

FEBRUARY 2022

THE SANDUR MANGANESE &
IRON ORES LIMITED



The Sandur Manganese & Iron Ores Limited

Q3FY22 Investor Presentation



20
22

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History and Background

- Manganese was discovered in the hills of Sandur as early as 1838.
- Mining operations in the present lease area dates back to 1907.
- Erstwhile ruler of Sandur, Shri Y. R. Ghorpade (YRG) granted the mining lease over an area of 7,511 hectares to a Belgian company named General Sandur Mining Company for 25 years in 1904 and then renewed for another 25 years up till 1953.
- Mining lease was transferred to YRG in 1954, after which, he transferred the lease to The Sandur Manganese & Iron Ores Limited, which was founded by his eldest son Shri M. Y. Ghorpade, for professional management and scientific development of the mines.
- In 1964 the Company was converted into a Public Limited Company and was listed on BSE in 1966 to establish Electro Metallurgical Industry (Ferroalloy operations). This plant was setup in Vyasankere during 1968.

HISTORY OF SANDUR'S MINING LEASES



At present, SANDUR has 2 Mining Leases valid up to 31 December 2033, over an area of 1,999 HA with estimated reserves of about 14 MT of Manganese Ore and 110 MT of Iron Ore.



SANDUR at a Glance



6+ decade as **one of the most respected private-sector Merchant Miner** of Manganese and Iron Ores



2nd Largest Manganese Ore miner in India, only next to PSU – MOIL



Upon the introduction of Sustainable Development Framework (SDF) by the Government of India, SANDUR was the only Mining Lessee in the State of Karnataka to have received 5 star award and was one among the three iron ore Mining Lessees in the country. **Thereafter, SANDUR has been continuously receiving 5 star rating every year.**



Vast mining reserves coupled with long term leases (up to 2033)

IRON ORE



110 MT

(~**69X** of current annual permissible capacity)

MANGANESE ORE

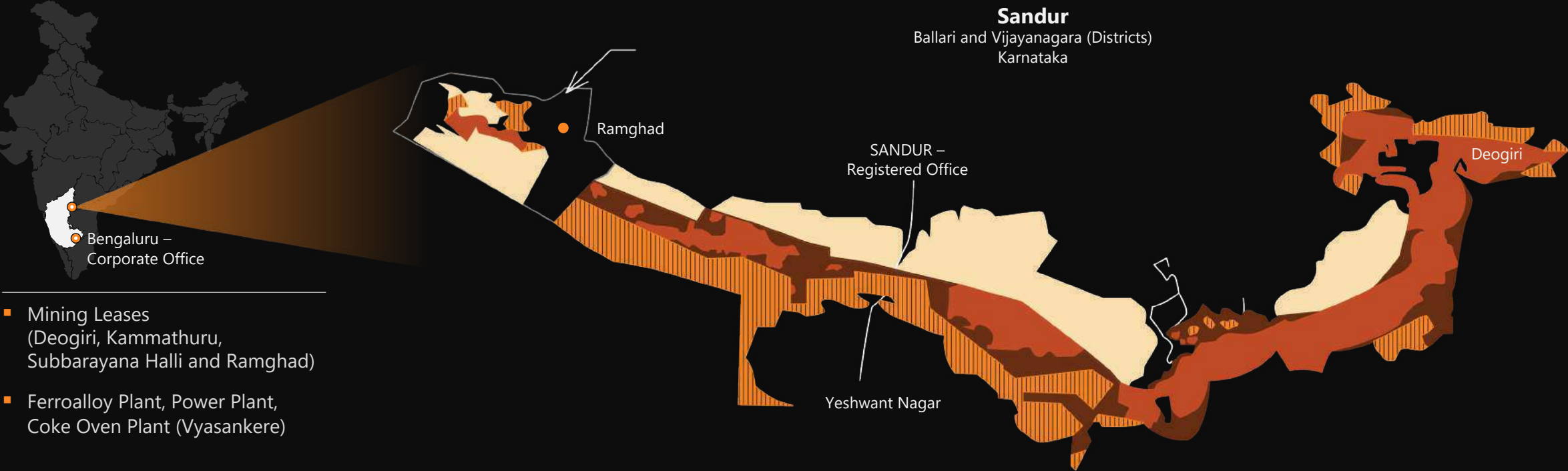
14 MT

(~**48X** of current annual permissible capacity)

VALUABLE ASSETS	CAPACITY	3-Y AVERAGE UTILIZATION*	EXTERNAL SALE : CAPTIVE CONSUMPTION^	3-Y AVERAGE REVENUE CONTRIBUTION#
MANGANESE ORE 	0.28 MTPA	99%	84% : 16%	22%
IRON ORE 	1.60 MTPA	99%	100% : 00%	51%
FERRO-ALLOYS 	48,000 TPA	82%	100% : 00%	21%
POWER GENERATION 	30.0 MW	NA	09% : 91%	NA

*, # Arithmetic Average FY19-21 | ^Note – Unsold inventory is categorized in External Sales






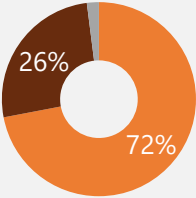
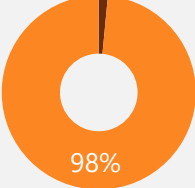
Operational Units



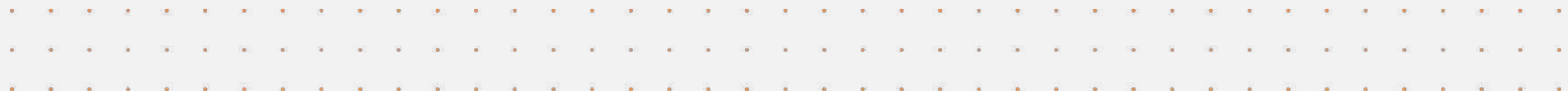
- Mining Leases (Deogiri, Kammathuru, Subbarayana Halli and Ramghad)
- Ferroalloy Plant, Power Plant, Coke Oven Plant (Vyasankere)

ORIGINAL LEASE (7,511 HA) AREA DELETED IN 1973 (2,800 HA)	FIRST RENEWAL (4,715 HA) AREA DELETED IN 1993 (1,516 HA)	SECOND RENEWAL (2006 HA)	THIRD RENEWAL (1999 HA)




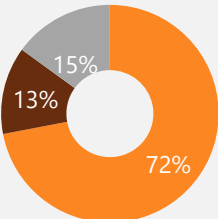
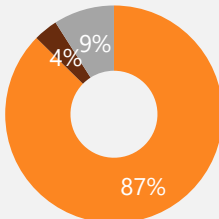
Business Canvas (BEFORE, TILL FY20)

	 Mining	 Ferroalloys and Power
BUSINESS SEGMENTS	<ul style="list-style-type: none"> ▪ 0.28 MTPA Manganese (Mn) Ore Capacity ▪ 1.60 MTPA Iron Ore Capacity 	<ul style="list-style-type: none"> ▪ 32,000 TPA Ferroalloys Capacity ▪ 32 MW Coal-based Thermal Power Plant
TRAITS	<ul style="list-style-type: none"> ▪ Asset-light and high ROCE ▪ Cost-efficient operations resulting in high OPM and significant operating-leverage ▪ Generating consistent Free Cash Flows 	<ul style="list-style-type: none"> ▪ Power-intensive operations ▪ Marginally profitable segment due to unfeasible cost of power generation ▪ Drag on overall financial performance till FY20
REVENUE & PBIT CONTRIBUTION  MINING  FERROALLOYS  OTHERS	FY18-20 REVENUE CONTRIBUTION* (IN %) 	FY18-20 PBT[^] (IN %) 

*3Y Cumulative Revenue FY18-20 | ^3Y Cumulative PBT FY18-20 (excluding unallocable expenses)






