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INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

Review Report to
The Board of Directors
The Sandur Manganese & Iron Ores Limited

We have reviewed the accompanying Statement of Unaudited Standalone Ind AS Financial Results of **The Sandur Manganese & Iron Ores Limited** ("the Company"), for the quarter ended **September 30, 2018** and year to date from **April 1, 2018 to September 30, 2018** (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ("the Circular").

The preparation of the Statement 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 Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 and with the Circular is the responsibility of the Company's Management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the Statement based on our review.

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.

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 recognition and measurement principles laid down in the aforesaid Indian Accounting Standards specified under Section 133 of the Companies Act, 2013, read with the relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with the Circular, 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

Gokul S Dixit
Partner
Membership No: 209464
Place: Bangalore
Date: November 14, 2018





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 STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE HALF YEAR ENDED 30.09.2018

₹ lakh

Particulars	Standalone					
	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	Year to date figures for the previous year ended
	30.09.2018 (Unaudited) [Refer note 3]	30.06.2018 (Unaudited)	30.09.2017 (Unaudited)	30.09.2018 (Unaudited)	30.09.2017 (Unaudited)	31.03.2018 (Audited)
Statement of Standalone/ Unaudited results						
1.Revenue from operations						
I. Revenue from operations	16,728	20,451	14,370	37,179	27,262	61,240
II. Other Income	256	210	268	466	587	1,110
III. Total Income (I + II)	16,984	20,661	14,638	37,645	27,849	62,350
IV. Expenses						
(a) Cost of materials consumed	2,800	3,311	3,484	6,111	5,901	11,743
(b) Excise duty on sale of goods	-	-	-	-	430	430
(c) Changes in inventories of finished goods and work-in-progress	(219)	(256)	(537)	(475)	306	1,619
(d) Employee benefits expense	2,099	2,080	2,412	4,179	4,179	8,279
(e) Finance costs	173	128	(65)	301	84	495
(f) Depreciation and amortisation expense	185	177	183	362	346	743
(g) Other expenses	6,361	6,945	4,730	13,306	9,469	22,589
Total expenses	11,399	12,385	10,207	23,784	20,715	45,898
V. Profit before tax (III - IV)	5,585	8,276	4,431	13,861	7,134	16,452
VI. Tax expense						
Current tax	2,235	3,289	1,600	5,524	2,348	5,420
Deferred tax	(84)	(240)	20	(324)	122	380
Total tax expense	2,151	3,049	1,620	5,200	2,470	5,800
VII. Profit for the period (V - VI)	3,434	5,227	2,811	8,661	4,664	10,652
VIII. Other comprehensive income						
A (i) Items that will not be recycled to profit or loss						
(a) Remeasurements of the defined benefit liabilities / asset (Net of Tax)	(3)	(16)	(152)	(19)	(152)	(124)
IX. Total comprehensive income for the period (VIII + IX)	3,431	5,211	2,659	8,642	4,512	10,528
X. Earnings per equity share (of ₹ 10 each) (not annualised)						
Basic and diluted (₹)	39.25	59.74	32.12	98.98	53.30	121.74
See accompanying notes to the financial results						



Segment wise revenue, results, assets and liabilities (Primary Segment)	Standalone					
	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	Year to date figures for the previous year ended
	30.09.2018	30.06.2018	30.09.2017	30.09.2018	30.09.2017	31.03.2018
	(Unaudited) [Refer note 3]	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Segment revenue						
(a) Mining	12,679	15,145	10,195	27,824	18,365	44,406
(b) Ferroalloys and power	4,510	5,821	4,835	10,331	9,913	18,639
(c) Unallocable	38	27	27	65	39	120
	17,227	20,993	15,057	38,220	28,317	63,165
Less: Inter segment revenue	499	542	687	1,041	1,055	1,925
Total	16,728	20,451	14,370	37,179	27,262	61,240
2. Segment results						
(a) Mining	6,115	7,995	4,763	14,110	7,890	18,995
(b) Ferroalloys and power	75	842	25	917	(3)	(292)
	6,190	8,837	4,788	15,027	7,887	18,703
Less: (i) Finance costs	173	128	(65)	301	84	495
(ii) Other unallocable expenditure/ (income) net of unallocable (income)/ expenditure	432	433	422	865	669	1,756
Profit before tax	5,585	8,276	4,431	13,861	7,134	16,452
3. Segment assets						
(a) Mining	8,533	8,012	9,249	8,533	9,249	9,046
(b) Ferroalloys and power	18,871	19,745	17,939	18,871	17,939	18,457
(c) Unallocable	49,628	45,377	34,808	49,628	34,808	38,193
Total	77,032	73,134	61,996	77,032	61,996	65,696
4. Segment liabilities						
(a) Mining	9,715	9,054	10,180	9,715	10,180	9,330
(b) Ferroalloys and power	1,840	2,193	2,168	1,840	2,168	1,850
(c) Unallocable	4,075	3,705	2,165	4,075	2,165	1,545
Total	15,630	14,952	14,513	15,630	14,513	12,725



