



The Sandur Manganese & Iron Ores Limited

Estd: 1954

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Iron Ore



66th Annual Report 2019-20

2014-15, 2015-16, 2016-17



• 5 STAR RATING •

Awarded by
Ministry of Mines
& Indian Bureau of Mines



The Sandur Manganese & Iron Ores Limited

ANNUAL REPORT 2019-20

BOARD OF DIRECTORS

S. Y. Ghorpade, Chairman Emeritus
(w.e.f. 01 February 2020)
T. R. Raghunandan, Chairman
(w.e.f. 01 February 2020)
Nazim Sheikh, Managing Director
(upto 16 June 2020)
Bahirji A. Ghorpade, Managing Director
(w.e.f. 17 June 2020)
B. Ananda Kumar, Director
(upto 31 January 2020)
S. S. Rao, Director
Vatsala Watsa, Director
(upto 31 January 2020)
K. V. Ramarathnam, Director
(upto 31 January 2020)
G. P. Kundargi, Director
Rajnish Singh, Director (Corporate)
P. Anur Reddy, Director
(upto 31 January 2020)
Lakshmi Venkatachalam, Director
(upto 31 January 2020)
Latha Pillai, Director
H. L. Shah, Director
(w.e.f. 27 May 2019)
Jagadish Rao Kote, Director
(w.e.f. 27 May 2019)
Md. Abdul Saleem, Director (Mines)
(w.e.f. 01 April 2020)

CHIEF FINANCIAL OFFICER

Sachin D. Sanu

COMPANY SECRETARY & COMPLIANCE OFFICER

Divya Ajith

STATUTORY AUDITOR

R. Subramanian and Company LLP, Chennai

SECRETARIAL AUDITOR

N. D. Satish, Practicing Company Secretary

SHARE TRANSFER AGENTS

M/s. Venture Capital & Corporate Investments (P) Ltd.
Hyderabad

RISK MANAGEMENT COMMITTEE

S. S. Rao, Chairperson
T.R. Raghunandan, Member
Bahirji A Ghorpade, Member
G.P. Kundargi, Member
Rajnish Singh, Member
Latha Pillai, Member
H. L. Shah, Member
Jagadish Rao Kote, Member
Md. Abdul Saleem, Member

AUDIT COMMITTEE

G. P. Kundargi, Chairperson
T. R. Raghunandan, Member
S. S. Rao, Member
Latha Pillai, Member
H. L. Shah, Member
Jagadish Rao Kote, Member

NOMINATION & REMUNERATION COMMITTEE

Latha Pillai, Chairperson
T. R. Raghunandan, Member
S. S. Rao, Member
G. P. Kundargi, Member
H. L. Shah, Member
Jagadish Rao Kote, Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

T. R. Raghunandan, Chairperson
Bahirji A Ghorpade, Member
G. P. Kundargi, Member
Latha Pillai, Member
Md. Abdul Saleem, Member

ENVIRONMENT COMMITTEE

G. P. Kundargi, Chairperson
Bahirji A Ghorpade, Member
Rajnish Singh, Member
Jagadish Rao Kote, Member
Md. Abdul Saleem, Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

H. L. Shah, Chairperson
T. R. Raghunandan, Member
Bahirji A Ghorpade, Member
Rajnish Singh, Member
Jagadish Rao Kote, Member
Md. Abdul Saleem, Member

PROJECT COMMITTEE

S. S. Rao, Chairperson
Bahirji A Ghorpade, Member
Rajnish Singh, Member
H. L. Shah, Member

FINANCIAL PLANNING COMMITTEE

H. L. Shah, Chairperson
T.R. Raghunandan, Member
Bahirji A Ghorpade, Member
S. S. Rao, Member
Rajnish Singh, Member
Latha Pillai, Member

PRODUCT DEVELOPMENT COMMITTEE

Jagadish Rao Kote, Chairperson
Bahirji A Ghorpade, Member
G. P. Kundargi, Member
Rajnish Singh, Member

REGISTERED OFFICE

'Satyalaya', Door No. 266 (Old No.80), Ward No.1, Behind Taluk Office, Sandur - 583 119, Ballari District, Karnataka, India

CIN: L85110KA1954PLC000759



The Sandur Manganese & Iron Ores Limited

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The Sandur Manganese & Iron Ores Limited

Registered Office: 'SATYALAYA' Door No.266 (Old No.80), Ward No. 1,
Behind Taluk Office, Sandur, Ballari District, Karnataka - 583 119
CIN: L85110KA1954PLC000759; Website: www.sandurgroup.com
Telephone: +91 8395 260301 Fax: +91 8395 260473

NOTICE

Notice is hereby given that the 66th Annual General Meeting ("AGM") of the members of The Sandur Manganese & Iron Ores Limited (the "Company") will be held on Wednesday, 23rd day of September 2020 at 11.00 a.m. through Video Conferencing/ Other Audio-Visual Means (VC/OAVM) to transact the following business:

ORDINARY BUSINESS

Item No.1 – Adoption of financial statements

To consider and adopt Audited Financial Statements of the Company for the financial year ended 31 March 2020, together with the Reports of the Board of Directors and the Auditors thereon.

Item No.2 – Re-appointment of Rajnish Kumar Singh as director liable to retire by rotation

To appoint a Director in place of Rajnish Kumar Singh (DIN-05319511) who retires by rotation and being eligible, offers himself for re-appointment.

Item No.3 – Re-appointment of T. R. Raghunandan as director liable to retire by rotation

To appoint a Director in place of T. R. Raghunandan (DIN-03637265) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

Item No.4 – To ratify approval of the Board of Directors fixing cost auditor's remuneration for financial year 2020-21:

To consider and if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as may be amended from time to time, remuneration of ₹2,25,000 (Rupees Two Lakh Twenty-Five Thousand Only) and applicable taxes thereon apart from reimbursement of out of pocket expenses towards travelling, conveyance etc., payable to M/s. Kamalakara & Co., Cost Accountants (Firm Registration No. 000296), for conducting Cost Audit for the financial year 2020-21, as recommended by the Audit Committee and approved by the Board of Directors, be and is hereby ratified."

Item No.5 – To approve payment of monthly retainership for engaging the services of T. R. Raghunandan (DIN: 03637265), Non-executive Director for coaching/ mentoring senior executives:

To consider and if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to provisions of Article 130(c) of the Articles of Association of the Company and Regulation 17(6)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of shareholders of the Company be and is hereby accorded to pay a monthly retainership of ₹75,000 (Rupees Seventy Five Thousand Only) excluding applicable taxes thereon apart from reimbursement of out of pocket expenses to T. R. Raghunandan, Non-Executive Director of the Company for coaching/mentoring the senior executives of the Company between 01 April 2020 to 31 March 2021."

Item No. 6 – To appoint Bahirji A. Ghorpade (DIN: 08452844) as Managing Director for a tenure of three years from 17 June 2020:

To consider and if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, and Schedule V thereto and other applicable rules under the Companies Act, 2013 (including any statutory amendment(s) or modification(s) thereto, or enactment(s) or re-enactment(s) thereof, for the time being in force), consent of the shareholders of the Company be and is hereby accorded for appointment of Bahirji A. Ghorpade (DIN: 08452844) as Managing Director of the Company, not liable to retire by rotation, for a period of three (3) years from 17 June 2020 on the terms and conditions of appointment and remuneration, as contained in the draft of an agreement expressed to



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be made between the Company of one part and the said Bahirji A. Ghorpade of the other part, material terms of which are set out in the explanatory statement attached to this notice, with liberty to the Board (which term shall be deemed to include any Committee constituted/ to be constituted by the Board) from time to time, to alter the said terms and conditions, including the designation, in such manner as may be agreed to between the Company and the said Bahirji A. Ghorpade in the best interest of the Company, and as may be permissible at law and the stamped engrossments of the said agreement in duplicate with modifications thereof, if any, as aforesaid when finalized, be executed in the manner authorized by the Articles of Association of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the shareholders of the Company be and is hereby accorded for payment of remuneration to Bahirji A. Ghorpade during his tenure as the Managing Director notwithstanding that the annual remuneration paid during his tenure as a Managing Director of the Company together with annual remuneration for all such executive directors belonging to promoter or promoter group in the Company exceeds 5% of the net profits calculated as per the provisions of the Companies Act, 2013, subject to the same not exceeding the limits specified under Section 197 of the Companies Act, 2013 read with Schedule V thereto.”

By order of the Board
for **The Sandur Manganese & Iron Ores Limited**

Divya Ajith
Company Secretary

Place : Bengaluru
Date : 29 June 2020

NOTES

1. Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 ('the Act') in respect of the special business, is annexed hereto. Relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI (LODR) Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this AGM are also annexed.
2. Pursuant to the General Circular numbers 14/2020, 17/2020 and 20/2020 issued by the Ministry of Corporate Affairs (MCA) and Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as “the Circulars”), companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
6. Corporate members intending to authorise their Authorised Representatives to attend and vote at the meeting are requested to send a duly certified true copy of the board resolution, power of attorney or such other valid authorisation, authorising him/her to attend and vote at the Meeting or upload on the VC portal/e-voting portal.
7. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. September 23, 2020. Members seeking to inspect such documents can send an email to investors@sandurgroup.com.



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8. In compliance with Section 108 of the Act, read with the corresponding rules, and Regulation 44 of the Listing Regulations, the Company has provided a facility to its members to exercise their votes electronically through the electronic voting (“e-voting”) facility provided by the National Securities Depository Limited (NSDL). Members who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be entitled to cast their votes again. The manner of voting remotely by members holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the instructions for e-voting section which forms part of this Notice. The Board has appointed T. Sathya Prasad Yadav, Practicing Advocate as the Scrutinizer to scrutinize the e-voting in a fair and transparent manner.
9. The e-voting period commences on Sunday, September 20, 2020 (9:00 a.m. IST) and ends on Tuesday, September 22, 2020 (5:00 p.m. IST). During this period, members holding shares either in physical or dematerialized form, as on cut-off date, i.e. Friday, September 18, 2020 may cast their votes electronically. The e-voting module will be disabled by NSDL for voting thereafter. A member will not be allowed to vote again on any resolution on which vote has already been cast. The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the cut-off date.
10. The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.
11. Any person who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he / she is already registered with NSDL for remote e-voting then he / she can use his / her existing user ID and password for casting the vote.
12. In compliance with the aforementioned Circulars, the Annual Report 2019-20, the Notice of the 66th AGM, and instructions for e-voting are being sent only through electronic mode to those members whose email addresses are registered with the Company / depository participant(s). The Notice and instructions for e-voting can also be accessed on the Company's website at www.sandurgroup.com, website of BSE Limited at www.bseindia.com and on the website of NSDL (agency for providing e-voting facility) i.e. www.evoting.nsdl.com.
13. We urge members to support the green initiative in line with our commitment to environmental protection by choosing to receive the Company's communication through email. Members holding shares in demat mode, who have not registered their email addresses are requested to register their email addresses with their respective depository participants, and members holding shares in physical mode are requested to update their email addresses with the Company's RTA, Venture Capital and Corporate Investments Private Limited at investor.relations@vccipl.com to receive copies of the Annual Report 2019-20 in electronic mode.
14. In line with directions of the SEBI, the Company through its Registrar and Transfer Agent is required to collect copy of PAN, and bank account details of all securities holders holding securities in physical form. Accordingly, members are advised to provide bank account details (Name of Bank, Branch, Bank Account Number, MICR and IFSC) along with original cancelled cheque bearing your name or copy of bank passbook /statement attested by the bank along with self-attested copy of PAN for updating Company records.
15. In accordance with the provisions of Section 72 of the Companies Act, 2013, Members are entitled to make nomination in respect of the equity shares held by them. Member holding shares in physical mode and desirous of making nomination may submit duly filled Nomination Form - Form SH-13 appended in the Annual Report to Venture Capital & Corporate Investments Private Limited, Share Transfer Agent of the Company. Member holding shares in electronic mode may contact their respective Depository Participants for availing the nomination facility.
16. Members are requested to quote their Folio Number/ Client ID, in all correspondence and intimate any change, pertaining to their name, postal address, email address, telephone/ mobile numbers, mandates, nominations, bank details to the Share Transfer Agent / Depository Participant promptly.
17. Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, the dividend which remains unclaimed/unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investors' Education and Protection Fund (IEPF) established by the Central Government. The unclaimed dividends and the relevant due dates for transfer of such amounts are as under:



The Sandur Manganese & Iron Ores Limited

| Financial Year | Unclaimed Dividend as on 29 June 2020 (in ₹) | Date of declaration | Due date for transfer to IEPF |
|----------------------------------|--|---------------------|-------------------------------|
| 2013-14 (Final dividend) | 138,108 | 27 September 2014 | 03 November 2021 |
| 2014-15 (Final dividend) | 150,294 | 19 September 2015 | 26 October 2022 |
| 2015-16 (Final dividend) | 155,082 | 14 September 2016 | 21 October 2023 |
| 2016-17 (Interim dividend-I) | 206,160 | 12 November 2016 | 19 December 2023 |
| 2016-17 (Interim dividend-II) | 86,890 | 31 March 2017 | 07 May 2024 |
| 2016-17 (Final Dividend) | 159,230 | 26 September 2017 | 02 November 2024 |
| 2017-18 (Interim Dividend) | 4,67,870 | 27 December 2017 | 02 February 2025 |
| 2017-18 (Final Dividend) | 1,94,774 | 01 September 2018 | 07 October 2025 |
| 2018-19 (Interim Dividend) | 2,82,177 | 14 November 2018 | 21 December 2025 |
| 2018-19 (Final Dividend) | 2,11,970 | 21 September 2019 | 15 November 2026 |
| 2019-20 (Interim Dividend I) | 1,33,838 | 11 November 2019 | 02 January 2027 |
| 2019-20 (Interim Dividend II) | 3,48,705 | 05 March 2020 | 04 May 2027 |

18. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the IEPF. The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in Form No. IEPF-5 available on www.iepf.gov.in.
19. Pursuant to the provisions of Section 91 of the Companies Act, 2013 and Regulation 42 of the SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015, the Register of Members and Share Transfer Books of the Company will be closed from Thursday, September 17, 2020 to Wednesday, September 23, 2020 (Both days inclusive).
20. The Scrutinizer will submit his report to the Chairman of the Company ('the Chairman') or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes casted during the AGM and votes casted through remote e-voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be communicated to the stock exchange, NSDL, and RTA and will also be displayed on the Company's website, www.sandurgroup.com.

[sandurgroup.com](http://www.sandurgroup.com). The results shall also be displayed on the notice board at the Registered Office of the Company.

21. Since the AGM will be held through VC in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:

The remote e-voting period begins on Sunday, September 20, 2020 at 09:00 A.M. and ends on Tuesday, September 22, 2020 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.



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4. Your User ID details are given below:

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|--|---|
| (a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example: if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| (b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example: if your Beneficiary ID is 12***** then your user ID is 12*****. |
| (c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company For example: if folio number is 001*** and EVEN is 101456 then user ID is 101456001***. |

5. Your password details are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

(c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

(d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

- After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- Now, you will have to click on "Login" button.
- After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

- After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- Select "EVEN" of company for which you wish to cast your vote.
- Now you are ready for e-Voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to postalballot@sandurgroup.com with a copy marked to evoting@nsdl.co.in.