Business Canvas (AT PRESENT, FY21 ONWARDS)

	 Mining	 Ferroalloys	 Coke and Energy
BUSINESS SEGMENTS	<ul style="list-style-type: none">▪ 0.28 MTPA Mn Ore Capacity▪ 1.60 MTPA Iron Ore Capacity	<ul style="list-style-type: none">▪ 48,000 TPA/ 66,000 TPA (Silicomanganese/Ferromanganese) Ferroalloys Capacity	<ul style="list-style-type: none">▪ 0.4 MTPA Coke Oven Plant▪ 30 MW WHRB based Power Generation Assets
TRAITS	<ul style="list-style-type: none">▪ Asset-light and high ROCE▪ Cost-efficient operations resulting in high OPM and significant operating-leverage▪ Generating consistent Free Cash Flows	<ul style="list-style-type: none">▪ Power-intensive operations supported by WHRB, leading to better & sustainable profitability current year onwards	<ul style="list-style-type: none">▪ Coke Oven & WHRB generating power as a valuable by-product▪ Coke sold in markets & via contract manufacturing▪ In future, Coke can be used captively to support production of hot metal
REVENUE & PBIT CONTRIBUTION	<div><div><div><div></div><div>MINING</div></div><div><div></div><div>FERROALLOYS</div></div><div><div></div><div>COKE AND ENERGY</div></div></div><div><div><div><div>FY21 REVENUE CONTRIBUTION (IN %)</div><div></div></div><div><div>FY21 PBT ^ (IN %)</div><div></div></div></div></div></div>		

^FY21 PBT (excluding unallocable expenses)



Business Canvas (GOING FORWARD)

	 Mining	 Ferroalloys	 Coke, Energy, Hot Metal & DI Pipes
EXISTING CAPACITY	<ul style="list-style-type: none"> ▪ 0.28 MTPA Mn Ore Capacity ▪ 1.60 MTPA Iron Ore Capacity 	<ul style="list-style-type: none"> ▪ 48,000 TPA/66,000 TPA* (Silicomanganese/ Ferromanganese) Ferroalloys Capacity 	<ul style="list-style-type: none"> ▪ 0.4 MTPA Coke Oven Plant ▪ 30 MW WHRB based Power Generation Assets
TRAITS	<ul style="list-style-type: none"> ▪ Asset-light and high ROCE ▪ Cost-efficient operations resulting in high OPM and significant operating-leverage ▪ Generating consistent Free Cash Flows 	<ul style="list-style-type: none"> ▪ Self-sustainable & profitable ferroalloys operations 	<ul style="list-style-type: none"> ▪ Long-term vision of growth ▪ Mitigates sustainability concerns as a pure-play merchant miner ▪ Forward integration into value-added end-products – to begin with DI Pipes.
EXPANSION	<ul style="list-style-type: none"> ▪ Further expansion of mining operations planned (amended TOR[#] filed with authorities) ▪ 4.50 MTPA Iron Ore capacity enhancement from existing 1.6 MTPA ▪ 0.43 MTPA Manganese Ore capacity enhancement from existing 0.28 MTPA ▪ 7 MTPA Iron Ore Beneficiation unit Capacity 	<ul style="list-style-type: none"> ▪ 95,000 TPA/1,25,000 TPA* (Silicomanganese/ Ferromanganese) and option to produce other Ferroalloys such as Ferrosilicon and Pig Iron will also be available. ▪ Company is evaluating suitable projects/arrangements to cater to the increase in future power requirement due to this expansion 	<ul style="list-style-type: none"> ▪ 0.5 MTPA Coke Oven Plant ▪ 0.40 MTPA Hot Metal Plant ▪ 0.30 MTPA DI Pipe Plant ▪ Integrated Operations (with captive Coke & Iron Ore)

*Note – Existing capacities are used primarily to produce SiMn/FeMn, hence capacity calculations are as per SiMn/FeMn. However, the Company plans to add new products, hence actual capacities may differ as per the product-mix. | # Terms of Reference (TOR)

Values that Drive Us



SANDUR is run by the ethos:

"All that we get (earn) from the soil of Sandur in one form or the other should be primarily used to benefit Sandur"

- M.Y. Ghorpade



SANDUR believes in reaching out to underprivileged community, addressing challenges that improve **"quality of life"**.



Some of SANDUR's successful Welfare Programs:

- **Food Security Scheme:** For the last 5 decades, SANDUR is providing a basket of food grains for all its employees which contains essential food commodities at prices prevalent in 1972. A food package for a family of 5 costs ₹ 145 against actual cost of ₹3,500; balance being absorbed by the Company.
- **Subsidized LPG Cylinder:** To prevent cutting of trees by the employees for fuel, SANDUR has been providing subsidized LPG cylinders (with 90% of subsidy) to a large category of employees. Effectively an employee pays only ₹49 per cylinder.
- **Housing Loan Subsidy:** SANDUR encourages employees to build their own homes by extending interest subsidy on housing loans availed by employees. An employee effectively pays 1% interest and the balance interest is borne by SANDUR.
- **Other** employee welfare amenities include – Cloth Subsidy, marriage & festival gifts, medical care, sickness benefits, education & training facilities, housing & electricity, and many more.



Inspired from its rich heritage and strong parentage, SANDUR takes pride in being a responsible mining Company.



SANDUR lays special emphasis on scientific mining, safety, afforestation and environment protection.



For over 6 decades SANDUR has undertaken crucial and essential development work in areas of - **Education, Healthcare, Sanitation, Community Development, Housing, Environment and Infrastructure.**

Business Verticals Review



**Vasudeva Committee Report,
1965**

"Although in case of a large number of mines, the mining operations do not follow any concerted or well thought out plan of development, there are a few bright exceptions. For example, the group of mines controlled by Manganese Ore India Ltd., M/s. Sandur Manganese & Iron Ores Ltd., and few other companies have planned the layout of their mines in a systematic manner."