Notes :

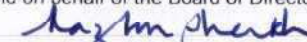
1.Standaloane Statement of assets and liabilities	Standalone	
	As at 30.09.2018 (Unaudited)	As at 31.03.2018 (Audited)
Particulars		
ASSETS		
NON-CURRENT ASSETS		
(a) Property, Plant and Equipment	7,639	7,108
(b) Capital Work-in-Progress	2,598	1,186
(c) Investment Property	4,934	4,947
(d) Other Intangible Assets	179	222
(e) Financial Assets		
(i) Investments	12,798	12,796
(f) Trade receivables		
(i) Other Financial Assets	1,041	443
(g) Deferred Tax Assets (Net)	2,374	2,050
(h) Other Non-current Assets	9,830	5,840
SUB-TOTAL	41,393	34,592
CURRENT ASSETS		
(a) Inventories	7,774	8,706
(b) Financial Assets		
(i) Investments	19,854	17,462
(ii) Trade Receivables	1,723	426
(iii) Cash and Cash Equivalents	1,341	1,879
(iv) Other Bank Balances	1,161	390
(v) Other Financial Assets	186	79
(c) Other Current Assets	3,600	2,162
SUB-TOTAL	35,639	31,104
TOTAL ASSETS	77,032	65,696
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity Share Capital	875	875
(b) Other Equity	60,527	52,096
SUB-TOTAL	61,402	52,971
LIABILITIES		
NON-CURRENT LIABILITIES		
(a) Financial Liabilities		
(i) Other Financial Liabilities	29	5
(b) Provisions	541	452
SUB-TOTAL	570	457
CURRENT LIABILITIES		
(a) Financial Liabilities		
(i) Trade Payables		
Total outstanding dues to micro & small enterprises	-	-
Total outstanding dues of creditors other than micro & small enterprises	5,498	5,189
(ii) Other Financial liabilities	96	21
(b) Provisions	63	86
(c) Current Tax Liabilities (Net)	2,776	840
(d) Other Current Liabilities	6,627	6,132
SUB-TOTAL	15,060	12,268
Liabilities Associated with Assets Held for Sale		
TOTAL LIABILITIES	77,032	65,696



2. The above results of The Sandur Manganese and Iron Ores Limited ("the company") for the quarter and half year ended September 30, 2018 were reviewed by the Audit Committee of the Board and approved by the Board of Directors at the respective meetings held on November 13, 2018 and November 14, 2018. The Statutory auditors of the Company have carried out a limited review of the same.
3. The figures for the three months ended on September 30, 2018 are the balancing figures between unaudited figures in respect of half year and the published figures of the first quarter.
4. 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.
5. 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 half year ended September 30, 2018 are not comparable with the previous period presented in the results.
6. Effective April 01, 2018, the Company has adopted Ind AS 115 Revenue from Contracts with customers under the modified retrospective approach without adjustment of comparatives. The Standard is applied to contracts that remain in force as at April 01, 2018. The application of the standard did not have any significant impact on the retained earnings as at April 01, 2018 and financial results for the current and previous quarter.
7. During the quarter ended 31st December 2017, the Company has reviewed 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 Lakhs and for the quarter and half year ended September 30, 2018 would have been lower to the extent of Rs.1,821.95 Lakhs and Rs.4,013.42 Lakhs respectively. However, the effect of such change in estimate has not been considered in the comparative reported prior interim periods."
8. During the quarter ended 30 September 2017 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 quarter ended 30 September 2017 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.
10. The Board of Directors at its meeting held on Nov 14, 2018, has declared an interim dividend of Rs. 3.50 per equity share.
11. 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.
12. The figures of the previous periods have been regrouped / reclassified where necessary.

Bengaluru
November 14, 2018

for and on behalf of the Board of Directors


NAZIM SHEIKH
Managing Director

