

R.Subramanian and Company LLP

CHARTERED ACCOUNTANTS

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


TO THE BOARD OF DIRECTORS OF THE SANDUR MANGANESE AND IRON ORE LIMITED

- 1 We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **Sandur Manganese and Iron Ore Limited** ("the Company"), for the **quarter and half year ended September 30, 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, 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 the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), 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 As stated in Note 2 to the Statement, we have not performed a review or audit of the figures relating to the corresponding quarter and half year ended September 30, 2016, including a reconciliation of net profit/loss for the quarter and half year ended September 30, 2016 between the previous GAAP and the Indian Accounting Standards ("Ind AS") as stated in Note 5 to the Statement. Accordingly our review is limited to the results for the quarter and six months ended September 30, 2017 only.
- 3 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.
- 4 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 Indian 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 **R Subramanian and Company LLP**
Chartered Accountants
Firm Registration No. 004137S/S200041


R. Prakash
Partner
Membership No. 205869
Place: Bengaluru
Date: 4th December 2017.





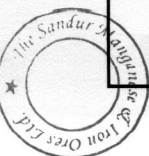
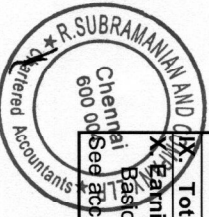
The Sandur Magyunesse & Iron Ores Limited

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

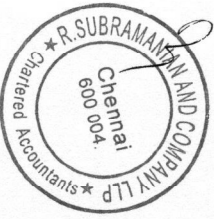
STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE HALF YEAR ENDED 30.09.2017

₹ lakh

Particulars	Three months ended	Preceding three months ended	Corresponding three months ended in the previous year	Half-year ended	Corresponding Half year ended in the previous year
	30.09.2017 (Unaudited) [Refer note 2]	30.06.2017 (Unaudited)	30.09.2016 (Unaudited) [Refer note 2]	30.09.2017 (Unaudited)	30.09.2016 (Unaudited)
Statement of Standalone Unaudited results					
1. Revenue from operations					
I. Revenue from operations	14,370	12,892	7,941	27,262	16,869
II. Other Income	268	319	246	587	477
III. Total Income (I + II)	14,638	13,211	8,187	27,849	17,346
IV. Expenses					
(a) Cost of materials consumed	3,484	2,417	968	5,901	3,759
(b) Excise duty on sale of goods	-	430	251	430	395
(c) Changes in inventories of finished goods and work-in-progress	(537)	843	(72)	306	(468)
(d) Employee benefits expense	2,412	1,767	1,608	4,179	3,068
(e) Finance costs	(65)	149	1	84	1
(f) Depreciation and amortisation expense	183	163	199	346	313
(g) Other expenses	4,730	4,739	3,952	9,469	8,151
Total expenses	10,207	10,508	6,907	20,715	15,219
V. Profit before Tax (III - IV)	4,431	2,703	1,280	7,134	2,127
VI. Tax Expense					
Current tax	1,600	748	402	2,348	682
Deferred tax	20	102	-	122	20
Total Tax Expense	1,620	850	402	2,470	702
VII. Profit for the period (V - VI)	2,811	1,853	878	4,664	1,425
VIII. Other comprehensive income					
A. (i) Items that will not be recycled to profit or loss	(152)	-	(41)	(152)	(41)
(a) Remeasurements of the defined benefit liabilities / asset (Net of Tax)	2,659	1,853	837	4,512	1,384
Total comprehensive income for the period (VII + VIII)	2,659	1,853	837	4,512	1,384
Earnings per equity share (of ₹ 10 each) (not annualised)	30.39	21.18	9.57	51.57	15.82
See accompanying notes to the financial results					



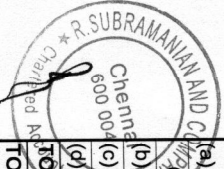
Particulars	Three months ended	Preceding three months ended	Corresponding three months ended in the previous year	Half-year ended	Corresponding Half Year ended in the previous year
	30.09.2017 (Unaudited) [Refer note 2]	30.06.2017 (Unaudited)	30.09.2016 (Unaudited) [Refer note 2]	30.09.2017 (Unaudited)	30.09.2016 (Unaudited)
1. Segment revenue					
(a) Mining	10,195	8,170	5,694	18,365	12,485
(b) Ferroalloys and Power	4,835	5,078	2,546	9,913	4,897
(c) Unallocable	27	12	11	39	16
	15,057	13,260	8,251	28,317	17,398
Less: Inter segment revenue	687	368	310	1,055	529
Total	14,370	12,892	7,941	27,262	16,869
2. Segment results					
(a) Mining	4,763	3,127	2,563	7,890	4,129
(b) Ferroalloys and Power	25	(28)	(1,036)	(3)	(1,374)
	4,788	3,099	1,527	7,887	2,755
Less: (i) Finance costs	(65)	149	1	84	1
(ii) Other unallocable expenditure/ (income) net of unallocable (income)/ expenditure	422	247	246	669	627
Profit before tax	4,431	2,703	1,280	7,134	2,127
3. Segment Assets					
(a) Mining	9,249	8,512	7,137	9,249	7,137
(b) Ferroalloys and Power	17,939	16,458	16,862	17,939	16,862
(c) Steel	2	-	3,191	2	3,191
(d) Unallocable	34,806	33,952	22,472	34,806	22,472
Total	61,996	58,922	49,662	61,996	49,662
4. Segment Liabilities					
(a) Mining	10,180	11,127	8,732	10,180	8,732
(b) Ferroalloys and Power	2,168	1,714	1,114	2,168	1,114
(c) Steel	2	2	3	2	3
(d) Unallocable	2,163	1,045	699	2,163	699
Total	14,513	13,888	10,548	14,513	10,548