SLIDE 12

Mining

SLIDE 16

Coke and Energy

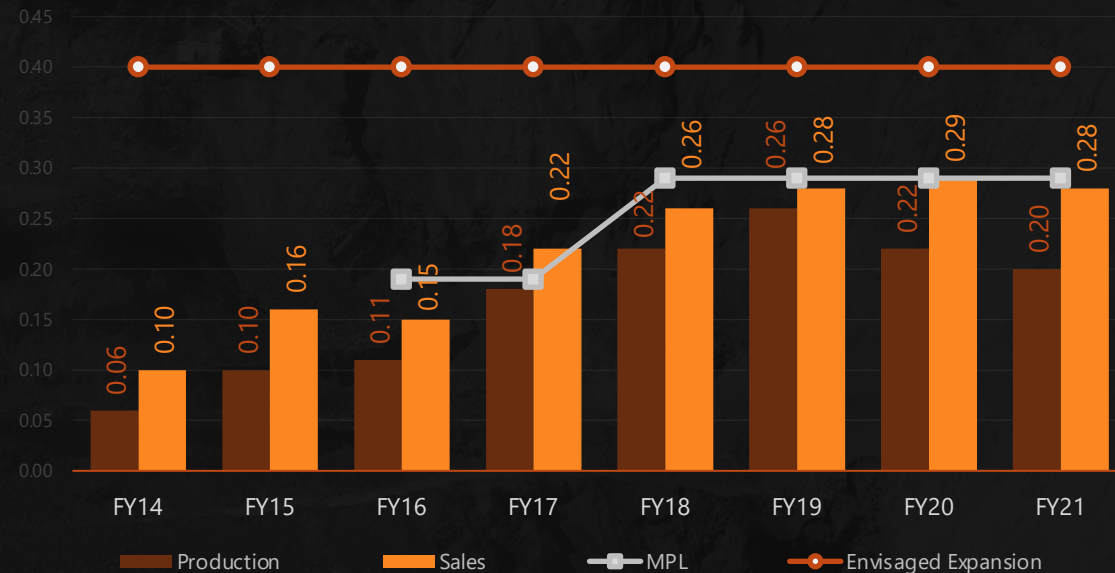
SLIDE 14

Ferroalloys

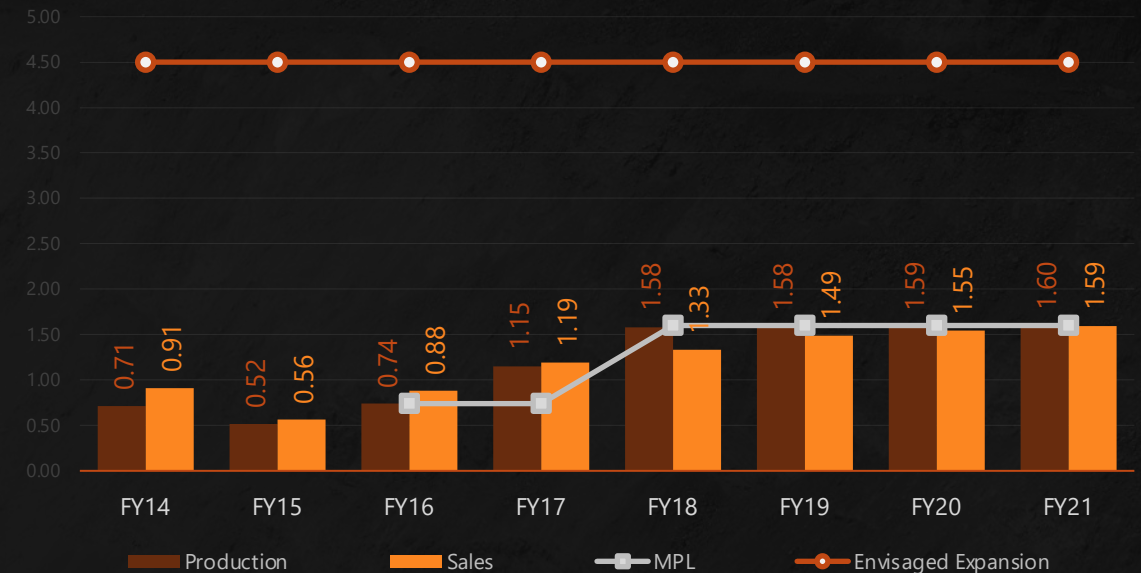
Mining – our mainstay

- Mining manganese and iron ores from two mining leases located in Sandur (Karnataka)
- Fully-mechanized iron ore mining contributing to higher margins
- Semi-mechanized, labour-intensive manganese ore mining with relatively lower margins but generating large scale employment opportunities
- Currently producing 0.28 MTPA of manganese ore and 1.60 MTPA of iron ore as per the prescribed limits
- Proposed to enhance manganese ore from 0.28 to 0.43 MTPA and iron ore production from 1.60 to 4.50 MTPA, duly complying with the parameters prescribed by the Hon'ble Supreme Court

MANGANESE ORE MINING OPERATIONS (MTPA)



IRON ORE MINING OPERATIONS (MTPA)

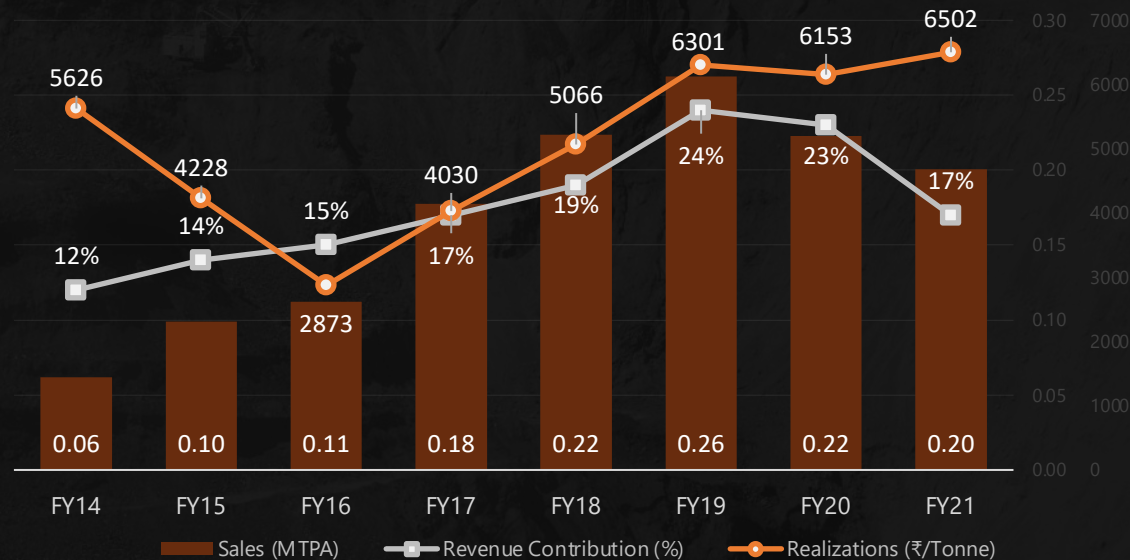


Mining – our mainstay

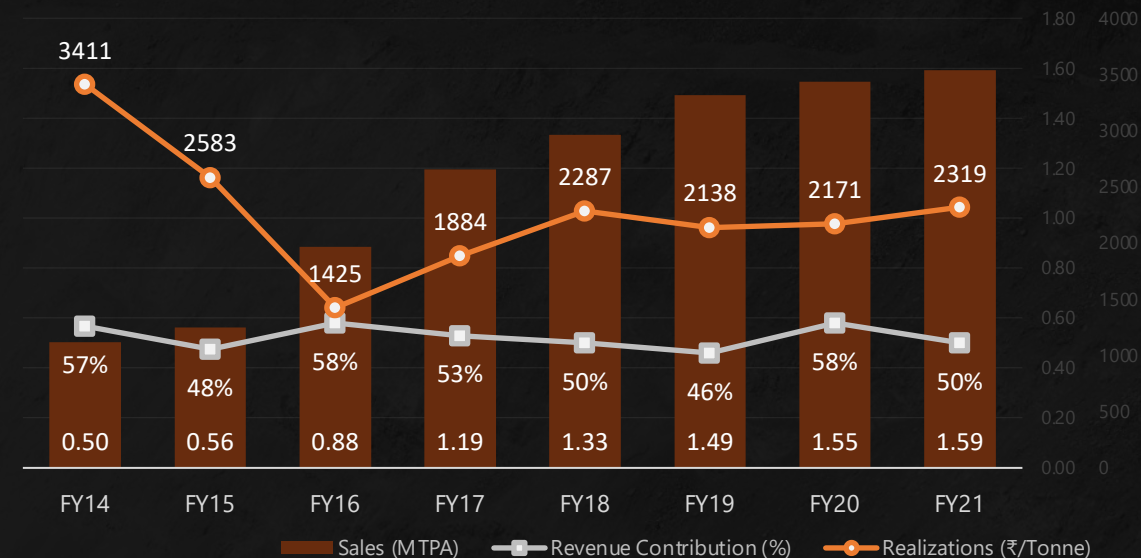
- Consistent Free Cash Flow generated from mining operations
- Mining operations with one of the best operating metrics & track record in the Industry
- Mining operations conducted with utmost respect for environment and adherence to regulatory norms of authorities
- During Karnataka's Mining Scam (2011) Lokayukta did not find any illegalities with SANDUR's Mining Leases. Joint Team and the Central Empowered Committee constituted by the Hon'ble Supreme Court have in their report dated 10th November 2012, reported as:

- the owners of the lessee Company have voluntarily handed over more than 2,000 hectares of forest land owned by them, which has no parallel in the State,*
- the lessee Company has an excellent track record of undertaking mining operations in accordance with the law*

