

**INDEPENDENT AUDITOR'S REPORT
TO THE BOARD OF DIRECTORS OF
THE SANDUR MANGANESE & IRON ORES LIMITED**

1. We have audited the accompanying Statement of Standalone Financial Results of **THE SANDUR MANGANESE & IRON ORES LIMITED** ("the Company"), for the year ended March 31, 2017 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related standalone financial statements which has been prepared in accordance with the Accounting Standards 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 express an opinion on the Statement based on our audit of such standalone financial statements.
3. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

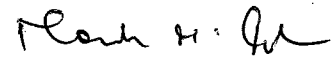
We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

4. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
 - (ii) gives a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the net profit and other financial information of the Company for the year ended March 31, 2017.



5. The Statement includes the results for the quarter ended March 31, 2017 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

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



Monisha Parikh

Partner

(Membership No. 47840)

BENGALURU, May 30, 2017
MP/SMG/2017

**INDEPENDENT AUDITOR'S REPORT
TO THE BOARD OF DIRECTORS OF
THE SANDUR MANGANESE & IRON ORES LIMITED**

1. We have audited the accompanying Statement of Consolidated Financial Results of **THE SANDUR MANGANESE & IRON ORES LIMITED** ("the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), for the year ended March 31, 2017 ("the Statement"), being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement, which is the responsibility of the Holding Company's Management and approved by the Board of Directors, has been compiled from the related consolidated financial statements which is in accordance with the Accounting Standards 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 express an opinion on the Statement based on our audit of such consolidated financial statements.
2. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Holding Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Holding Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

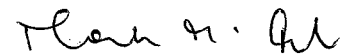
We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

3. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - a. includes the results of the following subsidiary:
 - Star Metallics and Power Private Limited.



- b. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
- c. gives a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the net profit and other financial information of the Group for the year ended March 31, 2017.

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



Monisha Parikh
Partner
(Membership No. 47840)

BENGALURU, May 30, 2017
MP/SMG/2017



The Sandur Manganese & Iron Ores Limited

Registered Office: 'Satyalaya', Door No.80, Behind Taluka Office Palace Road, Ward No.1, Sandur - 583 119, Ballari District
CIN:L85110KA1954PLC000759

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31.03.2017

Particulars	Standalone					Consolidated		₹ lakh
	Three months ended	Preceding three months ended	Corresponding three months ended in the previous year	Year to date figures for current year ended	Year to date figures for previous year ended	Year to date figures for current year ended	Year to date figures for previous year ended	
	31.03.2017 (Audited) [Refer note 2]	31.12.2016 (Unaudited)	31.03.2016 (Audited) [Refer note 2]	31.03.2017 (Audited)	31.03.2016 (Audited)	31.03.2017 (Audited)	31.03.2016 (Audited)	
Statement of Standalone/ Consolidated Audited/ Unaudited results								
1. Income								
Revenue from operations (gross)	16,357	10,145	6,170	43,371	22,762	43,371	27,396	
Less: Excise duty	395	357	47	1,147	520	1,147	520	
Revenue from operations (net)	15,962	9,788	6,123	42,224	22,242	42,224	26,876	
Other Income	118	45	64	508	488	694	575	
Total revenue	16,080	9,833	6,187	42,732	22,730	42,918	27,451	
2. Expenses								
(a) Cost of materials consumed	2,791	2,948	1,246	9,496	2,467	9,496	7,880	
(b) Changes in inventories of finished goods and work-in-progress	173	(1,836)	414	(2,130)	746	(2,130)	746	
(c) Employee benefits expense	1,887	1,520	1,424	6,539	5,499	6,629	5,905	
(d) Finance costs	356	369	-	725	1	725	30	
(e) Depreciation and amortisation expense	226	166	117	705	438	1,172	906	
(f) Other expenses	5,826	5,374	3,340	19,430	13,495	18,551	12,079	
Total expenses	11,259	8,541	6,541	34,765	22,646	34,443	27,546	
3. Profit/ (loss) before exceptional items	4,821	1,292	(354)	7,967	84	8,475	(95)	
4. Exceptional Items- [expenses/ (income) (net)] (Refer Note no.4)	-	-	577	-	577	-	(1,723)	
5. Profit/ (loss) before Tax	4,821	1,292	(931)	7,967	(493)	8,475	1,628	
6. Tax Expenses								
Current tax	2,080	470	210	3,210	390	3,210	390	
Deferred tax	(310)	20	560	(270)	540	(270)	540	
Total Tax Expenses	1,770	490	770	2,940	930	2,940	930	
7. Net profit/ (loss) after tax before minority interest	3,051	802	(1,701)	5,027	(1,423)	5,535	698	
8. Minority interest	-	-	-	-	-	91	(41)	
9. Net profit/ (loss) for the year attributable to equity shareholders of the company	3,051	802	(1,701)	5,027	(1,423)	5,444	739	
10. Earnings per equity share (of ₹ 10 each) (not annualised) Basic and diluted (₹)	34.87	9.17	(19.44)	57.45	(16.26)	62.21	8.44	