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- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on www.evoting.nsd.com to reset the password.
- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsd.com or call on toll free no.: 1800-222-990 or send a request to Ms. Sarita M, Assistant Manager, email id: saritam@nsdl.co.in, contact number: 02224994890 or at evoting@nsdl.co.in
- Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

- In case shares are held in physical mode, please submit duly filled and signed updation form, along with details such as folio, name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to RTA at investors.relations@vccipl.com and info@vccilindia.com. Shareholders can download the updation form through the link <https://www.sandurgroup.com/doc/Stake/Updation-FORM.pdf>.

In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to the RTA at investors.relations@vccipl.com and info@vccilindia.com.
- Alternatively member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

- The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- Only those Members/shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsd.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
- Members are encouraged to join the Meeting through Laptops for better experience.
- Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at investors@sandurgroup.com. on or before 22 September 2020. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at investors@sandurgroup.com. The same will be replied by the company suitably.
- Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.



The Sandur Manganese & Iron Ores Limited

ANNEXURE

(Refer Item Nos.2&3 of the Notice of AGM)

Details of Directors seeking re-appointment at the Annual General Meeting

Information required to be furnished in compliance with Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided hereunder:

| | | |
|---|--|--|
| I | Name of Director | Mr. Rajnish Kumar Singh (DIN - 05319511), |
| | Date of Birth | 05 January 1968 |
| | Date of Appointment | 01 January 2018 |
| | Qualifications | BE (Mechanical Engineering) Post Graduate Diploma in Management (Finance & Marketing) |
| | Experience | <p>He is one of the Founders of VentureBean Consulting Private Limited - a boutique consulting firm focused on improving the capability index of management teams, systems and processes across the business sectors of the future. He also served as its director until 09 July 2018.</p> <p>He worked with ICICI Bank for twelve years in various capacities in both Corporate and Retail Banking business. He also worked for six years with Kotak Mahindra Bank Limited in the Retail Banking business. His last responsibility in Kotak Mahindra Bank was as Business Head - Government Banking & Retail Institutions in the grade of Executive Vice President.</p> <p>He first associated with the Company from June 2014 as a Leadership Trainer for senior and middle managers, and young executives. He was appointed in the Company as Chief Executive – Finance & HR, for handling project funding, capital purchases, annual contracts, and Corporate HR functions. Thereafter, with the approval of the shareholders accorded at the 63rd Annual General Meeting, he was inducted on the Board as a whole-time director designated as Director (Corporate) for a tenure of three years from 01 January 2018.</p> <p>He has significantly contributed towards corporate functions of the Company, especially in the areas of finance, human resources, and Information Technology. He has played a significant role in securing sanction of term loan and working capital for the Phase 1 of Stage 1 project (Coke, WHRB, FA R&R, etc.), and negotiations for equipment supply, finalisation of project contracts, project monitoring and technical staffing of the project team and operations. The Company stands to greatly benefit from his technical expertise and project management.</p> |
| | Expertise in specific functional areas | Strategy and Planning, Finance, Human Resource Management, Business Administration, and Project Management |
| | Names of listed entities in which the person also holds the directorship and the membership of Committees of the board | Nil |
| | Relationships between directors inter-se | None |
| | Shareholding | He holds 993 shares in the Company. |



The Sandur Manganese & Iron Ores Limited

| | | |
|----|--|---|
| II | Name of Director | Mr. T. R. Raghunandan (DIN - 03637265), |
| | Date of Birth | 6 October 1959 |
| | Date of Appointment | 28 May 2016 |
| | Qualifications | B. Sc., LLB |
| | Experience | <p>He is a former IAS officer of 1983 batch. He served as Rural Development and Panchayat Raj secretary in Karnataka and as Joint Secretary of Ministry of Panchayati Raj, Government of India, before he resigned in March 2013.</p> <p>He has more than twenty-six years of experience as a high-ranking civil servant holding executive, corporate management and policy making positions in state (provincial) and national government.</p> <p>He is also a consultant and advisor to international development agencies, governments and non-profit institutions on anti-corruption and decentralised public governance. He has worked with Janagraha to start ipaidabrike.com.</p> <p>Currently, T. R. Raghunandan is based in Bengaluru and works as a freelance development consultant with the UNDP, the Swiss Development Corporation and an NGO. He is a Director and co-founder of Avantika Foundation, a non-profit organization engaged in building the Museum of Movement, an effort to showcase India's romance with transport.</p> |
| | Expertise in specific functional areas | A Specialist in formulating policy with respect to local governments, decentralisation and anti-corruption with a special interest in training and mentoring on the above aspects of governance. |
| | Names of listed entities in which the person also holds the directorship and the membership of Committees of the board | Nil |
| | Relationships between directors inter-se | None |
| | Shareholding | He does not hold any shares in the Company. |

By order of the Board
for **The Sandur Manganese & Iron Ores Limited**

Divya Ajith
Company Secretary

Place : Bengaluru
Date : 29 June 2020



The Sandur Manganese & Iron Ores Limited

STATEMENT UNDER SECTION 102 AND SECTION 110 OF THE COMPANIES ACT, 2013

ITEM No.4

In terms of the Companies (Cost Records and Audit) Rules, 2014, the Company is required to get its cost accounting records, audited by a cost auditor who shall be either a cost accountant or a firm of cost accountants, holding a valid certificate of practice under the provisions of Cost and Works Accountants Act, 1959.

Based on Audit Committee's recommendation, the Board of Directors has accorded its approval for appointment of M/s. Kamalakara & Co., as Cost Auditor for the financial year 2020-21, at a remuneration of ₹2.25 lakh plus applicable taxes and actual out-of-pocket expenses.

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration as recommended by the Audit Committee and approved by the Board of Directors is required to be subsequently ratified by the shareholders.

M/s. Kamalakara & Co, have vast experience in the field of cost audit and have been conducting audit of Company's cost records since 2012-13.

The Ordinary Resolution at Item No.4 for ratification of their remuneration is proposed and accordingly, recommended for approval.

Interest of Directors, Key Managerial Personnel and their relatives

None of the Directors or Key Managerial Personnel of the Company including their relatives is interested or concerned in the Resolution.

ITEM No.5

The Company is currently in a critical phase of business transition, during which it is attempting to transform itself from just a mining company to an integrated iron & steel manufacturing company. At the same time, many senior executives of the Company have retired/are expected to retire shortly. As the business environment becomes increasingly dynamic and complex, a need is felt to better equip young senior executives (Directors and Presidents) in successfully steering the Company through these challenging times.

With vast expertise, experience and knowledge in the area of administration, it is felt that Mr. T. R. Raghunandan, Non-executive Director of the Company would be ideally suited to coach/mentor these young Directors/Presidents. This intervention will vastly and quickly scale up the competence of these young Directors/Presidents in

managing their Units independently, and at the same time working collectively towards a unified Company vision.

To begin with, Mr. Raghunandan would be required to coach/mentor these young Directors and Presidents for at least 2 days in a month. In terms of Regulation 17(6) (a) of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, board of directors shall recommend all fees or compensation, if any, paid to non-executive directors, including independent directors and shall require approval of shareholders in general meeting. The Board has, subject to the approval of the shareholders, accorded its approval for engaging the services of Mr. T. R. Raghunandan, Non-executive Director for coaching/mentoring senior executives for a consideration on a monthly basis for a consolidated monthly retainership of Rs.75,000 between 01 April 2020 and 31 March 2021.

The Board recommends the resolution set forth in Item No. 5 of the Notice for approval of the Members.

Interest of Directors, Key Managerial Personnel and their relatives

Except T. R. Raghunandan, none of the Directors or Key Managerial Personnel of the Company including their relatives is interested or concerned in the Resolution.

Item No. 6:

Bahirji A. Ghorpade (DIN: 08452844), born on 22 May 1995, a graduate in Commerce with specialisation in Finance from Christ University, Bengaluru and having completed his Company Secretary Executive Program from the Institute of Company Secretaries of India, joined the Company as a Management Trainee in April 2015. After a brief sabbatical break for higher studies in MSc / Masters in Finance and Management from Cranfield School of Management, Cranfield University, United Kingdom, he re-joined the Company on 01 October 2018 and has shouldered the responsibilities of Project Accounting for over a year and a half, which includes accounting of all project related expenses, cash flow management and Capitalization of Assets, while also being an Executive Assistant to the Managing Director, where he has been assisting the Managing Director in functional areas such as corporate affairs, materials management, commercial management, finance, administration and general management affording him an opportunity to look into finer aspects of management. He has contributed to the Company's HR development efforts and in streamlining employee database, applicants' database and recruitment procedures; which is an important part of the Company's



The Sandur Manganese & Iron Ores Limited

ethos and principles concerning welfare of employees and labour management relations.

Attention is drawn to Notice of Postal Ballot dated 14 February 2020, whereby approval of shareholders was sought, inter-alia, for appointment of Nazim Sheikh as Managing Director and Bahirji A. Ghorpade as whole-time director designated as Director (Corporate), both for a term of three years from 01 April 2020. The said appointments were proposed in pursuance of the comprehensive Board restructuring plan approved by the Board of Directors in its meeting held on 31 January 2020.

In the present COVID-19 pandemic situation and the Government guidelines restricting travel of people more than 65 years, especially those with comorbidities, Nazim Sheikh, who suffers from the ailments of diabetes, blood pressure and ulcerative colitis, expressed his inability to discharge his duties with the responsibility and diligence that is required. With appreciable increase in number of people testing positive during the last couple of weeks, and increased susceptibility, Nazim Sheikh sought to be relieved from the position of Managing Director. Accordingly, the Board of Directors, acceding to the request of Mr. Nazim Sheikh (DIN: 00064275), accepted his resignation from the post of Managing Director (including directorship) with effect from 17 June 2020.

In view of the above, the Board of Directors has, on the recommendation of the Nomination and Remuneration Committee and the Audit Committee, appointed Mr. Bahirji A. Ghorpade (DIN: 08452844) as Managing Director of the Company for a term of 3 years with effect from 17 June 2020, subject to the approval of the Shareholders of the Company.

Bahirji A. Ghorpade, the youngest Board member, also represents Skand Private Limited, the promoter and majority shareholder in the Company. During his stint as Executive Assistant to Managing Director, he gained exposure to working of all departments of the Company. It is opined that considering that Mr. Bahirji A. Ghorpade has grown up in SMIORE culture from childhood, he would be the best choice for being appointed as the Managing Director and step-in to fill the vacuum created by departure of Mr. Nazim Sheikh, Managing Director. Also, the Company can draw assurance from the fact that a long-standing promoter with family history is now heading the Company.

Accordingly, the Board has, as recommended by the Nomination and Remuneration Committee, subject to shareholders' approval, appointed Bahirji A. Ghorpade as Managing Director, not liable to retire by rotation, for a further period of three years from 17 June 2020, on the following terms:

- (a) Salary: Basic Salary of ₹3,80,000/- per month in the scale of ₹75000-7500-112500-11500-170000-17000-255000-25000-380000-38000-570000/-
- (b) Allowances, Perquisites, benefits etc., not exceeding twice the salary per month.

In addition to (a) and (b) above, the following benefit/facilities shall be extended:

- (i) Benefits which may be availed under various Schemes extended by the Company to all its employees including but not limited to Chronic Ailment Medical Benefit Scheme, Food Subsidy, Housing Loan Subsidy, Education Scholarships, Marriage Gifts, Festival Gifts, which shall be in addition to benefits forming part of salary as per (b) above;
- (ii) Leave encashment as per Company rules;
- (iii) Commission: Such amount or percentage of profits as may be decided by the Board from time to time
- (iv) Payment of Gratuity, Contribution to Provident Fund, Superannuation Fund and Leaves, including its encashment, shall be in accordance with the provisions of Section IV of Schedule V to the Companies Act, 2013.
- (v) Company maintained and run car with driver or, at the option to be exercised by the Managing Director, conveyance facility/scheme as applicable to senior executives.
- (vi) Telephone at residence, mobile phones limited to maximum of two connections, credit cards, hotel and club memberships (excluding life membership fee) etc., shall be provided for office use and the same shall not form part of remuneration.
- (vii) Reimbursement of travelling, boarding and lodging expenses and other amenities as may be incurred by them from time to time, in connection with the Company's business as per Company rules and the same shall not form part of remuneration

Minimum Remuneration: In the event of loss or inadequacy of profits in any financial year during the period of appointment of Bahirji A. Ghorpade as Managing Director, the monthly salary, allowances, perquisites and other benefits shall be paid to him as detailed above notwithstanding that the remuneration is in excess of the limit mentioned in clause (B) of Section II of Part II of Schedule V to the Companies Act, 2013.



The Sandur Manganese & Iron Ores Limited

Further, approval of the shareholders is also being sought in terms of Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, to cater to a situation where the annual remuneration payable to executive directors belonging to the 'promoter and promoter group' exceeds 5% of the net profit during the tenure of appointment.

Bahirji A. Ghorpade shall not be paid any sitting fee for attending the meetings of the Board or any committee thereof.

A statement furnishing information pursuant to sub-clause (iv) of clause (B) of Section II of Part II of Schedule V to the Companies Act, 2013 is annexed to this Notice.

Copy of the draft of the agreement proposed to be entered with Bahirji A. Ghorpade is available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. September 23, 2020. Members seeking to inspect such documents can send an email to investors@sandurgroup.com.

He holds 4200 equity shares of the Company. He is not related to any of the Directors on the Board of the Company. He is a director on the Board of the holding company, Skand Private Limited.

Accordingly, the Board recommends the resolutions set forth in Item No. 6 of the Notice for approval of the Members.

Interest of Directors, Key Managerial Personnel and their relatives

Except Bahirji A. Ghorpade, none of the Directors or Key Managerial Personnel of the Company including their relatives is interested or concerned in the Resolution.

By order of the Board
for **The Sandur Manganese & Iron Ores Limited**

Divya Ajith
Company Secretary

Place : Bengaluru
Date : 29 June 2020

ANNEXURE

(Refer Item 6 of the AGM Notice)

Statement pursuant to proviso (iv) of Section II of Part II of Schedule V to the Companies Act, 2013.

