	17.82
(v) Advance to suppliers						
Considered good	13.27	-	35.18	-	94.17	-
Considered doubtful	2.96	-	2.96	-	2.96	-
Less: Provision for doubtful advances	(2.96)	-	(2.96)	-	(2.96)	-
	141.82	477.02	124.72	303.01	172.80	645.39

7. Deferred tax balances

₹ lakh

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Deferred Tax Assets	2,079.38	2,459.38	2,160.00
	2,079.38	**2,459.38**	**2,160.00**

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	1,593.83	(43.09)	-	1,636.92
Total	**2,430.00**	**380.00**	**-**	**2,050.00**

As at March 31, 2017

₹ 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	63.79	(70.37)	-	134.16
Intangible assets	(2.51)	27.37	-	(29.88)
Defined benefit obligation	650.25	(52.26)	-	702.51
MAT Credit Entitlement	-	(29.38)	-	29.38
Disallowances under section 40(a)(i), 43B of the Income-tax Act, 1961	1,448.47	(145.36)	-	1,593.83
Total	**2,160.00**	**(270.00)**	**-**	**2,430.00**

Note No. 8 - Other current assets

₹ lakh

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
(a) Capital advances						
Capital advances (Unsecured, considered good)						
(i) For Capital work in progress	-	947.45	-	478.14	-	406.15
(b) Advances other than capital advances						
(i) Balances with government authorities (other than income taxes)	391.72	156.99	279.81	156.99	876.40	-
Less: provision for doubtful receivables	(3.65)	-	-	-	-	-
(ii) Other advances						
Secured, considered good	-	-	-	600.00	-	600.00
Unsecured, considered good	1,662.89	3.55	689.68	2,570.03	1,004.45	2,570.03
iii) Prepaid expenses	6.74	-	21.46	-	8.80	-
iv) Unbilled revenue	68.32	-	44.81	-	912.60	-
v) Excess of plan asset on gratuity obligation	50.22	-	23.03	-	-	-
vi) Tax payments net of provisions	-	4,886.72	-	4,555.47	-	4,549.09
	2,176.24	5,994.71	1,058.79	8,360.63	2,802.25	8,125.27

Note No. 9 - Inventories

₹ lakh

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(a) Raw materials	3,023.31	1,627.80	1,139.84
(b) Finished and semi-finished goods	4,952.04	6,571.24	4,431.61
(c) Stores and spares	730.43	667.43	469.09
Total Inventories (at lower of cost and net realisable value)	**8,705.78**	**8,866.47**	**6,040.54**

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 2018		As at 31 March 2017		As at 1 April 2016	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Trade receivables						
(a) Unsecured, considered good	433.40	-	636.78	-	753.20	-
(b) Doubtful	49.57	-	49.57	-	49.57	-
Less: Allowance for credit losses	(49.57)	-	(49.57)	-	(49.57)	-
TOTAL	**433.40**	**-**	**636.78**	**-**	**753.20**	**-**

Movements in provision for expected credit loss	
As at 1 April, 2016	49.57
Provision during the year	
As at 31 March, 2017	49.57
Provision during the year	
As at 31 March, 2018	49.57

Note No. 11 - Cash and Bank Balances

₹ lakh

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Cash and cash equivalents			
(a) Balances with banks			
In current accounts	2,218.91	1,707.57	1,848.65
In EEFC accounts	-	0.59	0.63
In deposit accounts	800.09	446.78	220.07
(b) Cash on hand	5.43	4.12	5.79
Total cash and cash equivalent	**3,024.43**	**2,159.06**	**2,075.14**
(a) Earmarked balances with banks - dividend accounts	15.81	13.82	-
(b) Balances with banks:			
(i) On margin accounts	508.07	808.25	1,076.97
(ii) Fixed deposits with maturity greater than 3 months	338.56	130.00	-
Less: Disclosed under non-current financial assets	(133.90)	(161.90)	(496.97)
	712.73	776.35	580.00
Total other bank balances	**728.54**	**790.17**	**580.00**

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

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
Current tax assets			
Tax payments, net of provisions (Unsecured, considered good) of	-	-	-
	-	-	-
Current tax liabilities			
Tax payable	839.51	986.22	-
	839.51	**986.22**	**-**

Note No. 13 - Equity Share Capital

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	No. of shares	Amount ₹ lakh	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	14,000,000	1,400.00
Preference shares of ₹ 100 each	100,000	100.00	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	8,750,000	875.00
Total	8,750,000	875.00	8,750,000	875.00	8,750,000	875.00

Note No. 13 - Equity Share Capital (Contd.)

(i) 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 (give details)	Closing Balance
(a) Equity Shares with Voting rights						
Year Ended 31 March 2018						
No. of Shares	8,750,000	-	-	-	-	8,750,000
Amount ₹ lakh	875.00	-	-	-	-	875.00
Year Ended 31 March 2017						
No. of Shares	8,750,000	-	-	-	-	8,750,000
Amount ₹ lakh	875.00	-	-	-	-	875.00
Year Ended 1 April 2016						
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 2018			
Skand Private Limited	4,632,040	-	-
As at 31 March 2017			
Skand Private Limited	4,632,040	-	-
As at 1 April 2016			
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 2018		As at 31 March 2017		As at 1 April 2016	
	Number of shares held	% holding in that class of shares	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	4,632,040	52.94

13 (b). Other Equity

₹ lakh

Particulars	Reserves and surplus				Attributable to the owners of the Company	Non-controlling interest	Total
	Capital redemption reserve	Securities Premium Reserve	General Reserve	Retained Earnings			
As at 1 April 2016	100.65	967.23	3,788.11	31,528.50	**36,384.49**	2,891.74	**39,276.23**
Profit / (Loss) for the period	-	-	-	5,989.11	**5,989.11**	90.84	**6,079.95**
Other Comprehensive Income / (Loss)	-	-	-	(16.73)	**(16.73)**	(0.18)	**(16.91)**
Total Comprehensive Income for the year	-	-	-	5,972.38	**5,972.38**	90.66	**6,063.04**
Dividend paid on Equity Shares	-	-	-	262.50	**262.50**	-	**262.50**
Dividend Distribution Tax	-	-	-	54.93	**54.93**	-	**54.93**
Transfers to Reserves	-	-	-	-	**-**	-	**-**
Transfers from retained earnings	-	-	-	-	**-**	-	**-**
Adjustments during the year	-	-	-	-	**-**	129.17	**129.17**
As at 31 March 2017	**100.65**	**967.23**	**3,788.11**	**37,183.45**	**42,039.44**	**3,111.57**	**45,151.01**
Profit / (Loss) for the period	-	-	-	11,047.99	**11,047.99**	85.66	**11,133.65**
Other Comprehensive Income / (Loss)	-	-	-	(122.78)	**(122.78)**	0.24	**(122.54)**
Total Comprehensive Income for the year	-	-	-	10,925.21	**10,925.21**	85.90	**11,011.11**
Dividend paid on Equity Shares	-	-		612.50	**612.50**	-	**612.50**
Dividend Distribution Tax	-	-		124.69	**124.69**	-	**124.69**
Transfers to Reserves	-	-	-	-	**-**	-	**-**
Transfers from retained earnings	-	-	-	-	**-**	-	**-**
Adjustments during the year	-	-	-	-	**-**	(4.54)	**(4.54)**
As at 31 March 2018	**100.65**	**967.23**	**3,788.11**	**47,371.47**	**52,227.46**	**3,192.93**	**55,420.39**