Notes :

1. Statement of assets and liabilities

Particulars	Standalone	₹ Lakh
	As at 30.09.2017 (Unaudited)	
ASSETS		
NON-CURRENT ASSETS		
(a) Property, Plant and Equipment		7,081
(b) Capital Work-in-Progress		327
(c) Investment Property		4,993
(d) Other Intangible Assets		203
(e) Financial Assets		
'(i) Investments		12,793
'(ii) Loans		5,432
(iii) Other Financial Assets		162
(f) Deferred Tax Assets (Net)		2,308
TOTAL Non-current assets - A		33,299
CURRENT ASSETS		
(a) Inventories		7,473
(b) Financial Assets		
(i) Investments		14,981
(ii) Trade Receivables		2,079
(iii) Cash and Cash Equivalents		1,641
(iv) Other Bank Balances		494
(v) Loans		1,928
(c) Other Current Assets		101
TOTAL Current assets - B		28,697
TOTAL ASSETS A + B		61,996
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity Share Capital		875
(b) Other Equity		46,607
TOTAL Equity - A		47,482
LIABILITIES		
NON-CURRENT LIABILITIES		
(a) Financial Liabilities		
(i) Other Financial Liabilities		35
(b) Provisions		521
TOTAL Non Current Liability - B		556
CURRENT LIABILITIES		
(a) Financial Liabilities		
(i) Trade Payables		4,225
(b) Other Current Liabilities		8,140
(c) Provisions		233
(d) Current Tax Liabilities (Net)		1,360
TOTAL Current Liability - C		13,958
TOTAL Equity and Liabilities A+B+C		61,996



2. The above results were reviewed by the audit committee of the Board and approved by the Board of Directors at the respective meetings held on 04-12-2017. The Statutory auditors of the Company have carried out a limited review of the results for the quarter/half year ended September 30, 2017. The IND AS compliant financial results pertaining to quarter/half year ended September 30, 2016 have not been subjected to limited review. However the management has exercised due diligence to ensure that the financial results provide a true and fair view of its affairs.

3. These financial results have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and in terms of the Listing Regulations, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. The Company has opted to avail the relaxation provided by the Securities and Exchange Board of India ('SEBI') in respect of disclosure requirements for corresponding figures for the earlier periods. The results for the quarter/ Half year ended September 30, 2016 have been recasted to be Ind AS compliant.

4. Post the applicability of Goods and Service tax (GST) with effect from 1st July 2017, sales are required to be disclosed net of GST. Revenue from operations for the quarter and six months ended 30-09-2017 are not comparable with the previous period presented in the results.

5. Reconciliation of total comprehensive income between standalone financial results as previously reported (referred to as previous GAAP) and Ind-AS, for the quarter/half year ended September 30, 2016 is as under:

Particulars	(₹ lakh) For the three months ended Sept 30, 2016	(₹ lakh) For the Half Year ended Sept 30, 2016
Net Profit as reported under previous GAAP	702	1,173
Adjustments:		
Discounting of long term provisions (Net of unwinding of interest)	40	78
Fair valuation of financial assets	95	133
Remeasurements of the defined benefit liabilities/ asset (Net of Tax)	41	41
Net Profit for the period as per Ind AS	878	1,425
Other comprehensive income (Net of Tax)	(41)	(41)
Total comprehensive income	837	1,384

6. 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, 1953, 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.

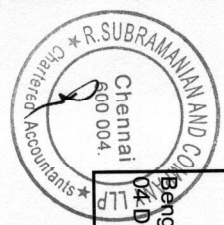
7. During the current quarter Honourable Supreme Court of India held that Contribution to District Mineral Foundation (DMF) is liable to be paid from 17th September 2015. Based on said judgement, Company during the current quarter reversed excess provisions made during the previous year towards

1) DMF aggregating to Rs.462.16 lakhs to the credit of rates and taxes and 2) a sum of Rs.148 lacs to the credit of finance cost.

8. The figures of the previous periods have been regrouped / reclassified where necessary.

for and on behalf of the Board of Directors

Naqim Sheikh
NAZIM SHEIKH
 Managing Director



Bengaluru
 04 December 2017