See accompanying notes to the financial results



Segment wise revenue, results, assets and liabilities (Primary Segment)

Particulars	Standalone				Consolidated	
	Three months ended	Preceding three months ended	Corresponding three months ended in the previous year	Year to date figures for current year ended	Year to date figures for previous year ended	Year to date figures for the previous year ended
	31.03.2017 (Audited) [Refer note 2]	31.12.2016 (Unaudited)	31.03.2016 (Audited) [Refer note 2]	31.03.2017 (Audited)	31.03.2016 (Audited)	31.03.2016 (Audited)
1. Segment revenue						
(a) Mining	12,473	7,027	3,962	31,985	16,605	16,605
(b) Ferroalloys and Power	4,060	3,327	2,126	11,889	5,914	10,548
(c) Unallocable	19	20	17	55	43	43
Less: Inter segment revenue	16,552	10,374	6,105	43,929	22,562	27,196
	590	586	(18)	1,705	320	320
Total	15,962	9,788	6,123	42,224	22,242	26,876
2. Segment result						
(a) Mining	5,859	2,114	216	11,960	2,210	2,210
(b) Ferroalloys and Power	(133)	(20)	(143)	(1,527)	(1,193)	(1,332)
Less: (i) Finance costs	5,726	2,094	73	10,433	1,017	878
(ii) Other unallocable expenditure/ (income) net of unallocable (income)/ expenditure	356	369	-	725	1	30
Net profit/(loss) before tax and exceptional items	549	433	427	1,741	932	943
Exceptional items (Refer Note no. 4)	4,821	1,292	(354)	7,967	84	(95)
(a) Mining	-	-	(1,723)	-	(1,723)	(1,723)
(b) Ferroalloys and Power	-	-	2,300	-	2,300	-
Profit/ (loss) before tax	4,821	1,292	577	7,967	577	(1,723)
3. Segment Assets						
(a) Mining	8,420	7,785	6,250	8,420	6,250	5,946
(b) Ferroalloys and Power	17,894	18,350	17,338	17,894	17,338	20,057
(c) Steel	3,170	3,170	3,170	3,170	3,170	3,170
(d) Unallocable	26,119	22,272	20,852	26,119	20,852	21,672
Total	55,603	51,577	47,610	55,603	47,610	50,845
4. Segment Liabilities						
(a) Mining	10,525	10,893	8,163	10,525	8,163	8,163
(b) Ferroalloys and Power	1,658	1,385	676	1,658	676	4,564
(c) Steel	3	3	2	3	2	2
(d) Unallocable	1,662	488	1,724	1,662	1,724	1,754
Total	13,848	12,769	10,565	13,848	10,565	14,483



