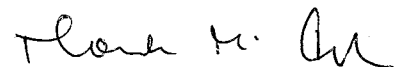


INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

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

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **THE SANDUR MANGANESE & IRON ORES LIMITED** ("the Company") for the Quarter and Nine months ended December 31, 2016 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (AS 25), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

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



Monisha Parikh
Partner
(Membership No. 47840)



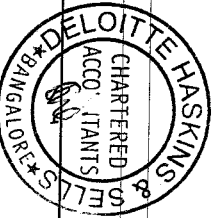
The Sandur Mangyansse & Iron Ores Limited

Registered Office : Lakshmitipur, Sandur 583 119 Bellary Dist., Karnataka

CIN:L85110KA1954PLC000759

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31.12.2016

Particulars	₹ lakh					
	Three months ended	Preceding three months ended	Corresponding three months ended in the previous year	Nine Months ended	Nine Months ended	Previous year ended
	31.12.2016 (Unaudited)	30.09.2016 (Unaudited)	31.12.2015 (Unaudited)	31.12.2016 (Unaudited)	31.12.2015 (Unaudited)	31.03.2016 (Audited)
Statement of Standalone Unaudited/ Audited results						
1. Income from operations						
(a) Net sales/ Income from operations (net of excise duty)	9,651	7,554	4,973	25,810	15,772	21,745
(b) Other operating income	137	136	130	452	347	497
Total income from operations (net)	9,788	7,690	5,103	26,262	16,119	22,242
2. Expenses						
(a) Cost of materials consumed	2,948	968	140	6,705	1,221	2,467
(b) Changes in inventories of finished goods and work-in-progress	(1,836)	(72)	1,064	(2,303)	332	746
(c) Raw material conversion cost	-	-	350	-	2,314	2,490
(d) Employee benefits expense	1,520	1,671	1,266	4,652	4,033	5,499
(e) Mine running expenses	1,167	1,260	1,288	4,296	3,800	4,842
(f) Freight, loading and siding charges	644	382	249	1,408	805	1,173
(g) Rates and taxes (Refer Note no. 4)	2,401	823	465	4,031	1,562	2,138
(h) Depreciation and amortisation expense	166	199	108	479	321	438
(i) Other expenses	1,162	1,528	628	3,869	1,664	2,852
Total expenses	8,172	6,759	5,558	23,137	16,052	22,645
3. Profit/ (loss) from operations before other income/ finance costs and exceptional items	1,616	931	(455)	3,125	67	(403)
4. Other income	45	151	108	390	372	488
5. Profit/ (loss) from ordinary activities before finance costs and exceptional items	1,661	1,082	(347)	3,515	439	85
6. Finance costs	369	-	-	369	1	1
7. Profit/ (loss) from ordinary activities after finance cost but before exceptional items	1,292	1,082	(347)	3,146	438	84
8. Exceptional items- (expenses)/ (income) (net) (Refer Note no. 2)	-	-	-	-	-	-
9. Profit/ (loss) from ordinary activities before Tax	1,292	1,082	(347)	3,146	438	577
10. Tax expense	490	380	(115)	1,170	160	930
11. Net profit/ (loss) from ordinary activities after tax	802	702	(232)	1,976	278	(1,423)
12. Paid up equity share capital (face value : ₹10 per share)	875	875	875	875	875	875
13. Reserves excluding revaluation reserves	9.17	8.03	(2.65)	22.58	3.18	36.170
14. Basic and diluted earnings per share (of ₹ 10 each) (not annualised)						(16.26)
See accompanying notes to the financial results						