MANGANESE ORE PRODUCTION, SALES & REALISATIONS



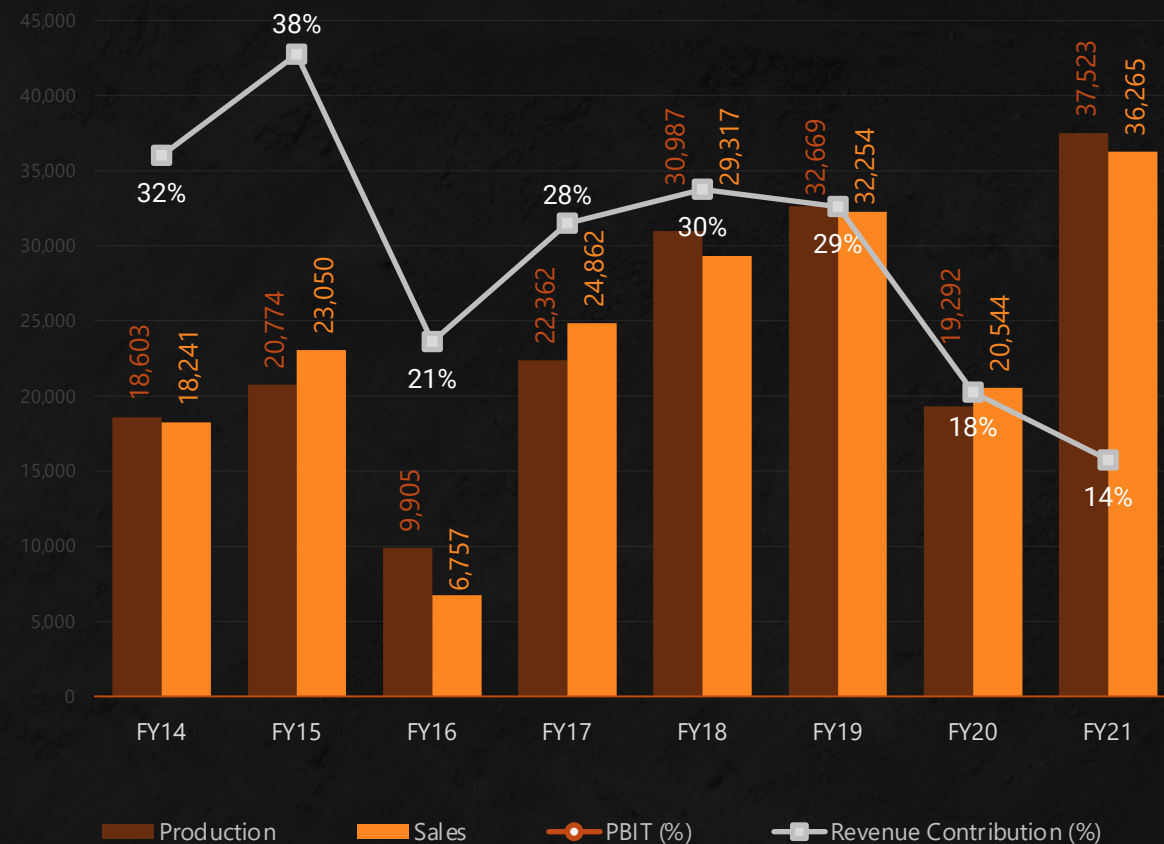
IRON ORE PRODUCTION, SALES & REALISATIONS



Ferroalloys - history

- Established in 1968 at Vysanakere (near Hosapete), with assurance and agreement with the State Electricity Board for supply of adequate power at viable rates.
- Commenced production of foundry grade pig iron.
- In 1977, SANDUR setup two additional 20 MVA furnaces venturing into the production of Ferroalloys such as Ferromanganese, Ferrosilicon and Silicomanganese.
- By 1980s, SANDUR was recognised as one of the finest metallurgical plants in India.
- By 1990s, operations ran into trouble and turned unviable due to inadequate supply of power coupled with unviable rates.
- Ferroalloy operations shut between 2000-07.
- Setup of captive 32 MW thermal power plant to supplement operations of ferroalloys division.
- Reduced dependency on the State Electricity Board for supply of power but couldn't address the cost-feasibility concern.
- To address the power supply issue, while also addressing the upcoming Coke demand for the Hot Metal plant, SANDUR setup a combination of 0.4 MTPA Coke Oven plant and 30MW Waste Heat Recovery Boilers – WHRB (to produce energy as by-product).

FERROALLOYS OPERATIONS (TPA)



Ferroalloys - new and improved

- Turned around ferroalloys operations in FY21 through feasible power generation
- The combination of Coke Oven Plant and WHRB generates power as a by-product, thus leading to substantial savings by eliminating the need for thermal coal
- In addition, shift to a cleaner source of energy from its previously used coal-based energy
- Effective power generation cost reduced significantly post commissioning of WHRB
- Key product – Silicomanganese and Ferromanganese



FY20

32,000_{TPA}

FY21

48,000/
66,000_{TPA}
(SiMn/FeMn)

To be expanded
further to 95,000/
1,25,000_{TPA}
(SiMn/FeMn)

**Note – Existing capacities are used primarily to produce SiMn/FeMn, hence capacity calculations are as per SiMn/FeMn. However, the Company plans to add new products, hence actual capacities may differ as per the product-mix.*

Coke and Energy – optimizing further



- Started expansion work in **March 2018**



- Fully commissioned Coke Oven on **18th January 2021**



- 4 Batteries with a cumulative capacity of **0.4 MTPA**



- 2 Waste Heat Recovery Boilers** with a cumulative capacity of **30 MW** setup for generating cleaner energy



- Proposed enhancement of Coke Oven production to **0.5 MTPA** via optimization filed with the authorities
- To be completed without any significant capital outlay



Growth Drivers



CEC & Joint Team

Constituted by Hon'ble Supreme Court of India, 2011-2012

"It is observed that (a) the joint team has not found any illegality vis-a-vis the sanctioned lease boundaries (b) the owners of the Lessee Company have voluntarily handed over more than 2000 ha of forest land owned by them to the State Government and which has no parallel in the State, and (c) the Lessee Company has an excellent track record of undertaking mining operations in accordance with the law."

SLIDE 18

CAPEX Tracker

SLIDE 19

Phase 1 CAPEX

CAPEX Tracker

PARTICULARS	FY18	FY20	FY21	GOING FORWARD
NETBLOCK CWIP	<ul style="list-style-type: none"> 123 Crore 12 Crore 	<ul style="list-style-type: none"> 297 Crore 557 Crore 	<ul style="list-style-type: none"> 803 Crore 82 Crore 	<ul style="list-style-type: none"> 0.4 MTPA Hot Metal Plant 0.3 MTPA DI Pipe Plant
DETAILS	<ul style="list-style-type: none"> Foundation Stone Laid for Phase 1 in March 2018 			Commissioned Phase 1 on-time in January 2021 (despite COVID) <ol style="list-style-type: none"> Coke Oven <ul style="list-style-type: none"> First 2 Batteries in January 2020 Remaining 2 in November 2020 WHRB Ferroalloys <ul style="list-style-type: none"> New 24 MVA furnace Refurbished 20 MVA furnace
PHASE	PHASE 1			PHASE 2 Ground-breaking to commence after necessary approvals are received
CAPEX	<ul style="list-style-type: none"> 600 Cr 			<i>To be announced soon.</i>
EQUITY D/E	<ul style="list-style-type: none"> 530 Crore 0.00 	<ul style="list-style-type: none"> 840 Crore 0.48 	<ul style="list-style-type: none"> 993 Crore 0.30 	<i>To be announced soon.</i>



Phase 1 CAPEX

Coke Oven Plant



Fully-commissioned on 18th January 2021

- First 2 batteries commissioned in January 2020
- Remaining 2 batteries commissioned in November 2020

Waste Heat Recovery Boilers



Fully-commissioned on 18th January 2021

- First boiler commissioned in February 2020
- Second boiler commissioned in December 2020

Downhill Conveyor



- Electrical Works - 100% completed
- Structural Fabrication – 87% completed
- Civil Works – 58% completed
- Will lead to higher realizations as product will be delivered directly at railway siding

Roads Project



- Public Road (14 km) – 71% completed
- Connecting Roads (20.4 km) 30% completed
- Will further lead to environment friendly mining operations

Housing Project



Deogiri
Proposed - 96 Quarters
90% completed

SB Halli
Proposed - 96 Quarters
90% completed

- Superior infrastructure for work force

04



Mahatma Gandhi

"Sandur is an oasis in a desert.... The Ruler of a small State (Sandur) in South India has thrown open his temples to the Harijans. The heavens have not fallen."