I. General Information

| | | |
|----------------------------|--|--------------------------------|
| (1) | Nature of industry | - Mining & Metallurgy industry |
| (2) | Expected date of commencement of commercial production | - Already commenced |
| (3) | In case of new companies expected date of commencement of activities | - Not applicable |
| (4) | Financial performance (for the last 2 years) | ₹ lakh |
| | | 2018-19 2019-20 |
| | Net sales/income | 70,215.26 59,160.69 |
| | Other income | 1,939.73 566.13 |
| | Total income | 72,154.99 59,726.82 |
| | Total expenditure | 47,845.73 39,627.69 |
| | Profit/(Loss) before interest, depreciation, extraordinary items and taxes | 24,309.26 20,099.13 |
| | Interest | 639.00 672.60 |
| | Depreciation | 1262.93 1946.65 |
| Profit/(Loss) before taxes | 22407.33 17479.88 | |
| (5) | Foreign investments or collaborations, if any | Nil Nil |

II. Information about Appointees:

1. Bahirji A. Ghorpade

- i. **Background details:** This information is provided in the Statement made under Section 102 of the Companies Act, 2013 for Item No.6 in the Notice.
- ii. **Past remuneration:** As Director (Corporate) between 01 April 2020 to 16 June 2020, he was paid Salary of ₹1.90 lakh, Perquisites of ₹3.82 lakh and Contribution to Provident Fund etc., to the tune of ₹0.49 lakh.
- iii. **Job profile and suitability:** Bahirji A. Ghorpade assisted the Managing Director in functional areas such as corporate affairs, commercial management, finance, administration and general management in the capacity of Executive Assistant to Managing Director, in addition to being responsible for "Project Accounting" function. Further, his qualifications including Masters in Finance and Management make him the most suited for the position of Managing Director in the Company



The Sandur Manganese & Iron Ores Limited

- iv. **Remuneration proposed:** This information is provided in the Statement made under Section 102 of the Companies Act, 2013 for Item No. 6 in the Notice.
- v. **Comparative remuneration profile with respect to industry, size of the company, profile of the position:** The remuneration proposed for the position of Managing Director is comparable with industry standards for similar position.
- vi. **Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any:** He has had no pecuniary relationship with the Company other than receiving remuneration as a whole-time director and dividends, as and when declared, in the capacity of a shareholder. He is not related to any other managerial personnel in the Company.

III. Other information

1. **Reason for loss or inadequate profits:** It is expected that FY 2020-21 onward, the Company would be producing and selling 0.4 million tonnes of Coke and about 55,000 tonnes of ferroalloys, and subject to approval by MoEFCC, CEC and the Monitoring Committee, over 3 million tonnes of iron ore and about 0.5 million tonnes of manganese ore. Consequently, the scale of Company's operations is going to appreciably increase, taking the turnover from the present levels of ₹700 crore to a potential of about ₹1700 crore. Though the Company is confident of sustaining its profits, as a matter of abundant caution, to meet the exigencies of inadequate profits in future, if any, provision is being made for the managing director/whole-time directors for payment of minimum remuneration in accordance with the provisions of sub-section (3) of Section 197 of the Companies Act, 2013 read with Section II of Part II of Schedule V to the Companies Act, 2013.
2. **Steps taken for improvement:** As a step towards achieving value addition and consolidation / integration of Company's businesses to ensure its long-term viability, the Company seeks to set up 1.0 MTPA Steel Project in Phases.

Coke Oven Plant

The Company has set up 0.4 mtpa Coke Oven Plant. Trial production from Batteries 1 & 2 has commenced. Batteries 3 and 4 are expected to be commissioned by 31 December 2020.

Waste Heat Recovery Boilers

The Company has commissioned WHRB #1 and WHRB # 2 is ready for commissioning. The Company has begun trial operations of WHRB #1, while WHRB # 2 is expected to be commissioned by 31 December 2020.

Furnaces for ferro-alloy operations

New 24 MVA furnace has been commissioned and is being progressively ramped up to its full rated load. Engineering work for 20 MVA is complete and construction work is in progress. The 20 MVA furnace is expected to be commissioned by 31 December 2020.

3. **Looking ahead:** In line with its plan to set up a 1.0 Mtpa Steel Plant, a project approved by the Government and Environment Clearance obtained, the Company has to soon commence work on the next stage of Iron-making Project, which is estimated to cost about ₹800 crore.
4. **Disclosures:** The Company does not have stock option scheme, there is no variable component in the remuneration except the payment of commission as a percentage of profit and there is no severance fee. Service contracts exist with the Managing Director/ whole-time directors which contain their terms and conditions including remuneration, notice period etc., as approved by the members. The agreements may be terminated by either party at any time by giving three months' notice to the other party.

By order of the Board
for **The Sandur Manganese & Iron Ores Limited**

Divya Ajith
Company Secretary

Place : Bengaluru
Date : 29 June 2020



The Sandur Manganese & Iron Ores Limited

REPORT OF DIRECTORS FOR THE YEAR ENDED 31 MARCH 2020

Dear Shareholders,

The Directors are pleased to present their Report and Audited Statement of Accounts for the year ended 31 March 2020:

FINANCIAL RESULTS

₹ lakh

| Sl. No. | Particulars | Current Year 2019-20 | Previous Year 2018-19 |
|---------|---|----------------------|-----------------------|
| a) | Net Sales / Income | 59,160.69 | 70,215.26 |
| b) | Other Income | 566.13 | 1,939.73 |
| | Total | 59,726.82 | 72,154.99 |
| c) | Expenditure | | |
| | (i) Variable | 23,578.85 | 32,972.92 |
| | (ii) Fixed | 16,048.84 | 14,873.35 |
| | (iii) Depreciation / Amortization | 1,946.65 | 1,262.39 |
| | (iv) Finance costs | 672.60 | 639.00 |
| | Total | 42,246.94 | 49,747.66 |
| d) | Profit Before Taxes | 17,479.88 | 22,407.33 |
| e) | Less: | | |
| | (i) Current Tax | 3,793.35 | 8,088.99 |
| | (ii) Deferred Tax | (552.00) | (417.99) |
| | (iii) Minimum Alternate Tax | (500.00) | - |
| g) | Net Profit/(Loss) | 14,738.53 | 14,736.33 |
| h) | Add: Balance brought forward from the previous year | 69,504.93 | 56,009.27 |
| i) | Profit before appropriation | 84,243.46 | 70,75.60 |
| j) | Less: Appropriations | | |
| | (i) Dividend on Equity Shares | 918.75 | 481.25 |
| | (ii) Tax on Dividend | 188.85 | 98.92 |
| | (iii) Other comprehensive income/(loss) | 12.37 | 40.16 |
| | (iv) Ind AS 116 Transactional Adjustment | 54.07 | - |
| | Total | 1,174.04 | 620.34 |
| k) | Profit carried to Balance Sheet | 83,099.43 | 69,504.93 |

The Company earned profit before tax of ₹17,479.88 lakh after charging ₹1946.65 lakh towards depreciation on fixed assets and ₹672.60 lakh towards interest. After charging of income tax of ₹ 3,793.35 lakh and deferred tax of ₹(552) lakh, Minimum Alternate Tax of ₹(500) lakh, the profit for the current year is ₹14,738.53 lakh.

MINING

In Tonnes

| | Opening stock | Production | Internal Consumption | Sales | Closing stock |
|------------------------|------------------------|--------------------------|----------------------|--------------------------|------------------------|
| Manganese Ore (Mn Ore) | 1,20,132 (1,40,401) | 2,85,001 (2,84,785) | 31,825 (46,092) | 2,22,264 (2,62,641) | 1,51,044 (1,20,132) |
| Iron Ore | 5,07,581 (4,17,597) | 15,90,002 (15,81,000) | - | 15,45,000 (14,91,016) | 5,52,583 (5,07,581) |

NOTE: Previous year figures are in brackets.

During the financial year 2019-20, the Company produced both, manganese ores and iron ores upto the maximum permissible annual production limits. Lower sales of Manganese Ore by about 15.37% is attributed to reduction in demand and price of Mn ore for almost one quarter in line with reduction in prices of Mn alloys. However, the Company was able to generate an increase in sales of iron ore by about 3.62% during the financial year 2019-20, as the iron ore demand and prices did not see significant volatility during the year.

FERROALLOYS

In Tonnes

| | Opening stock | Production | Sales | Closing stock |
|-------------------------|---------------|--------------------|--------------------|----------------|
| Silico-Manganese (SiMn) | 578 (993) | 20,544 (32,254) | 19,292 (32,669) | 1,830 (578) |

NOTE:
1. Previous year figures are in brackets.
2. Production and Sales includes 2,565.38 and 735.33 tonnes of trial production relating to the newly inducted Furnace 5.

Production during the year was lower by 36% as compared to the previous year on account of 2 major shut-downs aggregating 177 days that were taken to upgrade the HT Electrical System, connection on new WHRB header line with the existing steam header, commissioning of Batteries 1 & 2 of Coke Oven Plant and WHRB 1 and to enable dismantling of 20 MVA furnace to commence refurbishment of the same. Sales of SiMn during the year was lower by about 41% as compared to the previous year due to reduction in production as mentioned above, together with significant fall in demand and price of SiMn for almost one quarter.

ENERGY

In MWh

| | Generation | Captive Consumption | | Grid Sales |
|--------|------------------------|----------------------|--------------------|--------------------|
| | | Ferroalloy Plant | Auxiliary | |
| Energy | 1,17,657 (1,73,855) | 87,509 (1,32,713) | 18,035 (24,982) | 12,116 (16,158) |

NOTE: Previous year figures are in brackets.

Energy generation at the Power Plant increased by 5.86% compared to previous year and captive consumption at Ferroalloy Plant also increased by 7% as compared to previous year.

COKE

In Tonnes

| | Opening stock | Production | Internal Consumption | Sales | Closing stock |
|-------------------------|---------------|---------------|----------------------|---------------|---------------|
| Coke (Trial Production) | - (-) | 25,375 (-) | 1,926 (-) | 10,230 (-) | 13,199 (-) |

NOTE: 1. Previous year figures are in brackets.
2. The production pertains to trial production from Battery 1 and 2 of the Coke Oven Plant.



The Sandur Manganese & Iron Ores Limited

PROJECTS

The Company has embarked upon implementation of the Stage I of the Iron and Steel (I&S) Project, which comprises a 0.4 MTPA Coke Oven Plant (COP), 30 MW Waste Heat Recovery Boiler (WHRB) and Repair & Refurbishment of Ferroalloy Plant, all aimed at ensuring long term sustainability of its ferroalloy business, together with ensuring sustained increased usage of its own manganese ore for producing value added ferroalloys.

Coke Oven Project

Batteries 1 & 2 of the Coke Oven Plant have commenced trial operations in January 2020. Commissioning of Batteries 3 & 4 has been delayed in the backdrop of the COVID-19 pandemic and are now expected to commence trial operations in December 2020.



1st Coke Out



Aerial view of Coke Oven Plant

Waste Heat Recovery Boiler

Trial operations of Waste Heat Recovery Boiler (WHRB) #1 has commenced along with trial operations of Batteries 1 & 2 of the Coke Oven Plant. Supply and erection of WHRB #2 is complete and is ready for trial operations, which will be done together with commissioning of Batteries 3 & 4 of the Coke Oven Plant in December 2020.



WHRB

Furnaces

The new 24 MVA furnace has commenced trial operations in March 2020. Stabilisation of operation is in progress and full load of 17 MW is likely to be achieved by September 2020.

Engineering work for modernization of 20 MVA is complete and all major equipment has been delivered at Site. The equipment erection and commissioning of the 20MVA furnace has been delayed on account of COVID-19 pandemic, and is now expected to commence trial operations in December 2020.



FARR

Downhill Conveyor System and Mines Roads

The Company is setting up a 300 Tonnes Per Hour (TPH) Downhill Conveyor System (DCS) from Company's Kammaturu Iron Ore Mine. Further, the Company has undertaken construction (Bitumen) of about 32 kilometres of length of roads within the Mining Lease area for suppression of dust, improving efficiency and effective utilisation of machinery deployed. Additionally, 35 kilometers of vital ore evacuation roads outside the Mining Lease are being constructed to mitigate the impact of dust due to transporting ores by trucks. On account of unexpected delays in clearance for forest lands required for setting up the DCS and construction of Mines roads coupled with impact of COVID-19 pandemic, the DCS Project and Mines road Project are now expected to be completed by 31 March 2021.



The Sandur Manganese & Iron Ores Limited



Construction of Downhill Conveyor System under progress

Housing

The Company is building 192 quarters for its workers at Deogiri and Subbarayana Halli replacing the existing quarters which are more than 6 decades old. In view of the present situation, the Company is experiencing shortage of labour and accordingly, construction of these quarters is expected to be completed by 31 March 2021.



Construction of New Housing Colony at S. B. Halli under progress

FIVE STAR' RATING

The Ministry of Mines and Indian Bureau of Mines have introduced the 'Sustainable Development Framework' (SDF) and have undertaken a system of rating mining leases. As part of this initiative, both the mining leases (Nos. 2678 and 2679) of the Company have been awarded 'Five Star' rating for 2016-17 at the 3rd National Conclave on Mines and Minerals held at New Delhi on 20 March 2018.

The evaluation system for star rating (1-5) under SDF programme commenced in 2014-15 and the Company has successively received 'Five Star' rating for all the last three years and is the only Mining Company in Karnataka to have done so.

The Company has qualified for 'Five Star' rating for 2017-18 and 2018-19 based on the template uploaded on website of Indian Bureau of Mines. The templates for the aforementioned years 2017-18 and 2018-19 have been duly verified by the officers up to the zonal level and indicated that the Company is qualified for 'Five Star' rating. Formal presentation of awards is awaited.

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY

No significant and material orders were passed by any Regulator(s) or Court(s) or Tribunal(s) which would impact the going concern status of the Company.

MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitment affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate and the date of this report.

IMPACT OF COVID-19 PANDEMIC

Though mining and integrated steel plant related operations come under essential services and goods, and are allowed to continue its operations, around end March 2020, the Company was forced to stop its mining operations, ferroalloy plant, power plant, and reduced its Coke Oven operation to bare minimum 30% capacity in the larger interest of safety of its employees and to ensure prevention of spread of COVID-19. Decision to stop Plant



Vegetable distribution during COVID-19 at Krishna Nagar, Sandur



The Sandur Manganese & Iron Ores Limited

operations was also influenced by shut down of operations by our main customers and lack of adequate transport facilities for incoming raw materials and supply of ores, coke and silicomanganese to our customers. Between March and April 2020, only about 17% of the manpower, came to work to attend to essential services like security, water and power supply, medical, running of Coke Oven Plant to maintain minimum temperature and prevent damage to battery refractory. The rest of the employees were asked to stay at home or attend to work from their homes. Preventive and control measures for prevention of spread of COVID-19 have been instituted for safeguarding and protecting over 4000 employees, direct and indirect, and their families. Operations at plant, mines and offices have resumed from May 2020.

Following nationwide lockdown imposed after the pandemic outbreak, business volumes have been adversely impacted from last week of March 2020 onwards. Revenues and earnings are expected to be adversely impacted in Q1 FY2021 on account of prevalent tepid demand conditions in the domestic steel industry owing to the COVID-19 pandemic. Domestic steel consumption and production are currently witnessing a sharp decline, which in turn is likely to put pressure on iron ore prices in the near term.

The Company has availed term loans of ₹331 crore out of the sanctioned amount of ₹400 crore as on 25 June 2020 for funding the Project capex of ₹612 crore. The Company has requested the term lenders for deferment of interest that is payable for March-May 2020. The repayment of monthly instalments for the ₹400 crore term loan starts from 31 March 2021. The Company has also written letter to Finance Ministry, Steel Ministry and Reserve Bank of India seeking waiver of interest and other reliefs. The Company's liquidity position has remained adequate so far. The Company continues to pay full salaries except in cases where employees had opted for voluntary deferment, which also has been paid as on date.