Notes :
1. Standalone/ Consolidated statement of assets and liabilities

Particulars	Standalone		Consolidated	
	As at 31.03.2017 (Audited)	As at 31.03.2016 (Audited)	As at 31.03.2017 (Audited)	As at 31.03.2016 (Audited)
A. EQUITY AND LIABILITIES				
1. Shareholders' funds				
(a) Share capital	875	875	875	875
(b) Reserves and surplus	40,880	36,170	40,614	35,487
Sub-total - Shareholders' fund	41,755	37,045	41,489	36,362
2. Minority interest	NA	NA	3,112	2,892
2. Non-current liabilities				
(a) Other long-term liabilities	-	28	-	28
(b) Long-term provisions	1,955	1,696	1,957	1,698
Sub-total - Non-current liabilities	1,955	1,724	1,957	1,726
3. Current liabilities				
(a) Trade payables	3,238	1,921	2,944	2,525
(b) Other current liabilities	7,189	6,309	7,461	6,715
(c) Short-term provisions	1,466	611	1,478	625
Sub-total - Current liabilities	11,893	8,841	11,883	9,865
TOTAL - EQUITY AND LIABILITIES	55,603	47,610	58,441	50,845
B. ASSETS				
1. Non-current assets				
(a) Fixed assets				
(i) Tangible assets				
(i) Intangible assets	8,039	7,487	22,161	22,010
(ii) Capital work-in-progress	235	282	235	282
	283	139	366	258
	8,557	7,908	22,762	22,550
(b) Goodwill on consolidation	NA	NA	150	150
(b) Non-current investments	12,748	12,748	-	-
(c) Deferred tax assets (net)	2,430	2,160	2,430	2,160
(d) Long-term loans and advances	8,307	7,886	8,531	8,256
(e) Other non-current assets	162	333	162	515
Sub-total - Non-current assets	32,204	31,035	34,035	33,631
2. Current assets				
(a) Current investments	10,770	4,791	10,770	4,791
(b) Inventories	8,866	6,033	8,866	6,040
(c) Trade receivables	631	847	637	753
(d) Cash and bank balances	2,055	2,175	2,949	2,655
(e) Short-term loans and advances	997	1,814	1,088	2,054
(f) Other current assets	80	915	96	921
Sub-total - Current assets	23,399	16,575	24,406	17,214
TOTAL - ASSETS	55,603	47,610	58,441	50,845



2. The figures for the three months ended on 31 March 2017 and 31 March 2016 are the balancing figures between audited figures in respect of full financial year and the published year to date figures upto third quarter.
3. The above statement of financial results for the year ended 31 March 2017 and the consolidated financial results of the Company and its subsidiary was reviewed by the Board Audit Committee and approved by the Board of Directors in their meeting held on 30 May 2017.

4. Exceptional items comprise:

Particulars	Expenses / (Income)						₹ lakh
	Standalone			Consolidated			
	Three months ended	Preceding three months ended	Corresponding three months ended in the previous year	Year to date figures for the current year ended	Year to date figures for the previous year ended	Year to date figures for the previous year ended	
	31.03.2017 (Audited) [Refer note 2]	31.12.2016 (Unaudited)	31.03.2016 (Audited) [Refer note 2]	31.03.2017 (Audited)	31.03.2016 (Audited)	31.03.2016 (Audited)	
Provision for other than temporary diminution in value of investment in Star Metallics 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)	(1,723)	
Net	-	-	-	-	577	(1,723)	

5. 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. 4,210 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.

6. 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 mining 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/clarity that mining lessees will not be required to contribute to the SPV. The Hon'ble Supreme Court of India has since clarified that the contribution to SPV shall be in addition to all applicable levies and consequently during the year ended 31 March, 2017 the Company has provided an amount of Rs. 2,210 lakh (including Rs. 851 lakh for the period upto 31 March 2016) towards contribution to DMF.

7. The Board of Directors has proposed a special and final dividend of ₹ 2 (Rupee Two only) per equity share of ₹ 10/- each for the financial year 2016-17.

8. The previous period / year figures have been regrouped / recasted wherever necessary to conform to the classification of the current period.

for and on behalf of the Board of Directors

Bengaluru
30 May 2017

Nazim Sheikh
NAZIM SHEIKH
Managing Director