Conclusion

SLIDE 21

Investment Rationale

SLIDE 22

Strong Parentage

Investment Rationale



Stable & Growing Cash flows through long-standing mining operations



New and improved ferroalloys operations, reducing overhang on financial performance



Emerging integrated player, miner to hot metal & value-added products manufacturer, to enjoy benefits of higher conversion and margins



Well-planned CAPEX integrating existing operations while delivering new growth drivers



Disciplined capital allocation guided by strong parentage



Company with a heart, adhering to the highest standards of corporate governance

Strong Parentage



Y. R. GHORPADE
FOUNDER

- His Highness Yeshwantrao Hindurao Ghorpade (1908-1996)
- Founder (1954)
- Chairman and Managing Director (up to 1996)
- Y R Ghorpade was the former ruler of Sandur State.



M. Y. GHORPADE
PATRON

- Murarirao Yeshwantrao Ghorpade (1931 – 2011)
- Administrative Officer
- Joint Managing Director
- Managing Director
- Chairman and Managing Director (up to 1999)
- Chairman Emeritus (up to 2011)
- M. Y. Ghorpade on his return from Cambridge was in SANDUR and then had a political career. He served as Finance Minister and Panchayat Raj & Rural Development Minister also.



S. Y. GHORPADE
CHAIRMAN EMERITUS

- Chairman and Managing Director (up to 2017)
 - Chairman (up to 2020)
- S. Y. Ghorpade is a Metallurgical Engineer from the Colorado School of Mines, USA. He has been associated with the Company for 53 years and continues his contributions as Chairman Emeritus. His pioneering contribution for almost three decades towards the Metal and Ferroalloy Plant development since its inception in 1967 is incredible. It can be considered that the plant is what it is today because of S. Y. Ghorpade's principles, scientific and systematic procedures and performance-oriented approach. Under his leadership, the Company steered through the most demanding challenges such as Power Cost crisis, BIFR and Honorable Supreme Court's mining suspension.



T.R. RAGHUNANDAN
CHAIRMAN

Raghunandan is a specialist in formulating policies, decentralisation and anti-corruption. He has about three decades of experience in executive management, corporate management and policy-making positions in the state and union governments. His contribution towards rural development and panchayat raj policies' formulation and implementation is remarkable. He is also a consultant and advisor to international development agencies, governments and non-profit institutions, such as UNDP, the Swiss Development Corporation and other prestigious foundations. He is the Director and Co-founder of Avantika Foundation, a non-profit organisation engaged in building the Museum of Movement, which is an effort to showcase India's romance with transport. He is a avid vintage car enthusiast and restorer.



BAHIRJI A. GHORPADE
MANAGING DIRECTOR

Bahirji A. Ghorpade is a graduate in Commerce with a specialisation in Finance from Christ University, Bengaluru. Having completed his Company Secretary Executive Program from the Institute of Company Secretaries of India, he joined the Company as a Management Trainee in April 2015. After a brief sabbatical break for higher studies - Masters in Finance and Management from Cranfield School of Management, Cranfield University, United Kingdom, he re-joined the Company in 2018. Since then, he has shouldered the responsibilities of Project Accounting for over a year and half, which includes accounting of all project-related expenses, cash flow management and Capitalization of Assets. While also being an Executive Assistant to the MD, where he was assisting the MD in functional areas such as corporate affairs, materials management, commercial management, finance, administration, and general management allowing him to look into finer aspects of leadership. He served as Director (Corporate) after which he was elevated to the position of Managing Director of the Company in June 2020. Since then, he has led the team to drive optimisation of performance/operations, ensure projects' commissioning, strategise marketing of products, enhance outreach to all the stakeholders and plan organisational growth/sustainability strategies.

Strong Parentage



S. S. RAO
INDEPENDENT DIRECTOR

He holds a Bachelor's degree in Electrical Engineering, a Master's degree in Business Administration and is also a Fellow of the Institution of Engineers (India). Former Joint Managing Director and CEO of JSW Energy Limited and Former Group Executive President and Business Head of Aditya Birla Group, S. S. Rao has over 45 years of experience in professionally managed, state-owned, joint-venture with multi-national and private sector power companies. He also holds directorship in NCC Infrastructure Holdings Limited, NCC Urban Infrastructure Limited, JSW Energy Limited, JSW IP Holdings Private Limited and Barmer Lignite Mining Company Limited.



G.P. KUNDARGI
INDEPENDENT DIRECTOR

G.P. Kundargi graduated in B. Sc. (Chemistry) from Karnatak University in 1976, and completed his post-graduation in M. Tech (Mineral Processing) in 1979. He is the former Chairman and Managing Director of MOIL Limited (formerly Manganese Ore India Limited), with expertise in metal mining (both opencast and underground), mineral processing and beneficiation. He is also on the Board of Nava Bharat Ventures Limited.



LATHA PILLAI
INDEPENDENT DIRECTOR

Dr. Latha Pillai is an educational administrator with more than three decades of experience in higher education. Her areas of professional interest include quality assessment and evaluation, promotion of women in governance and academic leadership. Dr. Latha Pillai was associated with NAAC between 1994 and 2019 and has made significant contributions to institution building. She is the recipient of Endeavour Australia Cheung Kong Research Fellowship by the Australian Government, Monash University, Melbourne, Australia; USIA International Visitors Programme, USA; International Resident Fellow, University of Calgary, Canada and Jawaharlal Nehru Birth Centenary Award for 2012 instituted by the Indian Science Congress Association. She has been nominated to various Committees of UGC, MHRD, FICCI, and CII, to name a few.



JAGADISH RAO KOTE
INDEPENDENT DIRECTOR

Jagdish Rao, graduated in B. Tech (Electronics and Communications) from Mysore University. He is also the recipient of the Kirloskar Memorial Award for being an outstanding student. He completed his post-graduation in M. Tech (Industrial Electronics). He is also a Fellow member of the Institute of Cost and Management Accountants of India. He is presently pursuing his Doctoral studies in Power systems under VTU. He is a result-oriented technocrat with over 35 years of industrial and techno-managerial experience in the areas of Strategy Planning, Project Management, Embedded Systems Design Engineering and Electronic Designs. He is currently associated as a professor at a reputed college of engineering in Bengaluru.



H.L. SHAH
DIRECTOR

H. L. Shah graduated in 1974 from N. M. College of Commerce & Economics, Mumbai. Qualified as a Chartered Accountant in 1980 and is an associate member of ICAEW. Mr. H. L. Shah has a rich experience of 38 years with A. F. Ferguson & Co. / Deloitte India, of which he has served 30 years as a Partner. He joined the Firm in September 1981 and retired on 31 March 2019. During this period, he has gained all-round experience in managing all aspects of professional practice. He possesses vast experience in the Audit and Assurance function. He has served Indian and Multinational clients and has exposure to Euro Issues, Indian Public Offerings, due diligence, Corporate Governance, etc.