Description of the nature and purpose of Other Equity

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

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Balance as at the beginning of the year	100.65	100.65	100.65
Balance as at the end of the year	100.65	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-18	31-Mar-17	01-Apr-16
Balance as at the beginning of the year	967.23	967.23	967.23
Balance as at the end of the year	967.23	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-18	31-Mar-17	01-Apr-16
Balance as at the beginning of the year	3,788.11	3,788.11	3,788.11
Balance as at the end of the year	3,788.11	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-18	31-Mar-17	01-Apr-16
Balance as at the beginning of the year	37,183.45	31,528.50	30,202.71
Balance as at the end of the year	47,371.47	37,183.45	31,528.50

Distributions made and proposed

Particulars	31-Mar-18	31-Mar-17
Cash dividends on equity shares declared and paid		
Final dividend for the year ended on 31 March 2017: ₹ 2 per share (₹ 2 per share)	175.00	262.50
Dividend Distribution Tax on final dividend	35.63	47.71
Interim dividend for the year ended on 31 March 2018: ₹ 5 per share (₹ 3 per share)	437.50	262.50
	648.13	**572.71**
Proposed dividends on Equity shares		
Final dividend for the year ended on 31 March 2018: ₹ 2 per share (₹ 2 per share)	175.00	175.00
Dividend Distribution Tax on proposed dividend	35.97	35.63
	210.97	**210.63**

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 2018.

Note No. 14 - Other financial liabilities

₹ lakh

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
a. Security deposits	-	4.50	35.10	-	2.60	28.00
b. Payables on purchases of fixed assets	4.69	-	8.98	-	52.55	-
c. Unpaid dividends	15.81	-	13.82	-	-	-
Total	**20.50**	**4.50**	**57.90**	**-**	**55.15**	**28.00**

Note:

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

Note No. 15 - Provisions

₹ lakh

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
(a) Provision for employee benefits						
1. Pension	23.06	0.20	191.54	1,261.01	128.03	1,313.30
2. Compensated absences	65.07	196.41	189.90	329.40	181.45	265.70
3. Gratuity	5.85	1.03	4.52	0.69	5.53	0.66
(b) Other Provisions						
1. Mine closure	-	256.00	-	95.90	-	28.69
2. Proposed equity dividend	-	-	87.50	-	262.50	-
3. Tax on proposed dividend	-	-	18.31	-	47.71	-
Total	**93.98**	**453.64**	**491.77**	**1,687.00**	**625.22**	**1,608.35**

Details of movement in mine closure provision

Particulars	2017-18	2016-17	2015-16
Opening balance	95.90	28.69	-
Additional provisions recognised	149.53	63.11	28.69
Amounts used during the period	-	-	-
Unused amounts reversed during the period	-	-	
Unwinding of discount and effect of changes in the discount rate	10.57	4.10	-
Closing balance	**256.00**	**95.90**	**28.69**

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 2018		As at 31 March 2017		As at 1 April 2016	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Trade payable - Micro and small enterprises	-	-	-	-	-	-
Trade payable - Other than micro and small enterprises	4,676.21	-	2,943.42	-	2,524.83	-
Total	**4,676.21**	**-**	**2,943.42**	**-**	**2,524.83**	**-**

Notes:

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

Note No. 17 - Other current liabilities

₹ lakh

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
a. Advances received from customers	413.46	-	1,225.41	-	1,713.33	-
b. Statutory dues						
- taxes payable (other than income taxes)	5,731.37	-	5,944.79	-	4,182.43	-
c. Gratuity payable	-	-	-	-	362.48	-
d. Other creditors	9.04	-	7.64	-	7.56	-
e. Interest accrued on borrowings	-	-	-	-	168.78	-
f. Payables on purchase of fixed assets	143.33	-	150.31	-	150.31	-
g. Security / other deposits received	1.00	-	1.00	-	1.00	-
h. Retention money payable	-	-	74.45	-	74.45	-
TOTAL OTHER LIABILITIES	**6,298.20**	**-**	**7,403.60**	**-**	**6,660.34**	**-**

1. Disputed statutory remittances as at March 31, 2018 ₹ 4,641.61 lakh (As at March 31, 2017 ₹ 4,314.81 lakh; As at March 31, 2016 ₹ 4,009.42 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 2018	For the year ended 31 March 2017
(a) Revenue from sale of products (including excise duty)	60,384.98	42,651.00
(b) Other operating revenue	854.97	720.05
Total revenue from operations	**61,239.95**	**43,371.05**
Notes :		
(i) Revenue from sale of products comprises:		
(a) Manganese ore (Includes ₹ 61.39 lakh (previous year ₹ 77.69 lakh) from sale of waste dumps)	11,339.54	7,148.05
(b) Iron ore (Includes ₹ 205.23 lakh (previous year ₹ 361.77 lakh) from sale of waste dumps)	30,472.94	22,492.64
(c) Silico-manganese	18,268.64	11,860.75
(d) Power	303.86	1,149.56
	60,384.98	**42,651.00**
(ii) Other operating revenues comprises:		
(a) Handling charges	639.25	622.94
(b) Sale of scrap/ waste	53.23	17.94
(c) Other miscellaneous receipts	162.49	79.17
	854.97	**720.05**

Note No. 19 - Other Income

₹ lakh

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
(a) Interest Income		
On fixed-deposits with banks	73.13	78.68
On long-term deposits	14.52	9.86
On security deposits	1.95	1.94
On income-tax refund	-	11.83
Others	-	20.52
(b) Dividend Income		
On investments carried at fair value through profit & loss account	175.92	197.18
(c) Net gain/(loss) arising on financial assets designated as at FVTPL	807.43	458.82
(d) Profit on sale of capital assets (net of loss on assets sold / scrapped / written off)		
Other non-operating income	2.87	0.23
Other non-operating income		
(a) Rental income from Investment property	29.97	66.39
(b) Sale of petroleum products (net of consumption/ expenses of ₹ 1,230.87 lakh previous year : ₹ 1,322.25 lakh)	25.57	37.77
(c) Provisions / liabilities no longer required written back	43.07	108.78
(d) Insurance claims received	-	17.52-
(e) Sale of scrap	74.22	-
(f) Others	21.11	31.98
Total Other Income	**1,269.76**	**1,041.50**