DIVIDEND AND TRANSFER TO RESERVES

The Board of Directors of your company, after considering holistically the present circumstances and with a view to conserve resources, has decided that it would be prudent, not to recommend any further dividend for the financial year 2019-20.

The Board of Directors at its meetings held on 11 November 2019 and 05 March 2020 declared and paid interim dividend of ₹2.00 and ₹5.00 per equity share of face value of ₹10 each i.e. at 70% during the year. Accordingly, 70% of the dividend already paid shall be considered to be final dividend.

An amount of ₹1,25,90,176 and ₹6,12,50,000 was paid as dividend distribution tax on the interim dividend declared by the Board on 11 November 2019 and 05 March 2020, respectively.

The Company does not propose to transfer any amounts to the reserves.

SUBSIDIARY COMPANY

Star Metallics and Power Private Limited (SMPPL), a subsidiary in which the Company held 80.58% of its paid-up equity share capital has been amalgamated with the Company with effect from 01 April 2019, being the Appointed date.

Pursuant to the order dated 04 March 2020, issued by the Hon'ble National Company Law Tribunal, Bengaluru Bench sanctioning the Scheme of Amalgamation of Star Metallics and Power Private Limited (SMPPL) (Transferor Company) with The Sandur Manganese & Iron Ores Limited (SMIORE)(Transferee Company) and their respective Shareholders and Creditors, SMPPL has been amalgamated with the Company w.e.f. 01 April 2019, being the appointed date. As a result, the holding of 7,52,40,000 shares constituting 80.58 % of the issued, subscribed and paid up share capital in SMPPL stands cancelled and SMPPL ceases to be a subsidiary. In pursuance of the Scheme of Amalgamation it was sought to allot shares to shareholders of the Transferor Company. The Scheme envisaged a share exchange ratio of 1:72 i.e. One (1) equity share of The Sandur Manganese & Iron Ores Limited of ₹10 each fully paid up for every Seventy-Two (72) equity shares of Star Metallics and Power Private Limited of ₹10 each fully paid up.

Accordingly, the Board in their meeting held on 30 March 2020 allotted 2,51,941 (Two Lakh Fifty One Thousand Nine Hundred Forty One) Shares to the shareholders of SMPPL.

As a result of allotment of shares, the issued, subscribed and paid up capital of the Company has increased from ₹8,75,00,000 (Rupees Eight Crore Seventy-Five Lakh) to ₹9,00,19,410 (Rupees Nine Crore Nineteen Thousand Four Hundred and Ten).

BSE Limited has accorded listing and trading approval vide letters dated 29 May 2020 and 19 June 2020, respectively for the increased number of 2,51,941 (Two Lakh Fifty One Thousand Nine Hundred Forty One) shares issued on account of Scheme of Amalgamation.

Annexure- A in Form AOC-1 is annexed and forms part of this report.

CONSOLIDATED FINANCIAL STATEMENTS

In view of the amalgamation of Star Metallics and Power Private Limited with the Company with effect from 01 April 2019, being the Appointed date, as envisaged in the Scheme, there is no subsidiary as on 31 March 2020.

Hence, there is no requirement for preparing consolidated financial statements in terms of provisions of Section 129(3) of the Companies Act, 2013.



The Sandur Manganese & Iron Ores Limited

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

In terms of clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the Company is required to furnish particulars of the contract entered into by the Company with its related parties in the Board's Report.

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. All Related Party Transactions are placed before the Audit Committee and also, the Board for approval.

During the year, the Company has not entered into any contract/ arrangement/transaction with related parties which are either considered to be not at arm's length or considered to be material in accordance with the policy of the Company on materiality of related party transactions.

The information on transactions with related parties, in pursuance of the aforementioned provisions, are given in **Annexure – 'B'** in Form No. AOC-2 and the same forms part of this Report.

The policy on Related Party Transactions and Materiality on Transactions can be accessed on the Company's website at <http://sandurgroup.com/Policies.html>

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in this Annual Report.

The details of the loans and guarantees given and investments made by the Company find mention in Note No.6 of the audited financial statements. There are no changes in these figures from the date of audited financials to the date of this report.

DEPOSITS

The Company has not accepted any fixed deposits from the public during the financial year under review. The Company did not have any deposits at the beginning of the financial year. Thus, provisions of Section 73 of the Companies Act 2013 are not applicable to the Company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

As on date of this report, the Board consists of eleven members, including a Managing Director, four whole-time directors, four independent directors (including one-woman director) and two non-executive directors. The Chairperson of the Board is a non-executive director.

The Managing Director, Whole Time Directors, Chief Financial Officer and the Company Secretary constitute the Key Managerial Personnel of the Company.

Inductions

During the year under review, Directors - H. L. Shah and Jagadish Rao Kote were co-opted on the Board as Additional Directors on 27 May 2019. Subsequently, shareholders in the 65th Annual General Meeting held on 21 September 2019, accorded their approval for appointing H. L. Shah as a non-executive director and Jagadish Rao Kote as an independent director for a period of three consecutive years with effect from 27 May 2019 to 26 May 2022.

As per the comprehensive Board restructuring plan approved by the Board of Directors in its meeting held on 31 January 2020, based on the recommendation of the Nomination and Remuneration Committee, the Board inducted the following senior executives as whole-time directors on the Board with effect from 01 April 2020 (1) Md. Abdul Saleem as Director (Mines); (2) Mubeen Ahmed Sheriff as Director (Commercial); (3) Sachin D. Sanu as Director (Finance); and (4) Bahirji A. Ghorpade as Director (Corporate). The Board further re-designated Rajnish Kumar Singh as Director (Plant).

Retirement/Cessation

Shri. S. Y. Ghorpade (DIN: 00080477), Chairman relinquished his position as the Chairman and stepped down from directorship with effect from 01 February 2020 making way for fresh Board leadership. The Board conferred upon Shri. S. Y. Ghorpade the title of Chairman Emeritus for life. The Board further approved the appointment of Shri. T. R. Raghunandan (DIN: 03637265), Non-Executive Director as the Chairman of the Board.

Further, the following directors stepped down from the Board, with effect from 01 February 2020 in the larger interest of the Company, making way for induction of senior executives as whole-time functional Directors and right sizing the Board, namely (1) B. Ananda Kumar (DIN: 01711145); (2) Vatsala Watsa (DIN:02626457); (3) K. V. Ramarathnam (DIN: 00097892); (4) P. Anur Reddy (DIN: 05170191); and (5) Lakshmi Venkatachalam (DIN: 00520608).

As per the comprehensive plan, the Board appointed Nazim Sheikh for a second term as managing director with effect from 01 April 2020 to 31 March 2023, subject to approval of the shareholders. In the intervening time, Nazim Sheikh (DIN: 00064275) expressed his inability to continue due to health reasons and acceding to his request, the Board of Directors at the meeting held on 17 June 2020, has relieved him from the post of Managing Director and also his directorship on the Board of Directors, with effect from 17 June 2020.



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Re-appointment(s)

At the same meeting held on 17 June 2020, the Board of Directors approved the appointment of Bahirji A. Ghorpade as Managing Director of the Company for a tenure of 3 years from 17 June 2020, subject to shareholders' approval.

The Board re-designated Rajnish Kumar Singh, whole-time director as Director (Plant) on renewed terms, subject to approval of the shareholders, with effect from 01 April 2020.

Directors – Rajnish Kumar Singh and T. R. Raghunandan, are liable to retire by rotation at the ensuing 66th AGM and being eligible, offered themselves for re-appointment.

NUMBER OF MEETINGS OF THE BOARD

The Board met 9 (Nine) times during the financial year, the details of which are given in the Corporate Governance Report forming part of this Report.

The intervening gap between any two consecutive meetings of the Board did not exceed one hundred and twenty days as prescribed under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

The policy of the Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of Section 178 of the Companies Act, 2013, adopted by the Board, can be accessed on the Company's website at <http://sandurgroup.com/Policies.html>.

DECLARATION BY INDEPENDENT DIRECTORS

All the independent directors of the Company meet the criteria of independence as provided under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI(LODR) Regulations, 2015. Declarations to this effect have been received from them.

BOARD EVALUATION

As mandated by the statutory provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Nomination and Remuneration Committee has devised a mechanism for carrying out formal annual evaluation of the Board, its Committees and individual directors.

Evaluation of the Board, its Committees and individual directors for the year 2019-20 has been carried out based on this mechanism by the Board.

TRAINING OF INDEPENDENT DIRECTORS

On induction, the independent directors on Board are familiarized with the nature of Industry and the Company's business operations. They are updated on a

frequent basis with regard to operations of the Company. Any material development is intimated promptly. The Management encourages active participation by the independent directors in management of the Company and accordingly, any advice or suggestion provided by any of the Independent Directors is taken seriously and diligently implemented, and any clarification sought by the Independent Directors with regard to the Company's operations is duly addressed.

Learning for Independent Directors and Company's learning from them is a pervasive ongoing phenomenon via participation.

Further, at the time of appointment of a director, the Company issues a formal letter of appointment entailing his/her role, function, duties and responsibilities as a director. The terms and conditions of appointment of independent director are available on the Company's website.

Details of training and familiarization programme are provided in the Report on Corporate Governance.

COMMITTEES OF THE BOARD

Currently, the Board has nine committees – namely Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Environment Committee, Corporate Social Responsibility Committee, Risk Management Committee, Project Committee, Financial Planning Committee and Product Development Committee, details of which are mentioned in the Report on Corporate Governance forming part of this Annual Report.

DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM

As on date of this report, the Audit Committee comprises four independent directors, namely, G. P Kundargi as its Chairman, S. S. Rao, Latha Pillai and Jagadish Rao Kote, and two non-executive directors, T. R. Raghunandan and H. L. Shah.

The Company believes in conduct of its affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethics. The Company has established a vigil mechanism towards this end.

In accordance with sub-section (9) of Section 177 read with Rule 7(2) of the Companies (Meetings of Board and its Powers) Rules, 2014, the Company's Audit Committee is required to oversee the vigil mechanism.

The Committee oversees the vigil mechanism which has been established to address genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics if expressed by any of the employees and other Directors.



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The Company has also provided adequate safeguards against victimization of employees and Directors, in the event of any such concern. The Company has also provided direct access to the Chairman of the Audit Committee in matters concerning financial/accounting and concerns relating to personnel belonging to levels above Senior General Manager.

The Whistleblower Policy along with other Policies of the Company is available on the Company's website at <http://sandurgroup.com/Policies.html>.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(3)(c) of the Companies Act, 2013, the Directors of the Board state that:

- (a) in the preparation of the accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March 2020 and of the profit and loss of the Company for the year ended 31 March 2020;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts for the financial year ended 31 March 2020 on a 'going concern' basis;
- (e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

Auditors have not reported any frauds during the year under review.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Board of Directors has laid down internal financial controls to be followed by the Company and report that such internal financial controls are adequate and operating effectively. Your Company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

The Company has a well-defined delegation of power with authority limits for approving revenue as well as capital expenditure. The Company uses a state-of-the-art Enterprise Resource Programming (ERP) system to record data for accounting, consolidation and management information purposes and connects to different locations for efficient exchange of information. It has continued its efforts to align all its processes and controls with global best practices.

M/s. P. Chandrasekar LLP, Chartered Accountants, have been appointed to oversee and carry out internal audit of Company's activities. The audit is based on an internal audit plan, which is reviewed each year in consultation with the statutory auditors and approved by the audit committee. In line with international practice, the internal audit plan aims at review of internal controls and risks in operations. The audit committee reviews audit reports submitted by the internal auditors. Suggestions for improvement are considered and the audit committee follows up on them.

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return pursuant to the provisions of Section 92(3) read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished as **Annexure – 'C'** attached to this Report.

STATUTORY AUDITORS

M/s. R. Subramanian and Company LLP, Chartered Accountants, Chennai (Firm Registration No. FRN004137S/S200041), were appointed as Statutory Auditors of the Company at the 63rd Annual General Meeting held on 26 September 2017 in terms of the provisions of Section 139 of Companies Act, 2013, to hold office until the conclusion of 68th Annual General Meeting, subject to ratification at each Annual General Meeting.

In terms of Companies (Amendment) Act, 2017, effective from 7 May 2018, the requirement of seeking ratification of auditors' appointment at every annual general meeting has been dispensed with.



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In view of the above, the Board will not be placing any resolution seeking shareholders' ratification of appointment of M/s. R. Subramanian and Company LLP, Chartered Accountants, Chennai as Statutory Auditors of the Company at annual general meetings during the course of its remaining tenure.

STATUTORY AUDITORS' REPORT

Auditors' Report on the financial statements of the Company is forming part of this Annual Report. No qualifications, reservations or adverse remarks have been made by the Statutory Auditors in the said Report.

SECRETARIAL AUDIT

Pursuant to provisions of sub-section (1) of Section 204 of the Companies Act, 2013, the Company is required to annex with its Board's Report a secretarial audit report, given by a company secretary in practice.

N. D. Satish, Practicing Company Secretary (ICSI Membership No. F10003 and Certificate of Practice No.12400) has been appointed as Secretarial Auditor of the Company for the financial year 2019-20. The Secretarial Audit Report is forming part of this Annual Report as **Annexure- 'D'**.

In accordance with SEBI Circular no. CIR/CFD/CMD1/27/2019 dated February 08, 2019, the Company has obtained, from the Secretarial Auditors of the Company, an Annual Secretarial Compliance Report.

The Secretarial Auditor has made the following observations in Secretarial Audit Report:

- o *In one instance e-form MGT-14 has been filed with the Registrar of Companies after due date and additional fee as prescribed has been paid; and*
- o *The Company has delayed by six days submission of Secretarial Compliance Report with BSE Ltd in terms of Regulation 24A of SEBI (LODR) Regulations, 2015 read with Circular No. CIR/CFD/CMD1/27/2019 dated 08 February 2019.*

Management Reply:

- In this regard, the Board states that the delay was inadvertent and unintentional. The Company is striving to ensure timely filing of forms.
- In this regard, it is submitted that this being a new compliance requirement the delay in submission was inadvertent and unintentional.

COST AUDITORS

In terms of Section 148(2) of the Companies Act, 2013 read with Rule 4 of the Companies (Cost Records and Audit) Rules, 2014 issued by the Ministry of Corporate Affairs (MCA), the Company is required to get its cost accounting records audited by a cost auditor.

The Board has, at its 331st meeting held on 27 May 2019, appointed M/s. K. S. Kamalakara & Co. as Cost Auditors for the Financial Year 2019-20.

In accordance with Rule 6(5) of the Companies (Cost Records and Audit) Rules, 2014, the cost auditor is required to submit his report within 180 days from the date of closure of the financial year and within thirty days from the date of receipt of the cost audit report, and the Company is required to file a copy of the same with the Ministry of Corporate Affairs (MCA). The Cost Audit Report for the Financial Year 2018-19 was filed with the MCA on 24 December 2019.