MD. ABDUL SALEEM
DIRECTOR (MINES)

Saleem holds Bachelor's Degree in Commerce (B. Com) and Bachelor's Degree in Law (LLB). He is also a Fellow Member of the Institute of Company Secretaries of India. He has been with the Company since 2005. Being a Company Secretary and a law graduate, he has had the opportunity of handling secretarial functions of listed companies, handling legal matters, appearing before various authorities, judicial and quasi-judicial forums and assisting very senior and eminent advocates. In addition, he has acted as a nominee director for SMOIRE on the board of few companies and contributed to their revival. He has spent over 20 years in managerial positions at the Board level. He has been appointed as Director (Mines) in the Company w.e.f. 1 April 2020.

05

Financial Review

SLIDE 25

Profit and Loss

SLIDE 27

Cash Flows

SLIDE 26

Balance Sheet

SLIDE 28

Ratios

Profit & Loss Summary

PARTICULARS (₹ IN CRORES)	FY17	FY18	FY19	FY20	FY21	H1FY22
Revenue from Operations	422.23	612.39	702.15	591.60	746.59	1,040.73
Total Income	427.31	623.49	720.23	597.26	764.36	1,057.06
Operating Expenses	333.36	446.61	486.79	396.29	474.96	479.43
EBITDA (excl. OI)	88.87	165.78	215.36	195.31	271.63	561.30
EBITDA %	21%	27%	31%	33%	36%	54%
Finance Cost	7.24	4.94	6.39	6.72	13.06	20.21
Depreciation & Amortization	7.04	7.42	7.93	19.46	26.81	24.46
PBT	79.67	164.52	219.12	174.79	249.53	532.96
PAT	50.27	106.52	142.42	147.39	153.93	330.73

**~15%
CAGR**

Revenue from Operations
CAGR between FY17-21

**~32%
CAGR**

Operating Profits CAGR
between FY17-21

**~33%
CAGR**

Profits after Tax CAGR
between FY17-21

Note – restatement of financials on account of merger of subsidiary w.e.f April 1, 2019.



Balance Sheet Summary

PARTICULARS (₹ IN CRORES)	FY17	FY18	FY19	FY20	FY21	H1FY22
Shareholders' Funds	417.55	529.71	665.92	839.69	993.12	1,314.29
Non Current Liabilities	19.55	4.56	6.24	344.96	357.20	363.81
Long Term Borrowings	0.00	0.00	0.00	331.22	306.97	281.45
Current Liabilities	118.93	122.69	154.62	277.31	373.59	509.03
Short Term Borrowings	0.00	0.00	0.00	68.64	57.14	55.94
Trade Payables	32.38	51.90	78.82	80.40	222.39	287.27
Total Equity and Liabilities	556.03	656.96	826.79	1,461.96	1,723.91	2,187.13
Non Current Assets	322.04	345.91	596.43	983.94	975.85	963.41
Netblock	82.73	122.77	125.10	297.26	803.31	787.10
CWIP	2.83	11.86	202.06	557.18	82.25	86.60
Current Assets	233.99	311.04	230.36	478.02	748.06	1,223.72
Inventories	88.66	87.06	64.79	161.62	156.98	214.71
Trade Receivables	6.31	4.26	20.87	30.80	75.57	111.91
Cash & Bank Balances	20.55	18.78	22.69	34.22	131.27	500.18
Total Assets	556.03	656.96	826.79	1,461.96	1,723.91	2,187.13

~3.1X

Increase in equity base
between FY17 to H1FY22

~10X

Increase in netblock
between FY17 to H1FY22

0.26

Gross Debt to Equity,
supported by surplus cash
equivalents and strong
cash flows

Note – restatement of financials on account of merger of subsidiary w.e.f April 1, 2019.

Cash Flow Summary

PARTICULARS (₹ IN CRORES)	FY17	FY18	FY19	FY20	FY21	H1FY22
Cash from Operating Activities	80.52	122.01	160.10	(13.30)	341.17	472.16
Cash from Investing Activities	(68.46)	(105.69)	(144.00)	(370.37)	(250.42)	(49.31)
Cash from Financing Activities	(12.47)	(13.38)	(12.19)	377.68	(58.25)	(54.91)
Net Cash Flow	(0.41)	2.94	3.91	(5.99)	32.5	367.94
Cash at the Beginning of Year	16.25	15.85	18.79	40.22	34.23	66.73
Cash at the End of Year	15.85	18.79	22.69	34.23	66.73	434.67

₹1,163 Crores

Cumulative cash flow generated from operating activities between FY17 to H1FY22

₹988 Crores

Cumulative cash flow deployed in investing activities between FY17 to H1FY22

₹226 Crores

Cumulative cash flow raised from borrowing between FY17 to H1FY22

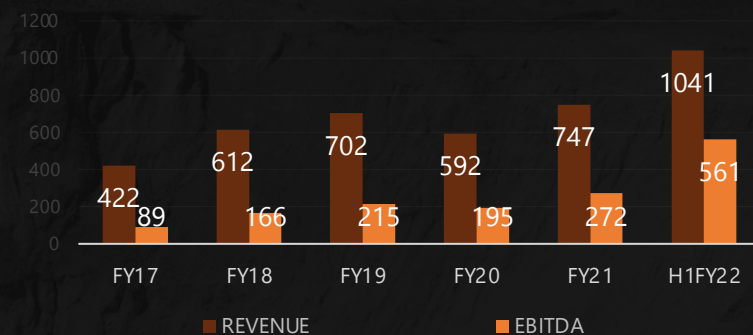
Note – restatement of financials on account of merger of subsidiary w.e.f April 1, 2019.



Ratios

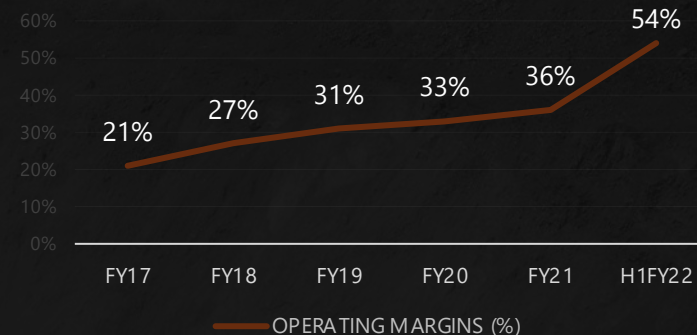
REVENUE, EBITDA (excl. OI)

(₹ IN CRORE)



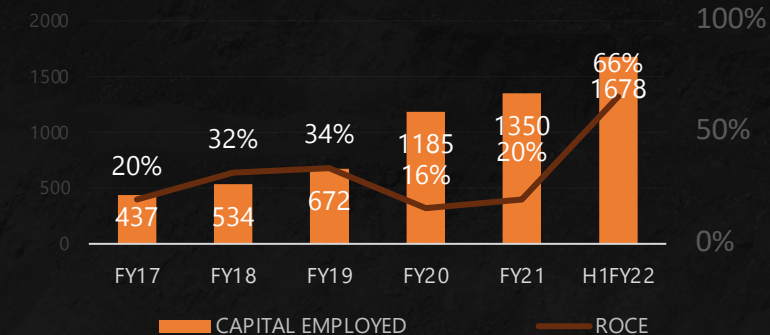
OPERATING MARGINS

(IN %)