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

₹ lakh

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Material consumed comprises:		
- Manganese ore	1,438.09	1,146.29
- Coke	2,413.85	1,603.99
- Coal	7,490.62	6,452.00
- Other materials	400.05	294.21
	11,742.61	**9,496.49**

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

₹ lakh

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Inventories at the beginning of the year:		
Finished goods	6,571.24	4,431.61
	6,571.24	4,431.61
Inventories at the end of the year:		
Finished goods	4,952.04	6,571.24
	4,952.04	6,571.24
Net (increase) / decrease	**1,619.20**	**(2,139.63)**

Note No. 21 - Employee Benefits Expense

₹ lakh

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
(a) Salaries and wages, including bonus	6,245.98	4,526.41
(b) Contribution to provident and other funds	347.81	343.72
(c) Gratuity	0.45	-
(d) Staff welfare expenses	1,222.55	1,143.91
(e) Subsidy on food grains	571.82	589.68
Total	**8,388.61**	**6,603.72**

Notes to the consolidated financial statements for the year ended 31 March 2018

Note No. 22 - Finance Cost

₹ lakh

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
(a) Interest expense	494.93	724.92
Total	**494.93**	**724.92**

Note No. 23 - Depreciation & amortisation expense

₹ lakh

	Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
(a)	Depreciation on property, plant and equipment (Note 2)	1,117.52	1,083.45
(b)	Depreciation on investment property (Note 3)	28.23	31.23
(c)	Depreciation on other intangible assets (Note 4)	63.39	57.46
Total Other Expenses		**1,209.14**	**1,172.14**

Note No. 24 - Other Expenses

₹ lakh

	Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
(a)	Stores consumed	792.05	551.95
(b)	Operation and maintenance charges	536.70	503.12
(c)	Power & Fuel	33.25	31.31
(d)	Rent including lease rentals	222.10	60.40
(e)	Rates and taxes	7,476.98	6,177.79
(f)	Insurance	63.57	46.12
(g)	Repairs and maintenance - Buildings	285.53	304.80
(h)	Repairs and maintenance - Machinery	286.03	100.83
(i)	Repairs and maintenance - Others	328.65	207.61
(j)	Mine running expenses	5,732.46	5,346.39
(k)	Advertisement	52.08	9.76
(l)	Freight, loading and siding charges	2,573.29	2,092.02
(m)	Selling expenses	494.38	337.72
(n)	Travelling and conveyance expenses	795.30	694.55
(o)	Expenditure on corporate social responsibility (CSR) under section 135 of the Companies Act, 2013.	88.76	80.59
(p)	Donations and Contributions	170.00	130.00
(q)	Excise duty on sale of products	430.33	1,147.40
(r)	Auditors remuneration and out-of-pocket expenses		
	(i) As Auditors	30.79	52.72
	(ii) For Taxation matters	4.68	4.50
	(iii) For Company law matters	-	-
	(iv) For Other services	20.50	19.00
	(v) For reimbursement of expenses	0.72	9.08
(s)	Legal and other professional costs	501.24	647.60
(t)	Allowance for credit losses on financial assets	12.98	-
(u)	Foreign exchange fluctuation (net)	5.26	5.27
(v)	Security charges	475.43	323.41
(w)	(Increase)/ decrease of excise duty on inventory	(124.07)	170.18
(x)	Capital work-in-progress written off	26.22	-
(y)	Provision for current assets	3.65	-
(z)	Loans and advances written off	5.20	24.02
(ai)	Miscellaneous expenses	797.51	446.82
Total Other Expenses		**22,121.57**	**19,524.96**

Note No. 25 - Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

₹ lakh

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Current Tax: In respect of current year	5,420.00	3,220.00
Deferred Tax: In respect of current year origination and reversal of temporary differences	380.00	(270.00)
Total income tax expense on continuing operations	**5,800.00**	**2,950.00**

(b) Income tax recognised in other Comprehensive income

₹ in Crores

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Current Tax		
Income tax related to items recognised in other comprehensive income during the year:		
Remeasurement of defined benefit obligaitons	70.00	10.00
Total	**70.00**	**10.00**
Classification of income tax recognised in other comprehensive income		
Income taxes related to items that will not be reclassified to profit or loss	70.00	10.00
Income taxes related to items that will be reclassified to profit or loss		
Total	**70.00**	**10.00**

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

₹ lakh

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Profit before tax	16,933.65	9,029.95
Income tax expense calculated at 34.61% (Previous year : 36.55%)	5,860.74	3,125.27
Effect of income that is exempt from taxation	350.98	106.63
Effect of Timining Difference in tax calculation	213.50	(445.41)
Effect of expenses that is non-deductible in determining taxable profit	(625.22)	163.51
Income tax expense recognised In profit or loss	**5,800.00**	**2,950.00**

The tax rate used for 31 March 2018 and 31 March 2017 reconciliations above is the corporate tax rate of 34.61% payable by corporate entities in India on taxable profits under Indian Income Tax Laws.

Note No. 26 - Earnings per Share

₹

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
	Per Share	Per Share
Basic Earnings per share		
From continuing operations	126.27	68.45
Total basic earnings per share	126.27	68.45
Diluted Earnings per share		
From continuing operations	126.27	68.45
Total diluted earnings per share	126.27	68.45

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 2018	For the year ended 31 March 2017
Profit / (loss) for the year attributable to owners of the Group	11,133.65	6,079.95
Profits used in the calculation of basic earnings per share from continuing operations	11,133.65	6,079.95
Weighted average number of equity shares	8,750,000	8,750,000
Earnings per share from continuing operations - Basic	126.27	68.45

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
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

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 2018	As at 31 March 2017
Income tax (relating to disallowance of deduction)	4,372.96	3,284.47
Service tax (relating to applicability of tax)	293.35	293.35
Forest Development Tax including interest	4,850.80	4,210.36
Differential rate relating to sale of power, including interest	367.97	364.24
Differential royalty including interest	600.61	549.06
Customs duty (relating to demand towards differential duty payable on import of coal)	334.63	314.21
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 2018	As at 31 March 2017
Corporate guarantee issued to Customs authorities on behalf of subsidiary company in respect of fulfilment of the export obligations by the subsidiary company and during the year the same has been cancelled on fulfilment of the obligations.	-	1,050.00
Bank guarantee issued to Indian Bureau of Mines towards progressive mine closure plan against lien on mutual funds at 125% of the value in the current year, however in the previous the lien was on fixed deposits. (Refer note 5 & 11)	3,859.02	321.59

(ii) Commitments:

₹ lakh

Particulars	As at 31 March 2018	As at 31 March 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for	367.81	726.69