CORPORATE GOVERNANCE

The Directors' Report on Corporate Governance is annexed to this report. The certificate of the Auditors, M/s. R. Subramanian and Company LLP, Chartered Accountants, regarding compliance of conditions of Corporate Governance as stipulated in Clause E of Schedule V of SEBI (LODR) Regulations, 2015 is also annexed.

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

The Management Discussion and Analysis Report forms part of the Annual Report in Compliance with Clause (e) of Sub-regulation (2) of Regulation 34 read with Schedule V of SEBI (LODR) Regulations, 2015.

STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

The Board constituted the Risk Management Committee on 28 May 2014. Though statutorily, only top 100 listed companies (based on the market capitalization) are required to have a Risk Management Committee, the Board has decided for continuation of the Risk Management Committee, so that the Company would align with practices followed by top 100 listed companies in the country.

The Board at its 256th meeting held on 28 October 2005 had prescribed the Risk Management and Minimisation procedures. These procedures are reviewed on a regular basis by the Board. Risk management includes identifying types of risks and its assessment, risk handling, monitoring and reporting.

Company has also constituted Coordination Committee to monitor various departments and sections of the Company and specified operational responsibilities. The Risk Management Committee focuses on macro level and external risks, and the Coordination Committee consisting of Executive level of the Board i.e., the Whole-time directors, in association with Senior Management Personnel, take steps for identification, assessment, mitigation and monitoring of internal and operational risks.



The Sandur Manganese & Iron Ores Limited

DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Company has been, for close to six decades, consciously contributing towards betterment of the local area and living standards of its people, and also protection and improvement of the Environment.

Being socially, environmentally and ethically responsible and also to add value to the operations while contributing towards the long-term sustainability of business, the Board of Directors has further strengthened its resolve to do more for the development of the area and improvement of living conditions of the surrounding rural population.

The Annual Report on Company's CSR activities of the Company undertaken during the year under review are furnished in **Annexure- 'E'**.

The Company's Corporate Social Responsibility Policy can be accessed on Company's website at <https://www.sandurgroup.com/Policies.html>. There has been no change in the Policy during the year under review.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as prescribed in Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are set out in **Annexure- 'F'** to this Report.

TRANSFER OF UNPAID AND UNCLAIMED DIVIDENDS TO INVESTOR EDUCATION AND PROTECTION FUND

Dividends remaining unpaid and unclaimed for a period of seven years from the date of transfer to the unpaid dividend account are required to be transferred to the Investor Education and Protection Fund (IEPF). There were no amounts required to be transferred to the IEPF during the financial year 2019-20.

EMPLOYEES

Pursuant to the provisions of sub-section (12) of Section 197 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars are set out in **Annexure - 'G'**.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

In compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013, the Company has constituted an Internal Complaints

Committee (ICC) for the prevention and redressal of complaints related to sexual harassment at workplace.

No complaints pertaining to sexual harassment were received during the year ended 31 March 2020.

ACKNOWLEDGEMENTS

The directors wish to thank members of judiciary, its associates and legal fraternity for their strong commitment to justice, fairness and equity. The directors also extend their gratitude to the Central and State Governments for their support as well as confidence and recognitions bestowed on the Company.

The directors wish to place on record their appreciation of all its employees for their commendable team work, professionalism and dedication. And ultimately, the Board of Directors wish to thank all the government agencies, the promoters, business associates, banks and investors for their continued support and trust.

for and on behalf of the Board of Directors

T. R. Raghunandan,
Chairman
(DIN:03637265)

Place : Bengaluru
Date : 29 June 2020



The Sandur Manganese & Iron Ores Limited

Annexure – 'A'

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiary –

Part "A": Subsidiary*

| | | |
|-----|--|----------------|
| 1. | Name of the subsidiary | Not Applicable |
| 2. | Date since when subsidiary was acquired | |
| 3. | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | |
| 4. | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. | |
| 5. | Share capital | |
| 6. | Reserves & surplus | |
| 7. | Total assets | |
| 8. | Total Liabilities (excluding reserves & surplus) | |
| 9. | Investments | |
| 10. | Turnover | |
| 11. | Profit/(Loss) before taxation | |
| 12. | Provision for taxation | |
| 13. | Profit/ (Loss) after taxation | |
| 14. | Proposed Dividend | |
| 15. | Percentage of shareholding | |

Additional Information:

| | | |
|---|--|---|
| 1 | Names of the subsidiaries which are yet to commence operations | Nil |
| 2 | Names of the subsidiaries which have been liquidated or sold during the year | Star Metallics and Power Private Limited*(SMPPL), a subsidiary in which the Company held 80.58% of its paid-up equity share capital has been amalgamated with the Company with effect from 01 April 2019, being the Appointed date. |

* Pursuant to the order dated 04 March 2020, issued by the Hon'ble National Company Law Tribunal, Bengaluru Bench sanctioning the Scheme of Amalgamation of Star Metallics and Power Private Limited (SMPPL) (Transferor Company) with The Sandur Manganese & Iron Ores Limited (SMIORE)(Transferee Company) and their respective Shareholders and Creditors, SMPPL has been amalgamated with the Company w.e.f. 01 April 2019, being the appointed date. As a result, the holding of 7,52,40,000 shares constituting 80.58 % of the issued, subscribed and paid up share capital in SMPPL stands cancelled and SMPPL ceases to be a subsidiary.

Part "B": Associates and Joint Ventures – Not applicable

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

| | Name of Associates/ Joint Ventures | Name 1 | Name 2 | Name 3 |
|----|--|----------------|--------|--------|
| 1. | Latest audited Balance Sheet Date | Not Applicable | | |
| 2. | Date on which the Associate or Joint Venture was associated or acquired | | | |
| 3. | Shares of Associate/ Joint Ventures held by the company on the year end | | | |
| | i) Number | | | |
| | ii) Amount of Investment in Associates/Joint Venture | | | |
| | iii) Extent of Holding (Percentage) | | | |
| 4. | Description of how there is significant influence | | | |
| 5. | Reason why the associate/ joint venture is not consolidated | | | |
| 6. | Net worth attributable to Shareholding as per latest audited Balance Sheet | | | |
| 7. | Profit / Loss for the year | | | |
| | i) Considered in Consolidation | | | |
| | ii) Not considered in Consolidation | | | |

Additional Information:

| | | |
|---|--|-----|
| 1 | Names of the associates or joint ventures which are yet to commence operations | Nil |
| 2 | Names of the associates or joint ventures which have been liquidated or sold during the year | Nil |

for and on behalf of Board of Directors

T. R. Raghunandan
Chairman
DIN:03637265

Bahirji A. Ghorpade
Managing Director
DIN: 08452844

Divya Ajith
Company Secretary

Sachin Sanu
Chief Financial Officer

Place : Bengaluru
Date : 29 June 2020



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Annexure – 'B'

Form No. AOC-2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

| Name(s) of the related party and nature of relationship | Nature of contracts/ arrangements /transactions | Duration of the contracts / arrangements/ transactions | Salient terms of the contracts or arrangements or transactions including the value, if any | Justification for entering into such contracts or arrangements or transactions | Date(s) of approval by the Board | Amount paid as advances, if any | Date on which the special resolution was passed in general meeting as required under first proviso to section 188 |
|---|---|--|--|--|----------------------------------|---------------------------------|---|
| NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |

2. Details of material contracts or arrangement or transactions at arm's length basis

| Name(s) of the related party and nature of relationship | Nature of contracts/ arrangements /transactions | Duration of the contracts / arrangements/ transactions | Salient terms of the contracts or arrangements or transactions including the value, if any | Date(s) of approval by the Board | Amount paid as advances, if any |
|---|---|--|--|----------------------------------|---------------------------------|
| NIL | NIL | NIL | NIL | NIL | NIL |

Note: All related party transactions are benchmarked for arm's length, approved by Audit Committee and reviewed by Statutory Auditors. The above disclosures on material transactions are based on threshold of ten percent of consolidated turnover, as per the last audited financial statements of the Company.

for and on behalf of the Board of Directors

T. R. Raghunandan,
Chairman
(DIN:03637265)

Place : Bengaluru
Date : 29 June 2020



The Sandur Manganese & Iron Ores Limited

Annexure – 'C'

Form MGT 9 EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31 March 2020

Pursuant to section 92(3) of the Companies Act, 2013 & Rule 12(1)
of the Companies (Management and Administration) Rules, 2014

I REGISTRATION AND OTHER DETAILS:

| | | |
|-------|---|---|
| (i) | CIN | L85110KA1954PLC000759 |
| (ii) | Registration date | 18 January 1954 |
| (iii) | Name of the Company | The Sandur Manganese & Iron Ores Limited |
| (iv) | Category/Sub-category of the Company | Company Limited by Shares/ Indian Non- Government Company |
| (v) | Address of the Registered Office and contact details | 'SATYALAYA', Door No. 266 (Old No. 80), Ward No. 1 Behind Taluka Office, Sandur - 583119, Ballari District, Karnataka Tel : 08395 260301 Fax : 08395 260473 Email : secretarial@sandurgroup.com Website : www.sandurgroup.com |
| (vi) | Whether Listed Company | Yes |
| (vii) | Name, address & contact details of the Registrar & Transfer Agent, if any | Venture Capital and Corporate Investments Private Limited 12-10-167, Bharat Nagar, Hyderabad - 500018 Phone: 040-23818475/23818476/23868023 Fax : 040-23868024 |

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

| Sl. No. | Name & Description of Main Products/Services | NIC code of the Product/ Service | % to total turnover of the Company |
|---------|--|----------------------------------|------------------------------------|
| 1 | Mining of Manganese Ore | 07293 | 24 |
| 2 | Mining of Iron Ore | 07100 | 58 |
| 3 | Manufacture of Ferro-alloys | 24104 | 19 |

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

| Sl. No. | Name and address of the Company | CIN/GLN | Holding / Subsidiary/ Associate Company | % of Shares held | Applicable section |
|---------|--|-----------------------|---|------------------|--------------------------------------|
| 1 | Skand Private Limited Post Box #7, Palace Grounds Sandur - 583119 Ballari District, Karnataka | U60210KA1974PTC002491 | Holding Company | 51.46% | 2(87)(ii) of the Companies Act, 2013 |

NOTE: Pursuant to the Scheme of Amalgamation of Star Metallics and Power Private Limited (SMPPL) (Transferor Company) with The Sandur Manganese & Iron Ores Limited (SMIORE)(Transferee Company) sanctioned by the Hon'ble National Company Law Tribunal, Bengaluru Bench vide its order dated 04 March 2020, SMPPL has been amalgamated with the Company w.e.f. 01 April 2019 being the Appointed Date and accordingly, ceased to be the subsidiary of the Company.



The Sandur Manganese & Iron Ores Limited

IV SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

I) Category-wise Share Holding

| Category of Shareholder | Number of shares held at the beginning of the year | | | | Number of shares held at the end of the year | | | | %change during the year |
|---|--|--|----------------|-------------------|--|--|-------------------|-------------------|-------------------------|
| | Number of shares held in dematerialized form | Number of shares held in physical form | Total | % of total shares | Number of shares held in dematerialized form | Number of shares held in physical form | Total | % of total shares | |
| A Promoters | | | | | | | | | |
| 1 Indian | | | | | | | | | |
| (a) Individuals/ Hindu Undivided Family | 58745 | 25 | 58770 | 0.67% | 58770 | 0 | 58770 | 0.65% | -0.02% |
| (b) Central Government | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| (c) State Government(s) | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| (d) Bodies Corporate | 5992039 | 0 | 5992039 | 68.48% | 5992039 | 251524 | 6243563 | 69.36% | 0.88% |
| (e) Financial Institutions/ Banks | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| (f) Any Others(Specify) | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| Directors & Persons Acting in Concert | 288570 | 0 | 288570 | 3.30% | 290294 | 0 | 290294 | 3.22% | -0.07% |
| Sub Total(A)(1) | 6339354 | 25 | 6339379 | 72.45% | 6341103 | 251524 | 6592627 | 73.24% | 0.79% |
| 2 Foreign | | | | | | | | | |
| a NRIs - Individuals | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| b others - Individuals | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| c Bodies Corporate | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| d Banks/Financials Institutions | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| e Any Others(Specify) | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| Sub Total(A)(2) | 0.00 | 0.00 | 0 | 0.00% | 0.00 | 0.00 | 0 | 0.00 | 0.00 |
| Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2) | 6339354 | 25 | 6339379 | 72.45% | 6341103 | 251524 | 6592627 | 73.24% | 0.79% |
| B Public Shareholding | | | | | | | | | |
| 1 Institutions | | | | | | | | | |
| (a) Mutual Funds/ UTI | 0 | 650 | 650 | 0.01% | 0 | 650 | 650 | 0.01% | 0.0% |
| (b) Financial Institutions/Banks | 70000 | 2350 | 72350 | 0.83% | 52 | 2350 | 2402 | 0.03% | -0.80% |
| (c) Central Government | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| (d) State Government(s) | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| (e) Venture Capital Funds | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| (f) Insurance Companies | 0 | 0 | 0 | 0.00% | 70000 | 0 | 70000 | 0.78% | 0.78% |
| (g) Foreign Institutional Investors | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| (h) Foreign Venture Capital Investors | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| (i) Any Other (specify) | | | | | | | | | |
| Foreign Portfolio Investors | 133440 | 0 | 133440 | 1.53% | 32755 | 0 | 32755 | 0.36% | -1.16% |
| Alternative Investment Funds | 60000 | 0 | 60000 | 0.69% | 69000 | 0 | 69000 | 0.77% | 0.08% |
| Sub-Total (B)(1) | 263440 | 3000 | 266440 | 3.05% | 171807 | 3000 | 174807 | 1.94% | -1.10% |
| 2 Non-institutions | | | | | | | | | |
| (a) Bodies Corporate | 262548 | 1550 | 264098 | 3.02% | 287793 | 1550 | 289343 | 3.21% | 0.19% |
| (b) Individuals | | | | | | | | | |
| i. Individual shareholders holding nominal share capital up to ₹1 lakh | 1133128 | 75481 | 1208609 | 13.81% | 1273959 | 61487 | 1335446 | 14.84% | 1.03% |
| ii. Individual shareholders holding nominal share capital in excess of ₹1 lakh. | 568135 | 26150 | 594285 | 6.79% | 491227 | 26150 | 517377 | 5.75% | -1.04% |
| (c) Any Other (specify) | | | | | | | | | |
| i. Clearing members | 12480 | 0 | 12480 | 0.14% | 17070 | 0 | 17070 | 0.19% | 0.05% |
| ii. Non Resident Individuals | 38589 | 0 | 38589 | 0.44% | 49251 | 0 | 49251 | 0.55% | 0.00% |
| iii. Trusts | 302 | 0 | 302 | 0.00% | 302 | 0 | 302 | 0.00% | 0.00% |
| iii. IEPF | 25818 | 0 | 25818 | 0.30% | 25718 | 0 | 25718 | 0.29% | 0.28% |
| Sub-Total (B)(2) | 2041000 | 103181 | 2144181 | 24.50% | 2145320 | 89187 | 2234507 | 24.82% | 0.32% |
| (B) Total Public Shareholding (B) = (B)(1)+(B)(2) | 2304440 | 106181 | 2410621 | 27.55% | 2317127 | 92187 | 2409314 | 26.76% | -0.79% |
| TOTAL (A)+(B) | 8643794 | 106206 | 8750000 | 100.00% | 8658230.00 | 343711.00 | 9001941.00 | 100.00% | 0.00% |
| (C) Shares held by Custodians and against which Depository Receipts have been issued | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| GRAND TOTAL (A)+(B)+(C) | 8643794 | 106206 | 8750000 | 100% | 8658230 | 343711 | 9001941 | 100% | 0.00% |