₹ lakh

Segment wise revenue, results, assets and liabilities (Primary Segment)						
Particulars	Three months ended	Preceding three months	Corresponding three months ended in the	Nine Months ended	Nine Months ended	Previous year ended
	31.12.2016	30.09.2016	31.12.2015	31.12.2016	31.12.2015	31.03.2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Segment revenue						
(a) Mining	7,027	5,694	3,990	19,512	12,643	16,605
(b) Ferroalloys and Power	3,327	2,295	1,151	7,829	3,788	5,914
(c) Unallocable	20	11	16	36	26	43
	10,374	8,000	5,157	27,377	16,457	22,562
Less: Inter segment revenue	586	310	54	1,115	338	320
Total	9,788	7,690	5,103	26,262	16,119	22,242
2. Segment result						
(a) Mining	2,114	2,459	170	6,101	1,994	2,210
(b) Ferroalloys and Power	(20)	(1,036)	(357)	(1,394)	(1,050)	(1,193)
	2,094	1,423	(187)	4,707	944	1,017
Less: (i) Finance costs	369	-	-	369	1	1
(ii) Other unallocable expenditure/ (income) net of unallocable (income)/ expenditure	433	341	160	1,192	505	932
Net profit/(loss) before tax and exceptional items	1,292	1,082	(347)	3,146	438	84
Exceptional items (Refer Note no. 2)						
(a) Mining	-	-	-	-	-	(1,723)
(b) Ferroalloys and Power	-	-	-	-	-	2,300
Exceptional items - [Expenses/ (Income) (Net)]	-	-	-	-	-	577
Profit/ (loss) before tax	1,292	1,082	(347)	3,146	438	(493)
	As at					
	31.12.2016	30.09.2016	31.12.2015	31.12.2016	31.12.2015	31.03.2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
3. Segment Assets						
(a) Mining	7,785	7,137	7,742	7,785	7,742	6,250
(b) Ferroalloys and Power	18,350	16,862	19,164	18,350	19,164	17,338
(c) Steel	3,170	3,191	3,167	3,170	3,167	3,170
(d) Unallocable	22,272	21,532	19,570	22,272	19,570	20,852
Total	51,577	48,722	49,643	51,577	49,643	47,610
4. Segment Liabilities						
(a) Mining	10,893	8,900	9,832	10,893	9,832	8,163
(b) Ferroalloys and Power	1,385	1,114	441	1,385	441	676
(c) Steel	3	3	-	3	-	2
(d) Unallocable	488	699	314	488	314	1,724
Total	12,769	10,716	10,587	12,769	10,587	10,565



Notes :

1. The above statement of financial results was reviewed by the Board Audit Committee and approved by the Board of Directors in their meeting held on 04 February 2017. The same has been reviewed by the statutory auditors.

2. Exceptional items comprise:

Particulars	Expenses / (Income)					
	Three months ended	Preceding three months ended	Corresponding three months ended in the previous year	Nine Months ended	Nine Months ended	Previous year ended
	31.12.2016	30.09.2016	31.12.2015	31.12.2016	31.12.2015	31.03.2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Provision for other than temporary diminution in value of investment in Star Metalics and Power Private Limited (SMPPL), a subsidiary company	-	-	-	-	-	2,300
Provision towards Forest Development Tax for the years 2008 - 09 to 2011 - 12 written back in view of the Order of The Hon'ble High Court of Karnataka (Net of estimated expenses)	-	-	-	-	-	(1,723)
Net	-	-	-	-	-	577

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

4. Consequent to amendment of the Mines and Minerals (Development and Regulation) Amendment Act, ("the Act") with effect from 12 January 2015, each State was required to constitute a District Mineral Foundation ("DMF") to collect specified amounts from the iron ore lessees for the benefit of persons/areas affected by mining operations. Considering that the contribution to the Special Purpose Vehicle (SPV) at 10% of sales value is already being made as per the Order of the Hon'ble Supreme Court of India, an application was made by The Federation of Indian Mineral Industries, South Region before the Hon'ble Supreme Court of India to direct/clarify that iron ore lessees will not be required to contribute to the SPV. During the quarter, the Hon'ble Supreme Court of India heard the matter and the judgement is reserved. Considering the uncertainties involved, during the quarter, the Company has provided an amount of Rs. 1,442 lakh (including Rs.795 lakh for the period upto 31 March 2016 and Rs.424 lakh for the 6 months period ended September 30, 2016) towards contribution to DMF.

5. The figures of the previous periods have been regrouped / recasted where necessary.

for and on behalf of the Board of Directors


S.Y. GHORPADE

Chairman & Managing Director

Bengaluru
04 February 2017