Note No. 28 - Leases

₹ lakh

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Details of leasing arrangements		
As Lessee		
Expenses recognised in the Statement of Profit and Loss		
Minimum Lease Payments	222.10	60.40
Liabilities in respect of Operating Leases		
Current	85.00	85.00
Non-Current	-	-

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 ₹ 209.34 lakh (2016-17 ₹ 183.87 lakh) for provident fund contributions, ₹ 46.14 lakh (2016-17 ₹ 55.93 lakh) for superannuation fund contributions in the consolidated statement of profit and loss as part contribution to provident and other funds in note 21and ₹ 7.76 lakh (2016-17 ₹ 2.47 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 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-Mar-18	31-Mar-17	1-Apr-16
Discount rate(s)	7.65%	7.10%	7.85%
Expected rate(s) of salary increase	6.00%	6.00%	6.00%

Defined benefit plans – as per actuarial valuation on 31st March, 2018

₹ lakh

Particulars	2017-18		2016-17	
	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	26.40	22.17	-	21.26
Remeasurements during the period due to				
Changes in financial assumptions	(69.61)	-	79.98	-
Changes in demographic assumptions	-	-	-	-
Experience adjustments	229.15	(1.22)	24.06	0.91
Actual return on plan assets less interest on plan assets	34.78	-	(77.64)	-
Adjustment to recognise the effect of asset ceiling	-		-	
Closing amount recognised in other comprehensive income	220.72	20.95	26.40	22.17
Remeasurement on the net defined benefit liability				
Return on plan assets (excluding amount included in net interest expense)	34.78	-	(77.64)	-
Actuarial gains and loss arising form changes in financial assumptions	(69.61)	-	79.98	-
Actuarial gains and loss arising form experience adjustments	229.15	(1.22)	24.06	0.91
Components of defined benefit costs recognised in other comprehensive income	194.32	(1.22)	26.40	0.91
Total	220.72	20.95	26.40	22.17

Expense recognised in statement of profit and loss under contribution to provident and other funds in note 21				
Current Service Cost	97.19	0.24	86.63	-
Past service cost	-	-	-	-
Administration expenses	-	-	-	-
Interest on net defined benefit liability/ (asset)	(5.19)	0.21	26.49	-
(Gains)/ losses on settlement	-	-	-	-
Components of defined benefit costs recognised in profit or loss	92.00	0.45	113.12	-
I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March				
1. Present value of defined benefit obligation as at 31st March	1,992.74	6.88	1,948.45	5.21
2. Fair value of plan assets as at 31st March	2,042.96	-	1,971.48	-
3. Surplus/(Deficit)	(50.22)	6.88	(23.03)	5.21
4. Current portion of the above	-	5.85	-	4.52
5. Non current portion of the above	(50.22)	1.03	(23.03)	0.69
II. Change in the obligation during the year ended 31st March				
1. Present value of defined benefit obligation at the beginning of the year	1,948.45	5.21	1,801.28	6.19
2. Add/(Less) on account of Scheme of Arrangement/Business				
Transfer	-	-	-	-
3. Expenses Recognised in Profit and Loss Account				
- Current Service Cost	97.19	0.24	86.63	-
- Past Service Cost	-		-	-
- Interest Expense (Income)	112.08	0.21	113.29	-
4. Recognised in Other Comprehensive Income				
Remeasurement gains / (losses)				
- Actuarial Gain (Loss) arising from:				
i. Demographic Assumptions	-	-	-	-
ii. Financial Assumptions	(69.61)	-	79.98	-
iii. Experience Adjustments	229.15	1.22	24.06	(0.91)
5. Benefit payments	(324.52)	-	(156.79)	(0.07)
6. Present value of defined benefit obligation at the end of the year	1,992.74	6.88	1,948.45	5.21
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	1,971.48	-	1,438.80	-
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	-	-	-	-
3. Expenses Recognised in Profit and Loss Account				
- Expected return on plan assets	117.26	-	86.80	-
4. Recognised in Other Comprehensive Income				
Remeasurement gains / (losses)				
- Actual Return on plan assets in excess of the expected return	(34.78)	-	77.64	-
5. Contributions by employer (including benefit payments recoverable)	313.52	-	525.03	-
6. Benefit payments	(324.52)	-	(156.79)	-
7. Fair value of plan assets at the end of the year	2,042.96	-	1,971.48	-
IV. The Major categories of plan assets				
- List the plan assets by category here				
Government of India Securities	54.21%	NA	41.10%	NA
Corporate Bonds	39.09%	NA	46.32%	NA
Others	6.70%	NA	12.58%	NA
V. Actuarial assumptions				
1. Discount rate	7.65% pa	7.65% pa	7.10% pa	7.10% pa
2. Expected rate of return on plan assets	7.50% pa	NA	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 on defined benefit obligation	
			Increase in assumption	Decrease in assumption
Discount rate	2018	0.50%	(2.97%)	3.16%
Salary growth rate	2018	0.50%	3.20%	(3.03%)

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 trust during the next financial year of 2018.

Maturity profile of defined benefit obligation:

	2018
Maturity profile	Amount (₹ lakh)
Expected benefits for Year 1	656.12
Expected benefits for Year 2	117.51
Expected benefits for Year 3	101.45
Expected benefits for Year 4	119.81
Expected benefits for Year 5	119.36
Expected benefits for Year 6	140.86
Expected benefits for Year 7	165.27
Expected benefits for Year 8	155.86
Expected benefits for Year 9	239.91
Expected benefits for Year 10 and above	1,884.03

Plan Assets

The fair value of Company's pension plan asset as of 31 March 2016 and 2015 by category are as follows:

Particulars	2018	2017
Asset category:		
Insurer managed funds	1,899.64	1,938.39
Others	143.32	33.09
	2,042.96	1,971.48
Total	**2,042.97**	**2,042.97**

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 2018 is 6.13 years.

Summary of defined benefit obligation/ plan assets and experience adjustments.

₹ lakh

Particulars	Year Ended				
	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
1. Defined Benefit Obligation	1,999.62	1,953.66	1,807.47	1,914.82	1,386.57
2. Fair value of plan assets	2,042.96	1,971.48	1,438.80	1,410.61	1,354.95
3. Surplus/(Deficit)	43.34	17.82	(368.67)	(504.21)	(31.62)
4. Experience adjustment on plan liabilities [(Gain)/Loss]	227.93	24.97	33.77	360.62	19.27
5. Experience adjustment on plan assets [Gain/(Loss)]	(69.61)	75.98	13.05	51.32	(25.46)

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 31.03.2018	Liability as at 31.03.2017
Compensated absences		
-Current	65.07	189.90
-Non Current	196.41	329.40
Total	**261.48**	**519.30**
Pension		
-Current	23.06	191.54
-Non Current	-	1,261.01
Total	**23.06**	**1,452.55**

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 - Related Party Transactions