The Sandur Manganese & Iron Ores Limited

(II) SHAREHOLDING OF PROMOTERS & PROMOTER'S GROUP

| SI No | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | |
|-------|---|---|----------------------------|----------------------------------|-------------------------------------|----------------------------|----------------------------------|--|
| | | No. of shares | % of shares of the Company | % of pledged / encumbered shares | No. of shares | % of shares of the Company | % of pledged / encumbered shares | % change in shareholding during the year |
| 1 | Ajai M. Ghorpade | 16755 | 0.19% | 0.00% | 16755 | 0.19% | - | -0.01% |
| 2 | Suryaprabha A. Ghorpade | 500 | 0.01% | 0.00% | 500 | 0.01% | - | 0.00% |
| 3 | Bahirji A. Ghorpade | 4200 | 0.05% | 0.00% | 4200 | 0.05% | - | 0.00% |
| 4 | Ekambar A. Ghorpade | 4200 | 0.05% | 0.00% | 4200 | 0.05% | - | 0.00% |
| 5 | S. Y. Ghorpade | 26830 | 0.31% | 0.00% | 26830 | 0.30% | - | -0.01% |
| 6 | Yashodhara S.Ghorpade | 5000 | 0.06% | 0.00% | 5000 | 0.06% | - | 0.00% |
| 7 | Aditya S. Ghorpade | 500 | 0.01% | 0.00% | 500 | 0.01% | - | 0.00% |
| 8 | Dhananjai S. Ghorpade | 785 | 0.01% | 0.00% | 785 | 0.01% | - | 0.00% |
| 9 | Skand Private Limited | 4632040 | 52.94% | 40.00% | 4632040 | 51.46% | 38.88% | -1.48% |
| 10 | Sandur Udyog Private Ltd., | 364529 | 4.17% | 0.00% | 364529 | 4.05% | - | -0.12% |
| 11 | Sandur Sales & Services Pvt Ltd | 279126 | 3.19% | 0.00% | 279126 | 3.10% | - | -0.09% |
| 12 | Lohagiri Industrials Pvt Ltd., | 290539 | 3.32% | 0.00% | 290539 | 3.23% | - | -0.09% |
| 13 | Euro Industrial Enterprises Private Limited | 425805 | 4.87% | 0.00% | 677329 | 7.52% | - | 2.65% |
| 14 | Nazim Sheikh & S. Y. Ghorpade | 273300 | 3.12% | 0.00% | 273300 | 3.04% | - | -0.08% |
| 15 | Nazim Sheikh | 10090 | 0.12% | 0.00% | 11764 | 0.13% | - | 0.01% |
| 16 | U. R. Acharya | 2000 | 0.02% | 0.00% | 2000 | 0.02% | - | 0.00% |
| 17 | K. Raman | 900 | 0.01% | 0.00% | 950 | 0.01% | - | 0.00% |
| 18 | Md. Abdul Saleem | 2280 | 0.03% | 0.00% | 2280 | 0.03% | - | 0.00% |
| | TOTAL | 6339379 | 72.45% | 40.00% | 6592627 | 73.24% | 38.88% | 0.79% |

(III) CHANGE IN SHAREHOLDING OF PROMOTERS & PROMOTER GROUP

| SI No. | Name of the shareholder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|----------|--------------------------------|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 1 | Ajai M. Ghorpade | | | | |
| | At the beginning of the year | 16755 | 0.19% | 16755 | 0.19% |
| | Increase during the year | 0 | 0.00% | 16755 | 0.19% |
| | Decrease during the year | 0 | 0.00% | 16755 | 0.19% |
| | At the end of the year | | | 16755 | 0.19% |
| 2 | Suryaprabha A. Ghorpade | | | | |
| | At the beginning of the year | 500 | 0.01% | 500 | 0.01% |
| | Increase during the year | 0 | 0.00% | 500 | 0.01% |
| | Decrease during the year | 0 | 0.00% | 500 | 0.01% |
| | At the end of the year | | | 500 | 0.01% |
| 3 | Bahirji A. Ghorpade | | | | |
| | At the beginning of the year | 4200 | 0.05% | 4200 | 0.05% |
| | Increase during the year | 0 | 0.00% | 4200 | 0.05% |
| | Decrease during the year | 0 | 0.00% | 4200 | 0.05% |
| | At the end of the year | | | 4200 | 0.05% |
| 4 | Ekambar A. Ghorpade | | | | |
| | At the beginning of the year | 4200 | 0.05% | 4200 | 0.05% |
| | Increase during the year | 0 | 0.00% | 4200 | 0.05% |
| | Decrease during the year | 0 | 0.00% | 4200 | 0.05% |
| | At the end of the year | | | 4200 | 0.05% |
| 5 | S. Y. Ghorpade | | | | |
| | At the beginning of the year | 26830 | 0.31% | 26830 | 0.31% |
| | Increase during the year | 0 | 0.00% | 26830 | 0.31% |
| | Decrease during the year | 0 | 0.00% | 26830 | 0.31% |
| | At the end of the year | | | 26830 | 0.30% |
| 6 | Yashodhara S.Ghorpade | | | | |
| | At the beginning of the year | 5000 | 0.06% | 5000 | 0.06% |
| | Increase during the year | 0 | 0.00% | 5000 | 0.06% |
| | Decrease during the year | 0 | 0.00% | 5000 | 0.06% |
| | At the end of the year | | | 5000 | 0.06% |
| 7 | Aditya S. Ghorpade | | | | |
| | At the beginning of the year | 500 | 0.01% | 500 | 0.01% |
| | Increase during the year | 0 | 0.00% | 500 | 0.01% |
| | Decrease during the year | 0 | 0.00% | 500 | 0.01% |
| | At the end of the year | | | 500 | 0.01% |



The Sandur Manganese & Iron Ores Limited

| Sl. No. | Name of the shareholder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|-----------|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 8 | Dhananjai S. Ghorpade | | | | |
| | At the beginning of the year | 785 | 0.01% | 785 | 0.01% |
| | Increase during the year | 0 | 0.00% | 785 | 0.01% |
| | Decrease during the year | 0 | 0.00% | 785 | 0.01% |
| | At the end of the year | | | 785 | 0.01% |
| 9 | Skand Private Limited | | | | |
| | At the beginning of the year | 4632040 | 52.94% | 4632040 | 52.94% |
| | Increase during the year | 0 | 0.00% | 4632040 | 52.94% |
| | Decrease during the year | 0 | 0.00% | 4632040 | 52.94% |
| | At the end of the year | | | 4632040 | 51.46% |
| 10 | Sandur Udyog Private Ltd., | | | | |
| | At the beginning of the year | 364529 | 4.17% | 364529 | 4.17% |
| | Increase during the year | 0 | 0.00% | 364529 | 4.17% |
| | Decrease during the year | 0 | 0.00% | 364529 | 4.17% |
| | At the end of the year | | | 364529 | 4.05% |
| 11 | Sandur Sales & Services Pvt Ltd | | | | |
| | At the beginning of the year | 279126 | 3.19% | 279126 | 3.19% |
| | Increase during the year | 0 | 0.00% | 279126 | 3.19% |
| | Decrease during the year | 0 | 0.00% | 279126 | 3.19% |
| | At the end of the year | | | 279126 | 3.10% |
| 12 | Lohagiri Industrials Pvt Ltd., | | | | |
| | At the beginning of the year | 290539 | 3.32% | 290539 | 3.32% |
| | Increase during the year | 0 | 0.00% | 290539 | 3.32% |
| | Decrease during the year | 0 | 0.00% | 290539 | 3.32% |
| | At the end of the year | | | 290539 | 3.23% |
| 13 | Euro Industrial Enterprises Private Limited | | | | |
| | At the beginning of the year | 425805 | 4.87% | 425805 | 4.87% |
| | Increase during the year | 251524 | 2.87% | 677329 | 7.74% |
| | Decrease during the year | 0 | 0.00% | 677329 | 7.74% |
| | At the end of the year | | | 677329 | 7.52% |
| 14 | Nazim Sheikh & S. Y. Ghorpade | | | | |
| | At the beginning of the year | 273300 | 3.12% | 273300 | 3.12% |
| | Increase during the year | 0 | 0.00% | 273300 | 3.12% |
| | Decrease during the year | 0 | 0.00% | 273300 | 3.12% |
| | At the end of the year | | | 273300 | 3.04% |
| 15 | Nazim Sheikh | | | | |
| | At the beginning of the year | 10090 | 0.12% | 10090 | 0.12% |
| | Increase during the year | 1674 | 0.02% | 11764 | 0.13% |
| | Decrease during the year | 0 | 0.00% | 11764 | 0.13% |
| | At the end of the year | | | 11764 | 0.13% |
| 16 | U. R. Acharya | | | | |
| | At the beginning of the year | 2000 | 0.02% | 2000 | 0.02% |
| | Increase during the year | 0 | 0.00% | 2000 | 0.02% |
| | Decrease during the year | 0 | 0.00% | 2000 | 0.02% |
| | At the end of the year | | | 2000 | 0.02% |
| 17 | K. Raman | | | | |
| | At the beginning of the year | 900 | 0.01% | 900 | 0.01% |
| | Increase during the year | 50 | 0.00% | 950 | 0.01% |
| | Decrease during the year | 0 | 0.00% | 950 | 0.01% |
| | At the end of the year | | | 950 | 0.01% |
| 18 | Md. Abdul Saleem | | | | |
| | At the beginning of the year | 2280 | 0.03% | 2280 | 0.03% |
| | Increase during the year | 0 | 0.00% | 2280 | 0.03% |
| | Decrease during the year | 0 | 0.00% | 2280 | 0.03% |
| | At the end of the year | | | 2280 | 0.03% |

NOTE: Number of shares issued and paid-up increased from 87,50,000 (as on 01 April 2019) to 90,01,941 (as on 31 March 2020) consequent to allotment of 2,51,941 equity shares on 30 March 2020 to shareholders of Star Metallica and Power Private Limited pursuant to Scheme of Amalgamation of Star Metallica and Power Private Limited with The Sandur Manganese and Iron Ores Limited sanctioned by the Hon'ble National Company Law, Bengaluru Bench vide order passed on 04 March 2020.



The Sandur Manganese & Iron Ores Limited

(IV) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS OTHER THAN PROMOTERS AND DIRECTORS

| Sl. No. | Name of the shareholder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|-----------|---|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 1 | SAGAR MAL MALL | | | | |
| | At the beginning of the year | 148852 | 1.70% | 148852 | 1.70% |
| | Increase during the year | 0 | 0.00% | 148852 | 1.70% |
| | Decrease during the year | 0 | 0.00% | 148852 | 1.70% |
| | At the end of the year | | | 148852 | 1.65% |
| 2 | ANAND SHANKAR MALL | | | | |
| | At the beginning of the year | 86731 | 0.99% | 86731 | 0.99% |
| | Increase during the year | 0 | 0.00% | 86731 | 0.99% |
| | Decrease during the year | 100 | 0.00% | 86631 | 0.99% |
| | At the end of the year | | | 86631 | 0.96% |
| 3 | THE NEW INDIA ASSURANCE COMPANY LIMITED | | | | |
| | At the beginning of the year | 70000 | 0.80% | 70000 | 0.80% |
| | Increase during the year | 0 | 0.00% | 70000 | 0.80% |
| | Decrease during the year | 0 | 0.00% | 70000 | 0.80% |
| | At the end of the year | | | 70000 | 0.78% |
| 4 | EQ India Fund | | | | |
| | At the beginning of the year | 60000 | 0.69% | 60000 | 0.69% |
| | Increase during the year | 9000 | 0.10% | 69000 | 0.79% |
| | Decrease during the year | 0 | 0.00% | 69000 | 0.79% |
| | At the end of the year | | | 69000 | 0.77% |
| 5 | MINI DEVI MALL | | | | |
| | At the beginning of the year | 63745 | 0.73% | 63745 | 0.73% |
| | Increase during the year | 0 | 0.00% | 63745 | 0.73% |
| | Decrease during the year | 0 | 0.00% | 63745 | 0.73% |
| | At the end of the year | | | 63745 | 0.71% |
| 6 | SCINDIA INVESTMENTS PVT LTD | | | | |
| | At the beginning of the year | 50000 | 0.57% | 50000 | 0.57% |
| | Increase during the year | 0 | 0.00% | 50000 | 0.57% |
| | Decrease during the year | 0 | 0.00% | 50000 | 0.57% |
| | At the end of the year | | | 50000 | 0.56% |
| 7 | GANESH SRINIVASAN | | | | |
| | At the beginning of the year | 46800 | 0.53% | 46800 | 0.53% |
| | Increase during the year | 0 | 0.00% | 46800 | 0.53% |
| | Decrease during the year | 0 | 0.00% | 46800 | 0.53% |
| | At the end of the year | | | 46800 | 0.52% |
| 8 | VASUNDHARA GHORPADE | | | | |
| | At the beginning of the year | 26150 | 0.30% | 26150 | 0.30% |
| | Increase during the year | 0 | 0.00% | 26150 | 0.30% |
| | Decrease during the year | 0 | 0.00% | 26150 | 0.30% |
| | At the end of the year | | | 26150 | 0.29% |
| 9 | INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS | | | | |
| | At the beginning of the year | 25818 | 0.30% | 25818 | 0.30% |
| | Increase during the year | 0 | 0.00% | 25818 | 0.30% |
| | Decrease during the year | 100 | 0.00% | 25718 | 0.29% |
| | At the end of the year | | | 25718 | 0.29% |
| 10 | AUTHUM INVESTMENT AND INFRASTRUCTURE LIMITED | | | | |
| | At the beginning of the year | 0 | 0.00% | 0 | 0.00% |
| | Increase during the year | 25000 | 0.29% | 25000 | 0.29% |
| | Decrease during the year | 0 | 0.00% | 25000 | 0.29% |
| | At the end of the year | | | 25000 | 0.28% |

NOTE: Number of shares issued and paid-up increased from 87,50,000 (as on 01 April 2019) to 90,01,941 (as on 31 March 2020) consequent to allotment of 2,51,941 equity shares on 30 March 2020 to shareholders of Star Metallics and Power Private Limited pursuant to Scheme of Amalgamation of Star Metallics and Power Private Limited with The Sandur Manganese and Iron Ores Limited sanctioned by the Hon'ble National Company Law, Bengaluru Bench vide order passed on 04 March 2020.