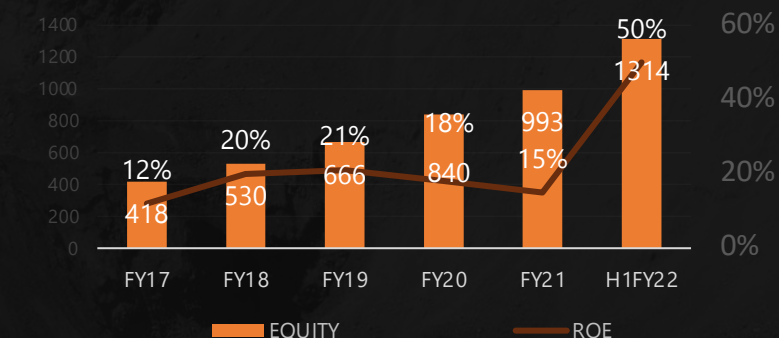
ROCE, CAPITAL EMPLOYED

(IN % & ₹ IN CRORE)



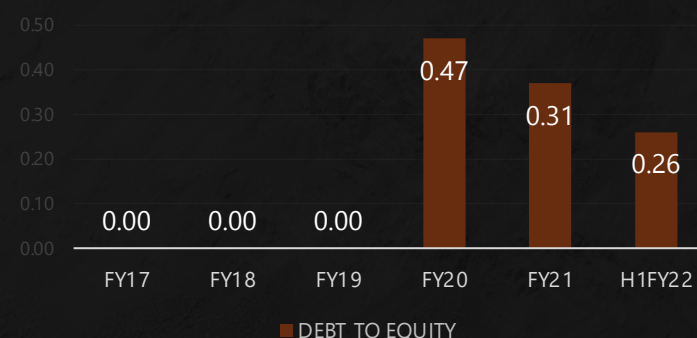
ROE, EQUITY

(IN % & ₹ IN CRORE)



GROSS DEBT TO EQUITY

(IN TIMES)



Note – H1FY22 ROCE & ROE on an annualised basis.

Q3FY22 Performance Highlights

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Q3FY22 Operational Highlights

SLIDE 31

Q3FY22 Segment Highlights

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Q3FY22 Financial Highlights

SLIDE 33





Q3FY22 Management Commentary

SLIDE 34

Corporate Information

Q3FY22 Operational Highlights

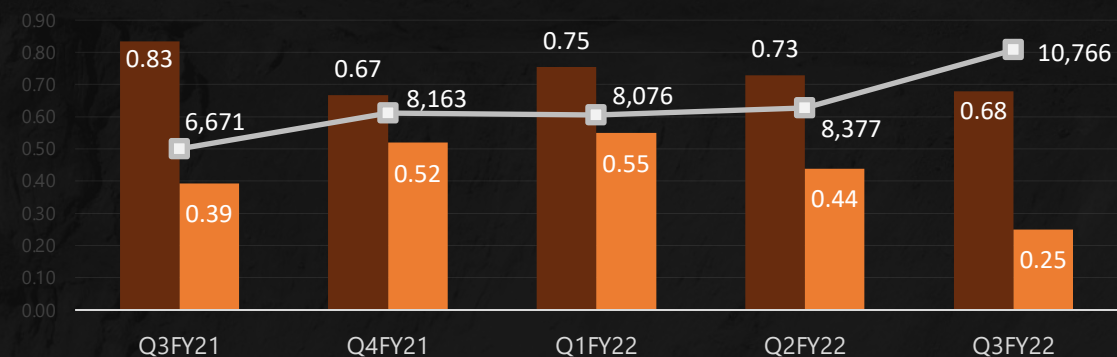
FIRING ON ALL CYLINDERS

MANGANESE ORE	IRON ORE	FERROALLOYS	COKE
			
<ul style="list-style-type: none"> 0.68 Lakh Tonne Production Optimum Capacity Utilization 	<ul style="list-style-type: none"> 4.05 Lakh Tonne Production Full Capacity Utilization 	<ul style="list-style-type: none"> 15,360 Tonne Production Full Capacity Utilization 	<ul style="list-style-type: none"> 0.75* Lakh Tonne Production Full Capacity Utilization <p><small>*excluding contract manufacturing production of 0.44 Lakh tonnes</small></p>
<ul style="list-style-type: none"> 0.25 Lakh Tonne Sales (36%) Y-o-Y Sales Volume (43%) Q-o-Q Sales Volume ₹10,766/Tonne Avg. Realization +22% Change in Realizations Q-o-Q 	<ul style="list-style-type: none"> 2.90 Lakh Tonne Sales 7% Y-o-Y Sales Volume (30%) Q-o-Q Sales Volume ₹3,726/Tonne Avg. Realization -21% Change in Realizations Q-o-Q 	<ul style="list-style-type: none"> 11,764 Tonne Sales 221% Y-o-Y Sales Volume (15%) Q-o-Q Sales Volume ₹92,105/Tonne Avg. Realization +7% Change in Realizations Q-o-Q 	<ul style="list-style-type: none"> 0.68 Lakh Tonne Sales NA - Y-o-Y (10%) Q-o-Q Sales Volume ₹34,938/Tonne Avg. Realization[#] +19% Change in Realizations Q-o-Q <p><small>[#]excluding conversion & screening income for contract manufacturing of 0.44 Lakh tonnes during the quarter.</small></p>
Improved realizations and decrease in sales volume	Decrease in realizations in line with global price trends, and decrease in sales volume	Improved realizations, increased production and decrease in sales volume	Improved realization, with full capacity utilization

Q3FY22 Segment Highlights

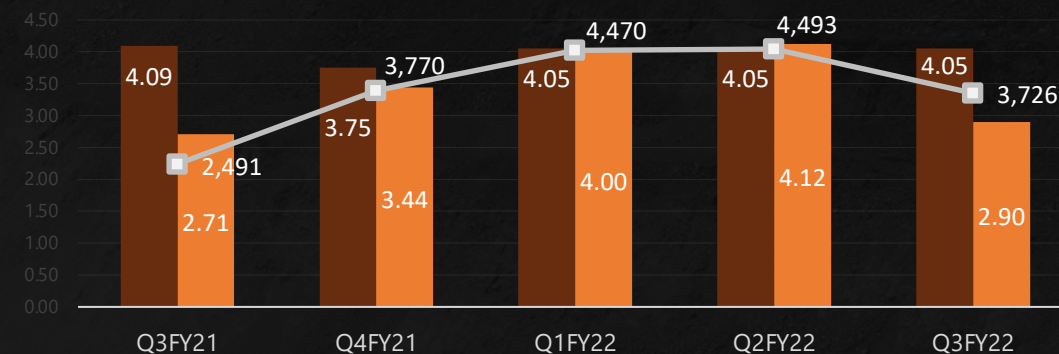
MANGANESE ORE OPERATIONAL PERFORMANCE

(Lakh Tonnes & ₹/Tonne)



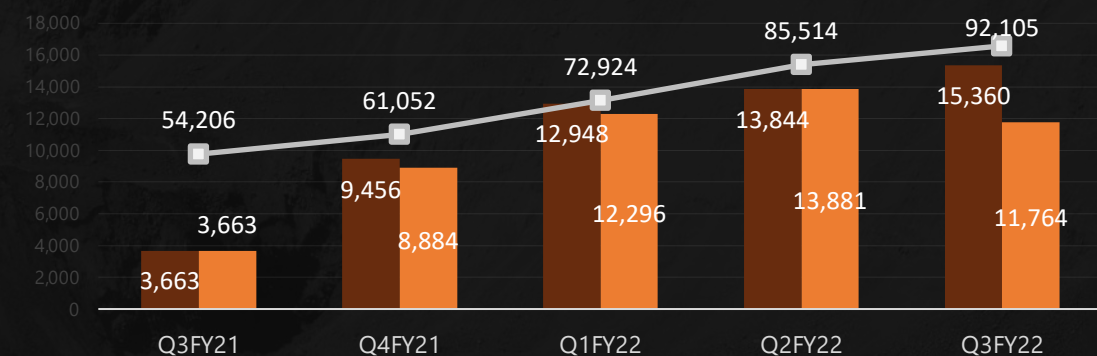
IRON ORE OPERATIONAL PERFORMANCE

(Lakh Tonnes & ₹/Tonne)