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)	i) S. Y. Ghorpade,(Chairman & Managing Director Upto 31 March 2017 & Chairman from 1 April 2017)
	ii) Nazim Sheikh, Managing Director
	iii) U. R. Acharya, Director (Commercial) - Upto March 31, 2018
	iv) Rajnish Kumar Singh, Director (Corporate) w.e.f Jan 1, 2018
4. Relative of KMP	Aditya Shivrao Ghorpade
	Dhananjai Shivarao Ghorpade
	Mubeen A Sheriff
	S.Y. Ghorpade (HUF)
	Yashodhara Devi Ghorpade

Compensation of key managerial personnel

The remuneration of directors and other members of key managerial personnel during the year was as follows:

₹ lakh

Name of the Key Managerial Personnel	Remuneration		Amounts payable at the year end	
	2017-18	2016-17	31-Mar-18	31-Mar-17
1. S.Y. Ghorpade	-	140.69	-	13.78
2. Nazim Sheikh	174.70	128.99	0.53	23.84
3. U.R. Acharya	105.84	75.68	2.79	12.27
4. Rajnish Singh	22.46	-	0.34	-
	303.00	**345.36**	**3.66**	**49.89**

₹ lakh

Particulars	Year ended 31/03/2018	Year ended 31/03/2017
Short-term employee benefits	284.78	319.28
Post-employment benefits	18.22	26.08
Other long-term benefits	-	-
Termination benefits	-	-
Total	**303.00**	**345.36**

* Does not Include the provison ade for gratuity nad leave encashment as they are determined on an actuarial basis for all the employees together.

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

₹ lakh

Name of KMP	Remuneration		Amounts payable / (receivable) at the year end	
	2017-18	2016-17	31-Mar-18	31-Mar-17
Aditya Shivrao Ghorpade	28.83	23.27	(1.16)	(0.38)
Dhananjai Shivarao Ghorpade	18.79	15.04	0.26	0.95
Mubeen A. Sherriff	23.21	17.85	(0.08)	1.25

S.Y. Ghorpade (HUF)

₹ lakh

Particulars	2017-18	2016-17
Purchase of Land	478.24	-
Rental payments	28.04	-
Total	**506.28**	**-**

Yashodhara Devi Ghorpade

₹ lakh

Particulars	2017-18	2016-17
Rental payments	24.00	-
Total	**24.00**	**-**

Note No. 31 - Segment information

Effective 1 April 2016, 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) Steel (d) Unallocable, based on the assessment of the overall risks and rewards.

Year ended 31 March 2018

₹ lakh

Particulars	Mining	Ferroalloys & power	Steel	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	17,946.22	-	1,638.21	(1,924.84)	42,691.83
Depreciation and amortisation	421.83	525.02	-	262.29	-	1,209.14
Income tax expense or income	-	-	-	5,800.00	-	5,800.00
Interest income	(16.64)	(47.84)	-	(25.12)		(89.60)
Interest expense	-	-	-	494.23	-	494.93
Total expenses	25,437.43	18,423.40	-	8,170.31	(1,924.84)	50,106.30
Segment profit	18,967.92	216.00	-	(8,050.27)	-	11,133.65
Total assets	9,045.84	21,442.62	1.47	38,192.00		68,681.93
Total liabilities	9,330.40	4,702.07	-	1,547.00		15,579.47

Year ended 31 March 2017

₹ lakh

Particulars	Mining	Ferroalloys & power	Steel	Un-allocable	Adjustment & Eliminations	Total
Revenue	30,279.72	13,036.24	-	55.09	-	43,371.05
External customers	-	-	-	-	-	-
Inter-segment	1,705.12	-	-	-	(1,705.12)	-
Total revenue	31,984.84	13,036.24	-	55.09	(1,705.12)	43,371.05
Income/ (Expenses)	19,488.19	13,591.98	-	1,191.82	(1,705.12)	32,566.87
Depreciation and amortisation	370.74	526.08	-	275.32	-	1,172.14
Income tax expense or income	-	-	-	2,950.00	-	2,950.00
Interest income	(44.09)	(59.09)	-	(19.65)	-	(122.83)
Interest expense	-	-	-	724.92	-	724.92
Total expenses	19,814.84	14,058.97	-	5,122.41	(1,705.12)	37,291.10
Segment profit	12,170.00	(1,022.73)	-	(5,067.32)	-	6,079.95
Total assets	8,419.94	19,948.10	3,170.46	28,057.42	-	59,595.92
Total liabilities	10,524.95	4,744.80	2.80	1,408.93	-	16,681.48

Notes to the consolidated financial statements for the year ended 31 March 2018

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 2018	Year Ended 31 March 2017
Manganese ore	11,339.54	7,148.05
Iron ore	30,472.94	22,492.64
Ferro alloys	18,268.64	11,860.75
Power	303.86	1,149.56
Total	**60,384.98**	**42,651.00**

Geographical Information

₹ lakh

Particulars	India		Rest of the World		Total	
	Year Ended 31 March 2018	Year Ended 31 March 2017	Year Ended 31 March 2018	Year Ended 31 March 2017	Year Ended 31 March 2018	Year Ended 31 March 2017
Revenue form Operation						
Manganese ore	11,339.54	7,148.05	-	-	11,339.54	7,148.05
Iron ore	30,472.94	22,492.64	-	-	30,472.94	22,492.64
Ferro alloys	17,353.33	11,556.24	915.31	304.51	18,268.64	11,860.75
Power	303.86	1,149.56	-	-	303.86	1,149.56
Others	854.97	720.05	-	-	854.97	720.05
Total	**60,324.64**	**43,066.54**	**915.31**	**304.51**	**61,239.95**	**43,371.05**

Note 32. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

₹ lakh

Particulars	31-Mar-18	31-Mar-17
(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	-	-
Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.		

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 ₹ 78.78 lakh (previous year ₹ 59.60 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	88.76	-	88.76
	(80.59)		(80.59)

Previous year figures are in brackets

34. Financial Instruments

Categories of financial instruments

₹ lakh

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Financial assets			
Measured at fair value through profit or loss (FVTPL) - Level 1			
(a) Equity investments	47.53	36.07	26.56
(b) Mutual fund investments - Quoted	17,021.76	11,518.49	5,250.65
(c) Mutual fund investments - Unquoted	440.41	370.89	321.24
Total financial assets measured at FVTPL (a)	**17,509.70**	**11,925.45**	**5,598.45**
Measured at amortised cost			
Other financial assets			
Trade receivables	433.40	636.78	753.20
Cash and cash equivalents	3,024.43	2,159.06	2,075.14
Other bank balances	728.54	790.17	580.00
Other financial assets	141.82	124.72	172.80
Total financial assets measured at amortised cost (b)	**4,328.19**	**3,710.73**	**3,581.14**
Total financial assets (a) + (b)	**21,837.89**	**15,636.18**	**9,179.59**
Financial liabilities			
Measured at fair value through profit or loss (FVTPL)			
Provisions	547.62	2,072.96	1,923.36
Total financial liabilities measured at FVTPL (a)	**547.62**	**2,072.96**	**1,923.36**
Measured at amortised cost			
Trade payables	4,674.08	2,942.73	2,524.83
Other financial liabilities	20.50	57.90	55.15
Total financial liabilities measured at amortised cost (b)	**4,694.58**	**3,000.63**	**2,579.98**
Total financial liabilities (a) + (b)	**5,242.20**	**5,073.59**	**4,503.34**