The Sandur Manganese & Iron Ores Limited

(V) SHAREHOLDING OF DIRECTORS & KEY MANAGERIAL PERSONNEL

| Sl. No. | Name of the shareholder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|----------|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 1 | Nazim Sheikh - Managing Director* | | | | |
| | At the beginning of the year | 10090 | 0.12% | 10090 | 0.12% |
| | Purchase during the year | 1674 | 0.02% | 11764 | 0.13% |
| | Sale during the year | 0 | 0.00% | 11764 | 0.13% |
| | At the end of the year | | | 11764 | 0.13% |
| 2 | Rajnish Singh - Director (Corporate) | | | | |
| | At the beginning of the year | 993 | 0.01% | 993 | 0.01% |
| | Purchase during the year | 0 | 0.00% | 993 | 0.01% |
| | Sale during the year | 0 | 0.00% | 993 | 0.01% |
| | At the end of the year | | | 993 | 0.01% |
| 3 | Sachin Sanu - Chief Financial Officer | | | | |
| | At the beginning of the year | 800 | 0.01% | 800 | 0.01% |
| | Purchase during the year | 0 | 0.00% | 800 | 0.01% |
| | Sale during the year | 0 | 0.00% | 800 | 0.01% |
| | At the end of the year | | | 800 | 0.01% |
| 4 | Divya Ajith- Company Secretary | | | | |
| | At the beginning of the year | 0 | 0.00% | 0 | 0.00% |
| | Purchase during the year | 0 | 0.00% | 0 | 0.00% |
| | Sale during the year | 0 | 0.00% | 0 | 0.00% |
| | At the end of the year | | | 0 | 0.00% |

NOTE: 1. Acceding to the request of Nazim Sheikh, the Board of Directors has at its meeting held on 17 June 2020, relieved him from directorship and his position of Managing Director with effect from 17 June 2020.

2. Number of shares issued and paid-up increased from 87,50,000 (as on 01 April 2019) to 90,01,941 (as on 31 March 2020) consequent to allotment of 2,51,941 equity shares on 30 March 2020 to shareholders of Star Metallics and Power Private Limited pursuant to Scheme of Amalgamation of Star Metallics and Power Private Limited with The Sandur Manganese and Iron Ores Limited sanctioned by the Hon'ble National Company Law, Bengaluru Bench vide order passed on 04 March 2020.

V. INDEBTEDNESS

₹ lakh

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 0 | 0 | 0 | 0 |
| ii) Interest due but not paid | 0 | 0 | 0 | 0 |
| iii) Interest accrued but not due | 0 | 0 | 0 | 0 |
| Total (i+ii+iii) | 0 | 0 | 0 | 0 |
| Change in Indebtedness during the financial year | | | | |
| • Addition | 331.22 | 0 | 0 | 331.22 |
| • Reduction | 0 | 0 | 0 | 0 |
| Net Change | 331.22 | 0 | 0 | 331.22 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 331.22 | 0 | 0 | 331.22 |
| ii) Interest due but not paid | 0 | 0 | 0 | 0 |
| iii) Interest accrued but not due | 0 | 0 | 0 | 0 |
| Total (i+ii+iii) | 331.22 | 0 | 0 | 331.22 |



The Sandur Manganese & Iron Ores Limited

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:

₹ lakh

| Sl. No. | Particulars of Remuneration | Nazim Sheikh Managing Director | Rajnish Kumar Singh Director (Corporate) | Total Amount |
|---------|--|-----------------------------------|---|-----------------|
| 1 | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 45.60 | 26.52 | 72.12 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 94.78 | 53.07 | 147.85 |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | 0 | 0 | 0 |
| 2 | Stock Option | 0 | 0 | 0 |
| 3 | Sweat Equity | 0 | 0 | 0 |
| 4 | Commission - as % of profit | 16.51 | 16.51 | 33.00 |
| 5 | Others, please specify (Contributions) | 12.31 | 7.16 | 19.47 |
| | Total (A) | 169.20 | 103.26 | 272.46 |
| | Overall ceiling of 10% of net profit calculated in accordance with Section 198 of the Companies Act, 2013 for managerial remuneration payable to all its Whole-time directors | | | 1,807.22 |

B. Remuneration to other Directors

₹ lakh

| Particulars of remuneration | B. Ananda Kumar ¹ | S. S. Rao | K V Ramarathanam ¹ | G P Kundargi | Lakshmi Venkatachalam ¹ | Latha Pillai | Jagadish Rao Kote | Total Amount |
|--|---------------------------------------|--------------------------------------|----------------------------------|-------------------------------------|---------------------------------------|-----------------|----------------------|-----------------|
| 3. Independent Directors | | | | | | | | |
| Fee for attending board/ committee meeting | 5.90 | 8.90 | 5.90 | 8.90 | 6.30 | 5.80 | 7.40 | 49.10 |
| commission | 14.44 | 16.51 | 14.44 | 16.51 | 14.44 | 16.51 | 13.75 | 106.60 |
| Others, please specify | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| Total (1) | 20.34 | 25.41 | 20.34 | 25.41 | 20.74 | 22.31 | 21.15 | 155.70 |
| 4. Other Non-Executive directors | S. Y. Ghorpade¹ | Vatsala Watsa¹ | T R Raghunandan | P Anur Reddy¹ | H. L. Shah | | | |
| Fee for attending board/ committee meeting | 5.10 | 6.10 | 7.90 | 4.90 | 7.80 | | | 31.80 |
| commission | 14.44 | 14.44 | 16.51 | 14.44 | 13.75 | | | 73.58 |
| Others, please specify | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| Total (2) | 19.54 | 20.54 | 24.41 | 19.34 | 21.55 | | | 105.38 |
| Total(B) = (1)+(2) | | | | | | | | 261.08 |
| Total Managerial Remuneration (exclusive of sitting fees paid to the Directors) | | | | | | | | 180.18 |
| Overall ceiling as per the Companies Act, 2013 (1% of net profit calculated in accordance with Section 198, exclusive of sitting fees payable to directors) | | | | | | | | 180.72 |

¹ Relinquished directorship from the Board w.e.f. 01 February 2020 as per Board Restructuring Plan

C. Remuneration to Key Managerial Personnel other than Managing Director/ Manager/WTD

₹ lakh

| Sl. No. | Particulars of Remuneration | Sachin Sanu Chief Financial Officer | Divya Ajith Company Secretary |
|---------|---|--|----------------------------------|
| 1 | Gross Salary | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 6.68 | 3.26 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 17.63 | 8.24 |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | 0 | 0 |
| 2 | Stock Option | 0 | 0 |
| 3 | Sweat Equity | 0 | 0 |
| 4 | Commission - as % of profit | 0 | 0 |
| 5 | Others, please specify (Contributions) | 1.72 | 0.85 |
| | Total (C) | 26.03 | 12.35 |

VII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

The Company has not paid any amount by way of penalty/compounding charges

for and on behalf of the Board of Directors

T. R. Raghunandan,
Chairman
(DIN:03637265)

Place : Bengaluru
Date : 29 June 2020



The Sandur Manganese & Iron Ores Limited

Annexure – 'D'

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
THE SANDUR MANGANESE & IRON ORES LIMITED,
'SATYALAYA' Door No.266 (Old No.80),
Ward No. 1, Behind Taluk Office,
Sandur, Ballari, Karnataka - 583 119

I have conducted the Secretarial Audit of the compliance of specific applicable statutory provisions and the adherence to good corporate practices by **The Sandur Manganese & Iron Ores Limited** (hereinafter called "the Company") bearing CIN L85110KA1954PLC000759. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2020**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2020**, and made available to me, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. **(Not applicable during the audit period);**
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. **(Not applicable during the audit period);**
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. **(Not applicable during the audit period);**
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable during the audit period)** and
- h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 **(Not applicable during the audit period);**
- i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as 'SEBI (LODR) Regulations, 2015').

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited.

During the period under review based on the explanations and representations made by the Management, the Company has complied with the provisions of the Companies Act, 2013 Rules, Regulations, Guidelines, Secretarial Standards etc. thereunder, as mentioned above except in one instance where the e-form MGT-14 has been filed with the Registrar of Companies after due date and additional fee as prescribed has been paid.

During the period under review, based on the explanations and representations made by the Management, the



The Sandur Manganese & Iron Ores Limited

Company has complied with the provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment.

During the period under review, based on the explanations and representations made by the Management, it is observed that the Company had in general complied with the provisions of the SEBI Regulations, except the following:

During the audit period, the Company has delayed by six days submission of Secretarial Compliance Report with BSE Ltd in terms of Regulation 24A of SEBI (LODR) Regulations, 2015 read with Circular No. CIR/CFD/CMD1/27/2019 dated 08 February 2019.

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following Laws and the Rules thereunder applicable specifically to the Company.:

- (i) Mines and Minerals (Development and Regulation) Act, 1957;
- (ii) Mines Act, 1952;
- (iii) The Environment (Protection) Act, 1986;
- (iv) Air (Prevention and Control of Pollution) Act, 1981;
- (v) Water (Prevention and Control of Pollution) Act, 1974;
- (vi) Indian Forest Act, 1927;
- (vii) Karnataka Forest Act, 1963;
- (viii) Forest (Conservation) Act, 1980;
- (ix) Karnataka Mineral Policy 2008;
- (x) National Mineral Policy 2008;
- (xi) Explosives Act, 1884

During the period under review, based on the explanations and representations made by the Management, it is observed that the Company has complied with laws specifically applicable (provided herein above).

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

The Company has also a Woman Director on the Board. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance of the provisions of the Act.

Adequate notice has been given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and wherever it was not sent, a consent was obtained for shorter notice from the directors and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meeting, as represented by Management, were taken unanimously. I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

The Hon'ble National Company Law Tribunal, Bengaluru Bench has, vide its order dated 4th March 2020, sanctioned the Scheme of Amalgamation of Star Metallics and Power Private Limited (hereinafter called "Subsidiary Company") with the Company and their respective Shareholders and Creditors, with the appointed date 1st April 2019. As a result, the holding of 7,52,40,000 shares constituting 80.58% of the issued, subscribed and paid up share capital held by Company in Subsidiary Company stands cancelled and allotted 251941 equity shares to shareholders of Subsidiary Company on 30th March 2020.

Name and Signature : **N.D Satish**
Designation : Practicing Company Secretary
Stamp : FCS No. 10003; CP No.12400
UDIN : F010003B000410546

Date : 29 June 2020
Place : Bengaluru

Note: This report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report.



The Sandur Manganese & Iron Ores Limited

Annexure – 'A'

To,
The Members,

THE SANDUR MANGANESE & IRON ORES LIMITED,
'SATYALAYA' Door No.266 (Old No.80),
Ward No. 1, Behind Taluk Office,
Sandur, Ballary, Karnataka - 583 119

My report of even date is to be read along with this letter.

- (1) Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
- (2) I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that true facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis to strengthen my opinion.
- (3) I have not verified the accuracy, correctness and appropriateness of financial records and Books of Accounts of the Company.

- (4) Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- (5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
- (6) The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Name and Signature : **N.D Satish**

Designation : Practicing Company Secretary

Stamp : FCS No. 10003; CP No.12400

UDIN : F010003B000410546

Date : 29 June 2020

Place : Bengaluru

Note: As per SEBI circular No. CIR/CFD/CMD1/27/2019 dated on February 08, 2019, the Annual Secretarial Compliance Report annexed herewith and forms an integral part of this report.

SECRETARIAL COMPLIANCE REPORT

of The Sandur Manganese & Iron Ores Limited
CIN L85110KA1954PLC000759
for the year ended 31 March 2020

I, have examined,

- a) all the documents and records made available to us and explanation provided by **The Sandur Manganese & Iron Ores Limited,**
- b) the filings/ submissions made by the listed entity to the stock exchanges,
- c) website of the listed entity,
- d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended **31st March 2020** ("Review Period") in respect of compliance with the provisions of

- a. the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- b. the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:

- a. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; ("SEBI (LODR Regulations, 2015")
- b. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (there were no events requiring compliance during the review period);
- c. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- d. Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (there were no events requiring compliance during the review period);
- e. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (there were no events requiring compliance during the review period);



The Sandur Manganese & Iron Ores Limited

- f. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (there were no events requiring compliance during the review period);
- g. Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 (there were no events requiring compliance during the review period);
- h. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and circulars/ guidelines issued thereunder.

Based on the above examination, I hereby report that, during the Review Period:

- a) The listed entity has complied with the provisions of the above Regulations and circulars/guidelines issued thereunder, except in respect of matters specified below:

| Sr. No. | Compliance Requirement (Regulations/ circulars / guidelines including specific clause) | Deviations | Observations/ Remarks of the Practicing Company Secretary |
|---------|--|---|--|
| 1 | Regulation 24A of SEBI (LODR) Regulations, 2015 | The Company has delayed by six days submission of Secretarial Compliance Report with BSE Ltd in terms of Regulation 24A of SEBI (LODR) Regulations, 2015 read with Circular No. CIR/CFD/ CMD1/27/2019 dated 08 February 2019. | The Secretarial Compliance Report has been submitted by Company with BSE Ltd., on 06 June 2019 and the acknowledgement duly issued by BSE Ltd. |

- b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my examination of those records.
- c) The following are the details of actions taken against the listed entity/ its promoters/directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

| Sr. No. | Action taken by | Details of violation | Details of action taken E.g. fines, warning letter, debarment, etc. | Observations/ remarks of the Practicing Company Secretary, if any. |
|----------------|-----------------|----------------------|---|--|
| Not applicable | | | | |

- d) The listed entity has taken the following actions to comply with the observations made in previous reports:

| Sr. No. | Observations of the Practicing Company Secretary in the previous reports | Observations made in the secretarial compliance report for the year ended 31 st March 2019 | Actions taken by the listed entity, if any | Comments of the Practicing Company Secretary on the actions taken by the listed entity |
|---------|---|--|--|---|
| 1 | During the audit period, from 11 th August 2018 to 14 th November 2018 the Nomination and Remuneration Committee's (NRC) composition was not as per the requirement under Regulation 19 (2) of SEBI (LODR) Regulations, 2015. | The Company has paid the fine as required under Circular No. SEBI/HO/ CFD/CMD/ CIR/P/2018/77 dated May 03, 2018. Further, the Board of Directors corrected composition of Committee by appointing Independent Director as Chairman of NRC Committee on 14 th November 2018. | The Board of Directors corrected composition of Committee by appointing Independent Director as Chairman of NRC Committee on 14 th November 2018. | The Company duly complied the requirement of composition of NRC under Regulation 19 (2) of SEBI (LODR) Regulations, 2015. |

Name and Signature : **N.D Satish**
 Designation : Practicing Company Secretary
 Stamp : FCS No. 10003; CP No.12400
 UDIN : F010003B000410557

Date : 29 June 2020
 Place : Bengaluru



The Sandur Manganese & Iron Ores Limited

Annexure – 'E'

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

For us at The Sandur Manganese & Iron Ores Limited (SMIORE), reaching out to underprivileged community is part of our Philosophy and Culture. This entails transcending business interests and grappling with the "quality of life" challenges that under-served communities face, and working towards making a meaningful difference to them.