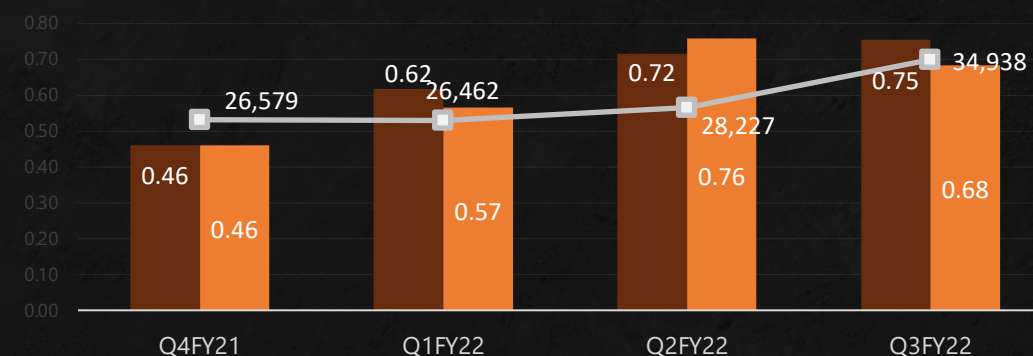
FERROALLOYS OPERATIONAL PERFORMANCE

(Tonnes & ₹/Tonne)



COKE OPERATIONAL PERFORMANCE

(Lakh Tonnes & ₹/Tonne)



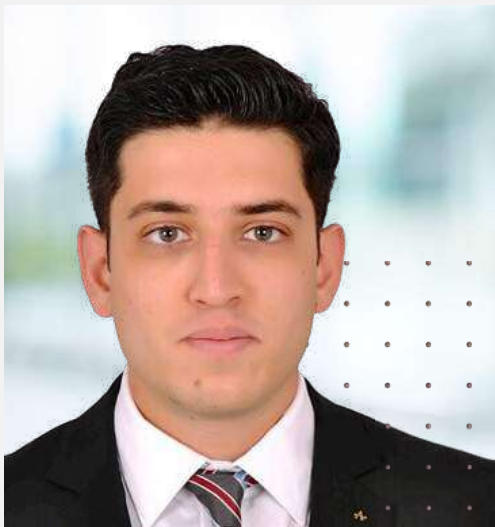
Production Sales Realisations

Q3FY22 Financial Highlights

FIRING ON ALL CYLINDERS				
(₹ in Crore)	Revenue from Operations	EBITDA (excluding OI)	PAT	Capital Structure
	492	191	109	1,423 Shareholders funds
Growth (YoY)	320%	454%	486%	
Growth (QoQ)	-13%	-38%	-40%	
Margin		39%	22%	
Margins Expansion/(Contraction) (YoY)		939 bps	627 bps	
Gross Debt/Equity				0.23



Q3FY22 Management Commentary



BAHIRJI A. GHORPADE
MANAGING DIRECTOR

Building on the H1FY22 performance, the Company has delivered a robust performance in Q3FY22 as well. The realizations across all products improved, except for Iron Ore, which witnessed some compression in line with the global prices. We have been able to maintain a diversified set of operations with healthy cash flow generation from all segments.

Further, we are glad to share our new and improved expansion plans, on both the mining and metallurgical front.

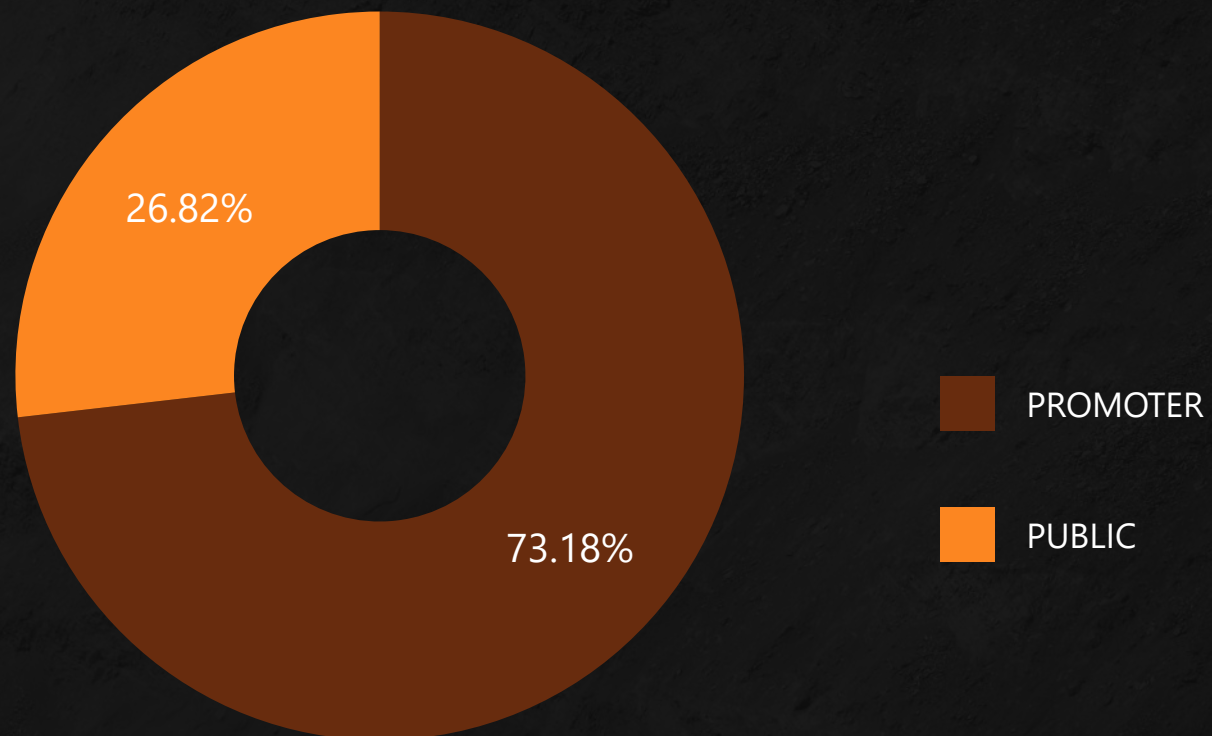
The Company has filed for an amended Terms of Reference (TOR) document for Environment Clearance in the previous quarter, proposing expansion of production capacity of Iron Ore mining from 1.6 MTPA to 4.5 MTPA along with a 7.0 MTPA beneficiation unit. The Company plans to increase its Manganese Ore production capacity from 0.28 MTPA to 0.43 MTPA for which Environment Clearance is in place and other necessary approvals are being obtained.

While on the metallurgical front, the Company plans to operate all three Ferroalloy Furnaces to increase its capacity from 48,000/66,000 TPA (Silicomanganese/Ferromanganese) to 95,000/1,25,000 TPA and will also have the option to produce other Ferroalloys such as Ferrosilicon or Pig Iron. The Company has re-configured its proposed 1 MTPA integrated steel unit to a 0.4 MTPA hot metal unit to produce valued-added product i.e. Ductile Iron Pipes with a 0.3 MTPA Ductile Iron Pipe facility while balance hot metal will be converted into Pig Iron. The Board and the Management team strongly feel that the new plant is better-suited to the Company's scale of operations, existing operational assets and its long-term vision to produce value-added products through an integrated setup. More details on these plans along with CAPEX will be announced in due course of time.

Corporate Information

SHAREHOLDING SUMMARY

(IN %)

*Shareholding Data as on 31st December, 2021*

Current Market Price	₹2,622
52 Week High/Low	₹2,850/895
Market Capitalization	₹2,360 Cr
Shares Outstanding	0.90 Cr
BSE Scrip Code	504918

Market Price Data as on 9th February, 2022

Get in touch

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SAFE HARBOR

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