Fair value hierarchy

1. 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 consist of the following three levels:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.
Fair value of the financial assets that are measured at fair value on a recurring basis

Fair Valuation Techiques and Inputs used

Financial assets measured at Fair value	Fair value as at (₹ lakh)			Fair value hierarchy	Basis for valuation
	31-Mar-16	31-Mar-16	31-Mar-16		
(a) Equity investments	47.53	36.07	26.56	Level - 1	Quoted price
(c) Mutual fund investments - Quoted	17,021.76	11,518.49	5,250.65	Level - 1	Quoted price
(d) Mutual fund investments - Unquoted	440.41	370.89	321.24	Level - 2	NAV of Mutual Funds
Total financial assets	**17,509.70**	**11,925.45**	**5,598.45**		

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.

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 theGroup'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.

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 ₹ 3,752.97 lakh at March 31, 2018 (31 March, 2017: ₹ 2,949.23 lakh, 1 April, 2016: ₹ 2,655.14 lakh).

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:.

₹ lakh

March 31, 2018					
Financial Liabilities	Due within (years)			Total	Carrying amount
	Less than 1 year	1 - 3 years	3+ years		
Trade payables	4,675.48	-	-	4,675.48	
Other financial liabilities	20.50	-	-	20.50	
Total	**4,675.48**	**-**	**-**	**4,675.48**	**-**

₹ lakh

March 31, 2017					
Financial Liabilities	Due within (years)			Total	Carrying amount
	Less than 1 year	1 - 3 years	3+ years		
Trade payables	2,942.73	-	-	2,942.73	
Other financial liabilities	57.90	-	-	57.90	
Total	**2,942.73**	**-**	**-**	**2,942.73**	**-**

₹ lakh

March 31, 2017					
Financial Liabilities	Due within (years)			Total	Carrying amount
	Less than 1 year	1 - 3 years	3+ years		
Trade payables	2,524.83	-	-	2,524.83	
Other financial liabilities	55.15	-	-	55.15	
Total	**2,524.83**	**-**	**-**	**2,524.83**	**-**

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, 2018, 31 March, 2017 and 1 April, 2016. The capital structure of the Group represents total equity which is as follows:

₹ lakh

Particulars	31 March, 2018	31 March, 2017	1 April, 2016
Total equity	56,295.39	46,026.01	40,151.23

35. First-time IND AS adoption reconciliations

35.1 Effect of Ind AS adoption on the Consolidated balance sheet as at March 31, 2017 and April 1, 2016

Particulars	Notes	As at 31/03/2017 (End of last period presented under previous. GAAP)			As at 01/04/2016 (Date of transition)		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
Assets							
Non-current assets							
Property, plant and equipment	(a)	22,160.57	(1,490.26)	20,670.31	22,010.16	(1,521.49)	20,488.67
Capital work-in-progress		366.12	-	366.12	258.01	-	258.01
Goodwill on consolidation		149.99	-	149.99	149.99	-	149.99
Investment Property	(a)	-	1,490.26	1,490.26	-	1,521.49	1,521.49
Other intangible assets		235.09	-	235.09	281.92	-	281.92
Financial assets							
(i) Investments	(b)	0.05	36.02	36.07	0.05	26.51	26.56
(ii) Other financial assets		303.01	-	303.01	645.39	-	645.39
Deferred tax assets (net)		2,459.38	-	2,459.38	2,160.00	-	2,160.00
Other non-current assets		8,360.32	-	8,360.32	8,125.27	-	8,125.27
Total Non - Current Assets		**34,034.53**	**36.02**	**34,070.55**	**33,630.79**	**26.51**	**33,657.30**
Current assets							
Inventories		8,866.47	-	8,866.47	6,040.54	-	6,040.54
Financial assets							
(i) Investments	(c)	10,770.26	1,119.12	11,889.38	4,791.22	780.67	5,571.89
(ii) Trade receivables		636.78	-	636.78	753.20	-	753.20
(iii) Cash and cash equivalents		2,159.06	-	2,159.06	2,075.14	-	2,075.14
(iv) Bank balances other than (iii) above		790.17	-	790.17	580.00	-	580.00
(vi) Other financial assets		124.72	-	124.72	172.80	-	172.80
Other current assets		1,058.79	-	1,058.79	2,802.25	-	2,802.25
Total current assets		**24,406.25**	**1,119.12**	**25,525.37**	**17,215.15**	**780.67**	**17,995.82**
Total assets		**58,440.78**	**1,155.14**	**59,595.92**	**50,845.94**	**807.18**	**51,653.12**
Equity							
Equity share capital		875.00	-	875.00	875.00	-	875.00
Other equity		40,614.21	1,425.23	42,039.44	35,487.34	897.15	36,384.49
Total Equity (Shareholders funds under previous GAAP)		**41,489.21**	**1,425.23**	**42,914.44**	**36,362.34**	**897.15**	**37,259.49**
Non-controlling interests		3,111.57	-	3,111.57	2,891.74	-	2,891.74
Non-current liabilities							
Financial Liabilities							
(i) Other financial liabilities		-	-	-	28.00	-	28.00
Provisions	(d)	1,957.09	(270.09)	1,687.00	1,698.32	(89.97)	1,608.35
Total Non - Current Liabilities		**1,957.09**	**(270.09)**	**1,687.00**	**1,726.32**	**(89.97)**	**1,636.35**
Current liabilities							
Financial Liabilities							
(i) Trade payables		2,943.42	-	2,943.42	2,524.83	-	2,524.83
(ii) Other financial liabilities		57.90	-	57.90	55.15	-	55.15
Provisions		491.77	-	491.77	625.22	-	625.22
Current tax liabilities (Net)		986.22	-	986.22	-	-	-
Other current liabilities		7,403.60	-	7,403.60	6,660.34	-	6,660.34
Total Current Liabilities		**11,882.91**	**-**	**11,882.91**	**9,865.54**	**-**	**9,865.54**
Total Liabilities		**13,840.00**	**(270.09)**	**13,569.91**	**11,591.86**	**(89.97)**	**11,501.89**
Total Equity and Liabilities		**58,440.78**	**1,155.14**	**59,595.92**	**50,845.94**	**807.18**	**51,653.12**

35.2 Reconciliation of total equity as at March 31, 2017 and April 1, 2016

Particulars	Notes	As at 31/3/2017 (End of last period presented under previous GAAP)	As at 01/04/2016 (Date of transition)
Total equity (shareholders' funds) under previous GAAP		**41,489.21**	**36,362.34**
Fair valuation of investments under Ind AS	(b), (c)	1,155.14	807.18
Discounting of long-term provisions	(d)	270.09	89.97
Total adjustment to equity		**1,425.23**	**897.15**
Total Equity under Ind AS		**42,914.44**	**37,259.49**

35.3 Effect of Ind AS adoption on the consolidated statement of profit and loss for the year ended March 31, 2017

Particulars	Notes	As at 31/03/2017		
		Previous GAAP	Effect of transition to Ind AS	Ind AS
Revenue from Operations		43,371.05	-	43,371.05
Other Income	(b), (c)	693.60	(347.90)	1,041.50
Total Income (A)		**44,064.65**	**(347.90)**	**44,412.55**
Expenses				
Cost of materials consumed		9,496.49	-	9,496.49
Changes in stock of finished goods, work-in-progress and stock-in-trade		(2,139.63)	-	(2,139.63)
Employee benefit expense	(e)	6,628.81	(26.91)	6,603.72
Finance costs		724.92	-	724.92
Depreciation and amortisation expense		1,172.14	-	1,172.14
Other expenses	(d)	19,705.14	(180.18)	19,524.96
Total expenses (B)		**35,587.87**	**(207.09)**	**35,382.60**
Profit before tax (C) = (A-B)		**8,476.78**	**(140.81)**	**9,029.95**
Tax expense (D)				
(1) Current tax	(e)	3,210.00	10.00	3,220.00
(2) Deferred tax		(270.00)	-	(270.00)
		2,940.00	**10.00**	**2,950.00**
Profit after tax for the year (E) = (C) - (D)		**5,536.78**	**(150.81)**	**6,079.95**
Other Comprehensive Income (F)				
Items that will not be reclassified to the statement of profit and loss				
(i) Remeasurement of employee defined benefit plans	(e)	**-**	**(26.91)**	**(26.91)**
(b) Income tax relating to items that will not be reclassified to profit or loss	(e)	-	(10.00)	10.00
Total comprehensive income for the year		5,536.78	(187.72)	6,063.04
Profit for the year attributable to:				
Owners of the Comapany		5,536.78	452.31	5,989.11
Non controlling interests		90.84	-	90.84
		5,627.62	-	6,079.95
Other comprehensive income for the year attributable to:				
Owners of the Comapany		-	(16.73)	(16.73)
Non controlling interests		-	(0.18)	(0.18)
				(16.91)
Total comprehensive income for the year attributable to:				
Owners of the Comapany		5,536.78	435.58	5,972.38

Notes:

(a) Under previous GAAP, there was no requirement to present investment property separately and the same was included under property, plant and equipment and measured at cost. Under Ind AS, investment property is required to be presented separately in the consolidated balance sheet.

(b) Under previous GAAP, non current Investments were stated at cost. Where applicable, provision was made to recognise a decline, other than temporary, in valuation of such Investments. Under Ind AS, financial assets in equity instruments (other than investments in subsidiary) have been classified as FVTPL.

(c) Under previous GAAP, current investments were stated at lower of cost or fair value. Under Ind AS, these financial assets have been classified as Fair Value through Profit and Loss (“FVTPL”) on the date of transition and fair value changes after the date of transition has been recognised in the consolidated statement of profit and loss.

(d) Under previous GAAP, long-term provisions were not discounted, however under Ind AS, the long-term provisions relating to mine closure has been discounted (net of unwinding interest).

(e) Under previous GAAP, actuarial gains and losses were recognised in the statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the defined benefit liability/asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in the Other Comprehensive Income under Ind AS.

35.4 Reconciliation of total comprehensive income for the year ended March 31, 2017

Particulars	Notes	Year ended 31/03/2017 (latest period presented under previous GAAP)
Profit as per previous GAAP		5,444.30
Adjustments:		-
Discounting of long-terms provisions (Net of unwinding of interest)	(d)	180.18
Fair valuation of financial assets	(b), (c)	347.90
Remeasurements of the defined benefit liabilities/ assets (Net of tax)	(e)	16.91
Total effect of transition to Ind AS		544.99
Profit for the year as per Ind AS		5,989.29
Other comprehensive income / (loss) for the year (net of tax)		(16.91)
Total comprehensive income under Ind AS		5,972.38

Note: Under previous GAAP, total comprehensive income was not reported. Therefore, the above reconciliation starts with profit under the previous GAAP.

35.5 Effect of Ind AS adoption on the statement of cash flows for the year ended March 31, 2017

Particulars	Notes	As at 31/03/2017		
		Previous GAAP	Effect of transition to Ind AS	Ind AS
Net cash flows from operating activities	(d), (e)	8,505.86	-	8,505.86
Net cash flows from investing activities	(b), (c)	(7,090.80)		(7,090.80)
Net cash flows from financing activities		(1,331.14)	-	(1,331.14)
Net increase (decrease) in cash and cash equivalents		**83.92**	**-**	**83.92**
Cash and cash equivalents at the beginning of the period		2,075.14	-	2,075.14
Cash and cash equivalents at the end of the period		2,159.06	-	2,159.06

35.6 Analysis of cash and cash equivalents as at March 31, 2017 and as at April 1, 2016 for the purpose of statement of cash flows under Ind AS

Particulars	Notes	As at 31/03/2017	As at 01/04/2016
Cash and cash equivalents for the purpose of statement of cash flows as per previous GAAP		2,159.06	2,075.14
Cash and cash equivalents for the purpose of statement of cash flows under Ind AS		2,159.06	2,075.14

36. The Group has reviewed during the year that the point of transfer of risks and rewards for revenue recognition on sale of manganese and iron ore under e-auction has changed such that point of sale is shifted from that of actual despatch of minerals to the completion of e-auction sales and receipt of money from the buyer. Had the Group used the earlier estimate of point of sale for revenue recognition, its revenue from operations for the year ended 31st March 2018 would have been lower to the extent of Rs.2,023.57 lakh. However, the effect of such change in estimate has not been considered in the comparative reported previous year.

37. 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 Metallics & 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.

38. There are no material events occurred after the balance sheet date but before the approval of financial statements by board of directors.

39. In respect of the current year, the directors propose that a dividend of ₹ 2 per share be paid on equity shares on 31 March 2018. 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 30 May 2018. The total estimated equity dividend to be paid is ₹ 175 lakh. The payment of this dividend is estimated to result in payment of dividend tax of ₹ 35.97 lakh @ 20.553% on the amount of dividends grossed up for the related dividend distribution tax.

40. Carrying value of equity investment in Sandur Laminates Limited and Sandur Micro Circuits Limited as on Ind AS transitional Date (April 1 2016) are at their fair value. Management of the company has decided to sell the equity investment in Sandur Laminates Limited in the near future.

41.Additional information as required by Paragraph 2 of the General Instructions for preparation of consolidated financial statements to schedule III to the 2013 Act.

For the year ended March 31, 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 Metallics And Power Private Limited	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

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	58.44%	26,896.67	90.68%	5,430.63
Subsidiary :Indian - Star Metallics And Power Private Limited	34.80%	16,017.77	7.81%	467.64
Non-controlling interests	6.76%	3,111.57	1.52%	90.84
Total	100.00%	46,026.01	100.00%	5,989.11

Note No. 42

“The financial statements of The Group were approved by the Board of Directors and authorised for issue on 30 May 2018.

Signatures to notes 1 to 42
For and on behalf of the Board of Directors

S.Y. GHORPADE
Chairman

NAZIM SHEIKH
Managing Director

DIVYA AJITH
Company Secretary

SACHIN SANU
Chief Financial Officer

Place : Bengaluru
Date : 30 May 2018

FOUNDATION STONE LAYING & BHOOMI PUJA FOR 1 MTPA STEEL PLANT (1/2)

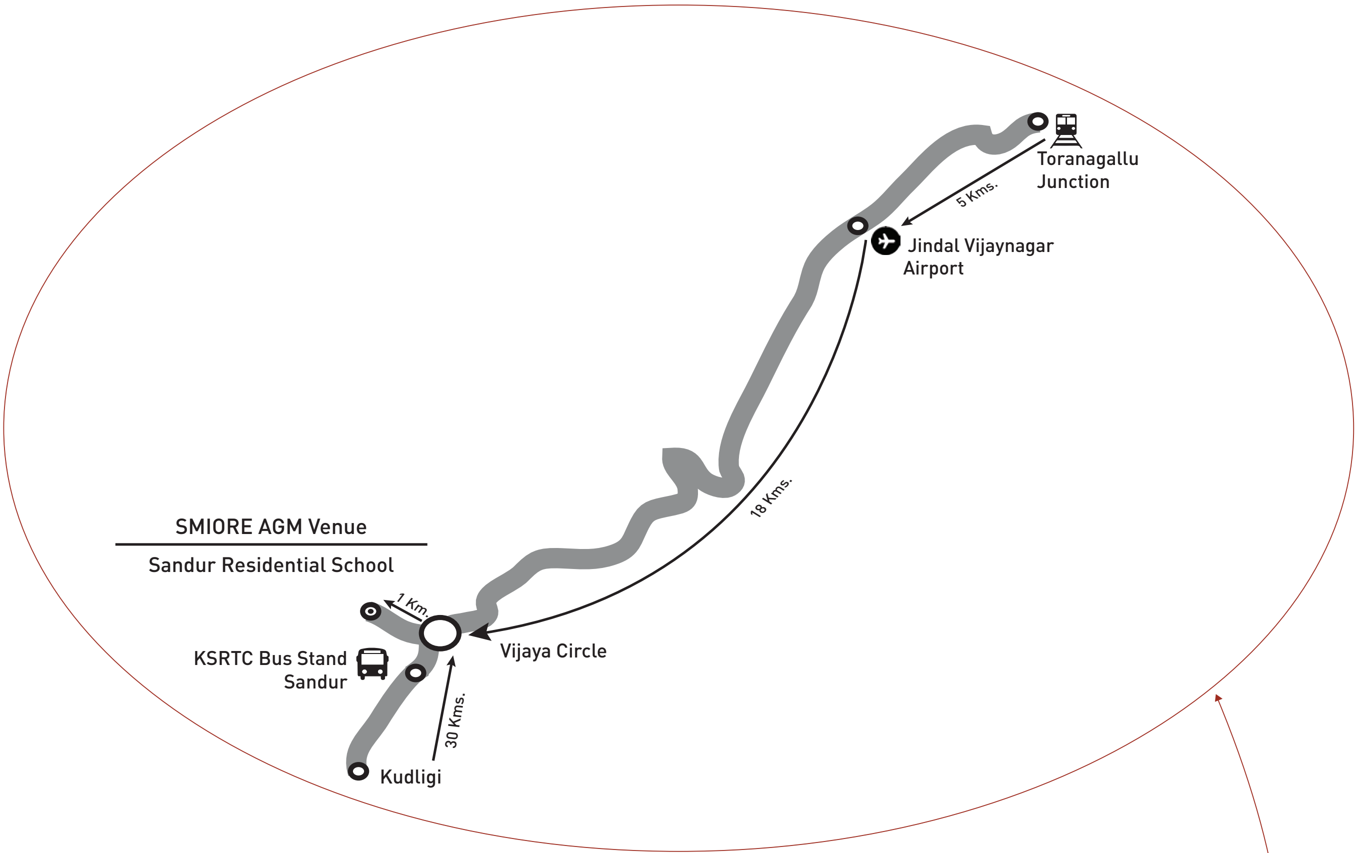
FOUNDATION STONE LAYING & BHOOMI PUJA FOR 1 MTPA STEEL PLANT (2/2)

EXCAVATION & CIVIL WORKS FOR 0.4 MTPA COKE OVEN PLANT

FOUNDATION STONE LAYING FOR CONSTRUCTION OF CONCRETE ROAD FROM SREE KUMARASWAMY TEMPLE TO DEOGIRI (14 Kms.)

ROUTE MAP - AGM Venue - The Sandur Manganese & Iron Ores Limited

Ph: 08395 260301



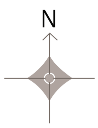
Distances

Bengaluru	312 Kms
Hubballi	176 Kms
Ballari	53 Kms
Hosapete	29 Kms

Nearby Bus Stand : Sandur

Nearby Railway Stations : Toranagallu, Hosapete, Ballari

Nearby Airports : Vidyanagar, Hubballi, Bengaluru



MAP NOT TO SCALE

Nomination Form

Form No. SH-13

[Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014]

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: ______________________

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 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 Taluk 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 64th Annual general meeting of the company, to be held on the Saturday, 01 September 2018 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 2018		
2	To confirm interim dividend of ₹5/- per share already paid and declare final dividend of ₹2/- per share, for the financial year 2017-18		
3	To appoint a Director in place of T. R. Raghunandan, who retires by rotation and being eligible, offers himself for re-appointment		
4	To appoint Lakshmi Venkatachalam as an Independent Director of the Company for a term of 5 years w.e.f. 1 September 2018		

Signed this ____________________________ day of_________________________ 20________

Affix Revenue Stamp

Signature of Shareholder _________________________________

Signature of Proxy Holder(s)_______________________________

NOTE:

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

1A & 2C, 'Redifice Signature'
No.6, Hospital Road, Shivajinagar, Bengaluru - 560 001. Karnataka, INDIA.
Ph: +91 80 4152 0176 - 80 | Fax: +91 80 4152 0182