SMIORE, for over six decades, has been consciously contributing towards Social and Environmental improvement, and shall continue to do so in the future. As part of its Corporate Social Responsibility (CSR), the Company plans to undertake developmental activities, in the areas of Education, Healthcare, Sanitation, Community Development, Housing, Environment, Infrastructure etc, in the "buffer zone" around its mines, which comprises of 22 villages, and also, the town of Sandur.

The Company, as part of its SMIORE Education Programme, sponsors scholarships for children from Sandur Town and surrounding villages on means-cum-merit basis under the Sandur Vidya Protsaha Scholarships programme implemented by Karnataka Seva Sangha, a social service organization set up by late M. Y. Ghorpade. The Company also reimburses expenses over and above the Central and State Government Grants, to meet expenses of M. Y. Ghorpade Special Training Centre (MYGSTC) towards prevention of child labour.

The Company is also pursuing SMIORE Health and Sanitation Programme, which involves construction

of toilets in villages falling in the mining zones. The Company builds individual toilets as well as public toilets with 24/7 water and lighting.

Under the SMIORE Community Development Programme, the Company contributes towards various social initiatives like drilling of borewell, providing drinking water, preservation of culture, etc based on consultation with various stakeholders including the district and local Government authorities, Peoples Representatives, and local government bodies.

2. Composition of the CSR Committee:

In terms of Section 135 of the Companies Act, 2013, the Board of Directors of the Company constituted the CSR Committee at its meeting held on 29 March 2014.

During the year, the Committee was re-constituted on 27 May 2019 and on 05 March 2020 in light of changes in the composition of Board of Directors.

As on date of this Report, the Committee consists of the following:

- (i) H. L. Shah Chairman of the Committee
- (ii) T. R. Raghunandan Member
- (iii) Bahirji A. Ghorpade Member
- (iv) Rajnish Singh Member
- (v) Jagadish Rao Kote Member
- (vi) Md. Abdul Saleem Member
- (vii) Sachin Sanu Member



Community Toilet Block at Kammathuru Village



MYGSTC at Yeshwanthnagar



The Sandur Manganese & Iron Ores Limited

3. Average net profit of the Company for last three financial years:

The Company's average net profit for last three financial years 2016-17, 2017-18 and 2018-19 amounts to ₹154.16 crore.

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):

The Company is required to spend ₹3.08 crore during the financial year 2019-20.

5. Details of CSR spent for the financial year:

(a) Total amount spent for the financial year: ₹3.15 crore

(b) Amount unspent, if any: Nil

(c) Manner in which the amount spent during the financial year is detailed below:

₹ crore

| Sl. No. | CSR Project or activity identified | Sector in which the project is covered | Projects or programs (Location) | Amount Outlay (Budget) Project or Program Wise | Amount Spent on the project or program | Amount spent: Direct or through implementing agency |
|--------------|--|--|---------------------------------|--|--|---|
| 1 | SMIORE CSR Education Programme | Promotion of Education | Sandur, Ballari Dist. | 1.50 | 1.41* | Karnataka Seva Sangha (Implementing Agency) |
| 2 | | Prevention of Child Labour | Sandur, Ballari Dist. | 0.15 | 0.09 | Karnataka Seva Sangha (Implementing Agency) |
| 3 | SMIORE Health & Sanitation Programme | Toilet construction | Sandur, Ballari Dist. | 1.25 | 1.49 | Karnataka Seva Sangha (Implementing Agency) |
| 4 | SMIORE Community Development Programme | Community Development | Sandur, Ballari Dist. | 0.25 | 0.16** | Directly |
| Total | | | | 3.15 | 3.15 | |

* Includes ₹0.07 towards 5% admin. and handling charges.

** Community Development: Drinking water related - ₹ 0.04 crore, Sanitation related - ₹ 0.08 crore, Culture related - ₹ 0.03 crore, Others (Education) - ₹ 0.01 core.

6. Reasons for not spending the prescribed amount: Not Applicable

7. Responsibility Statement of the CSR Committee:

We affirm that that the implementation and monitoring of CSR Policy is in Compliance with CSR objectives and Policy of the Company.

for and on behalf of the Board and CSR Committee

Bahirji A. Ghorpade
Managing Director
Member, CSR Committee
DIN: 08452844

H. L. Shah
Chairman of the CSR Committee
DIN: 00996888

Date : 29 June 2020
Place : Bengaluru



The Sandur Manganese & Iron Ores Limited

Annexure – 'F'

Information pursuant to Section 134(3)(m) of the Companies Act, 2013,
read with Rule 8 of Companies (Accounts) Rules, 2014

| A. CONSERVATION OF ENERGY: | | |
|--|--|---|
| (i) | Energy conservation measures taken | : Use of energy efficient and star rated electrical equipment and use of CFL/LED lights, harnessing solar energy for lighting and other suitable uses. |
| (ii) | Steps taken by the Company for utilization of alternate sources of energy | : The Company has installed solar street lights, home lighting systems, solar pumps, off-grid and on-grid roof top solar plants at various suitable locations and installations of the Company, in aggregate about 400 Kw. With a focus to eliminate utilization of coal for power generation for ferro alloys production, the Company is in the process of making large investments to produce all the required power using waste heat from Coke Oven plant. The Waste Heat Recovery Boiler has potential to generate about 212 mu per annum and is classified as a co-generation plant. Between the period 20 February 2020 and 26 March 2020, about 9.2 million units (mu) of energy was generated from the flue gases. |
| (iii) | Capital Investment on energy Conservation Equipment | : ₹ 212.08 lakh |
| B. TECHNOLOGY ABSORPTION: | | |
| (i) | Efforts made in technology absorption | : NIL |
| (ii) | Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc. | : Not Applicable |
| (iii) | In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished: | : Not Applicable |
| | (a) Details of technology imported. | |
| | (b) Year of import. | |
| | (c) Whether the technology been fully absorbed | |
| | (d) If not fully absorbed, areas where absorption has not taken place, and the reasons therefore. | |
| (iv) | Expenditure incurred on Research and Development | : Not Applicable |
| C. FOREIGN EXCHANGE EARNINGS & OUTGO: | | |
| 1 | Foreign Exchange Earnings | : - |
| 2 | Foreign Exchange Outgo | : ₹ 6.08 lakh |



The Sandur Manganese & Iron Ores Limited

Annexure – 'G'

PARTICULARS OF EMPLOYEES

- 1 The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:

| | | |
|---|--------|-------------|
| Median remuneration of the employees of the Company | | ₹ 3.68 lakh |
| | ₹ lakh | Ratio |
| Nazim Sheikh | 169.19 | 45.97 |
| Rajnish Kumar Singh | 103.26 | 28.05 |

- 2 The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

| | 2019-20 (₹ in lakh) | 2018-19 (₹ in lakh) | % Increase |
|---|------------------------|------------------------|----------------|
| Nazim Sheikh, Managing Director | 169.19 | 167.39 | 1.08% |
| Rajnish Kumar Singh, Director (Corporate) | 103.26 | 107.07 | 3.56% |
| Sachin Sanu, Chief Financial Officer | 26.03 | 25.27 | 3.01% |
| Divya Ajith, Company Secretary | 12.35 | 12.08 | 2.24% |
| Total | 310.84 | 311.81 | (0.31)% |

- 3 The percentage increase in the median remuneration of employees in the Financial year:

| 2019-20 | 2019-20 (₹ in lakh) | 2018-19 (₹ in lakh) | % Increase |
|----------------------------------|------------------------|------------------------|------------|
| Median remuneration of employees | 3.68 | 3.59 | 2.51% |

- 4 Number of permanent employees on the rolls of company as on 31 March 2020: 2339

- 5 Average percentile increase, already made in the salaries of employees' other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

- | | |
|--|---------|
| a. Average percentile increase, already made in the salaries of employees other than managerial remuneration | 2.51% |
| b. Percentile increase in the managerial remuneration | (0.31)% |

- 6 Affirmation that the remuneration is as per the remuneration policy of the Company: Yes



The Sandur Manganese & Iron Ores Limited

7. NAMES OF THE TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN:

| Sl. No. | Name of the Employee | Designation of the employee | Remuneration received (₹ in Lakh) | Nature of employment, whether contractual or otherwise | Qualification and experience of the employee | Date of commencement of employment | Age of employee (in yrs.) | Last employment held by the employee before joining the company | % of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) | Whether the employee is a relative of any director or manager of the company and if so, name of such director or manager |
|---------|-----------------------|---------------------------------------|-----------------------------------|--|---|---|---------------------------|---|---|--|
| 1 | Nazim Sheikh | Managing Director | 169.19 | Permanent | B. E., 44 Years | 02 August 1976 | 66 | -- | -- | -- |
| 2 | Rajnish Kumar Singh | Director (Corporate) | 103.26 | Permanent | B. E., PGDM 28 Years | 14 June 2017 | 51 | Executive Vice President, Kotak Mahindra Bank | -- | -- |
| 3 | P. Sridaran | Sr.VP (Plant) | 42.01 | Permanent | B. E. 43 Years | 01 February 2016 (upto 26 October 2019) | 70 | Star Metalics & Power Pvt. Ltd. | -- | -- |
| 4 | Md. Abdul Saleem | Vice President (Mines) | 37.67 | Permanent | Bcom, LLB, FCS 21 Years | 01 September 2005 | 46 | Company Secretary, VBC Ferro alloys Limited | -- | -- |
| 5 | Tamil Mani M. | Vice President (Iron & Steel Project) | 35.46 | Permanent | B. E., 32 Years | 01 August 2016 | 54 | Asst. Vice President, Jindal Stainless Ltd. | -- | -- |
| 6 | Aditya S. Ghorpade | Vice President (Plant Operations) | 35.58 | Permanent | B, Com., Diploma in Comp. Appl. 27 Years | 16 August 1993 | 52 | -- | -- | Son of S. Y. Ghorpade |
| 7 | Mubeen A Sheriff | Senior General Manager (Commercial) | 31.59 | Permanent | B. E., 18 Years | 01 June 2013 | 41 | Deputy General Manager (Commercial) Star Metalics & Power Pvt. Ltd. | -- | Son-in-law of Nazim Sheikh |
| 8 | H. Yellappa | General Manager (Mines) | 27.37 | Permanent | Dip in Mining, 1st Cls Cert 33 Years | 09 April 1987 | 63 | -- | -- | -- |
| 9 | Jayaprakash V. | Head production Mines | 28.27 | Permanent | Dip in Mining and Mines Survey 1st Cls Mines Manager 33 Years | 01 July 2002 | 57 | General Foreman Officer, Bharat Gold Mines Limited | -- | -- |
| 10 | Sachin Dattatray Sanu | Chief Financial Officer | 26.01 | Permanent | B. Com ACA 19 Years | 01 March 2013 | 41 | Deloitte Haskins & Sells | -- | -- |



The Sandur Manganese & Iron Ores Limited

8. NAME OF EVERY EMPLOYEE, WHO:

(i) employed throughout the financial year, was in receipt of remuneration for the year, in the aggregate, was not less than Rupees one crore and two lakh:

| Sl. No. | Name of the Employee | Designation of the employee | Remuneration received (₹ in Lakh) | Nature of employment, whether contractual or otherwise | Qualification and experience of the employee | Date of commencement of employment | Age of employee (in yrs.) | Last employment held by the employee before joining the company | % of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) | Whether the employee is a relative of any director or manager of the company and if so, name of such director or manager |
|---------|----------------------|-----------------------------|-----------------------------------|--|--|------------------------------------|---------------------------|---|---|--|
| 1 | Nazim Sheikh | Managing Director | 169.19 | Permanent | B. E. 44 Years | 2 August 1976 | 66 | -- | -- | -- |

(ii) employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than Rupees eight lakh fifty thousand per month:

| Sl. No. | Name of the Employee | Designation of the employee | Remuneration received (₹ in Lakh) | Nature of employment, whether contractual or otherwise | Qualification and experience of the employee | Date of commencement of employment | Age of employee (in yrs.) | Last employment held by the employee before joining the company | % of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) | Whether the employee is a relative of any director or manager of the company and if so, name of such director or manager |
|---------|----------------------|-----------------------------|-----------------------------------|--|--|------------------------------------|---------------------------|---|---|--|
| 1 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |

(iii) If employed throughout the financial year / part thereof, was in receipt of remuneration in the year which, in aggregate, or as the case may be, at a rate which, in aggregate, is in excess of that drawn by the Managing Director or Whole-time Director or Manager and holds by himself or along with his spouse and dependent children, not less than 2% of equity shares of the Company:

| Sl. No. | Name of the Employee | Designation of the employee | Remuneration received (₹ in Lakh) | Nature of employment, whether contractual or otherwise | Qualification and experience of the employee | Date of commencement of employment | Age of employee (in yrs.) | Last employment held by the employee before joining the company | % of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) | Whether the employee is a relative of any director or manager of the company and if so, name of such director or manager |
|---------|----------------------|-----------------------------|-----------------------------------|--|--|------------------------------------|---------------------------|---|---|--|
| 1 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |

for and on behalf of the Board of Directors

T. R. Raghunandan,
Chairman
(DIN:03637265)

Place : Bengaluru
Date : 29 June 2020



The Sandur Manganese & Iron Ores Limited

BUSINESS RESPONSIBILITY REPORT [As per Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

“All that we get (earn) from the soil of Sandur in one form or the other should be primarily used to benefit Sandur.... The Mining Lease is something that has to be held in Trust for the benefit of those who are working so hard for so many years, with so much faith and determination. This is not anybody’s private property, but a sacred social responsibility, in which each one of us has to function as Trustee for the toiling workforce.”

- Shri M. Y. Ghorpade, Founder Patron

Section A: General Information about the Company

| | | |
|---|---|---|
| 1 | Corporate Identity Number (CIN) | L85110KA1954PLC000759 |
| 2 | Name of the Company | The Sandur Manganese & Iron Ores Limited (SMIORE) |
| 3 | Registered address | 'SATYALAYA', Door No. 266 (Old No. 80), Ward No. 1, Behind Taluka Office, Sandur - 583119, Ballari District, Karnataka, Tel: 08395 260301, Fax: 08395 260473 |
| 4 | Website | www.sandurgroup.com |
| 5 | E-mail id | secretarial@sandurgroup.com |
| 6 | Financial Year reported | 2019-20 |
| 7 | Sector(s) that the Company is engaged in (industrial activity code-wise) | (a) Mining of Manganese Ore (NIC Code 07293) (b) Mining of Iron Ore (NIC Code 07100) (c) Manufacture of Ferro-alloys (NIC Code 24104) (d) Generation of Power (Captive consumption) (NIC Code 35102) |
| 8 | List three key products/ services that the Company manufactures/provides (as in balance sheet): (a) Number of International Locations (Provide details of major 5) (b) Number of National Locations | (a) Mining of Manganese Ore (b) Mining of Iron Ore (c) Manufacture of Ferro-alloys Nil Karnataka |
| 9 | Markets served by the Company – Local/State/ National/International | Local / State / National |

Section B: Financial Details of the Company

| | | |
|---|---|--|
| 1 | Paid up Capital (INR) | ₹900.19 lakh |
| 2 | Total Turnover (INR) | ₹59,161 lakh |
| 3 | Total profit after taxes (INR) | ₹14,739 lakh |
| 4 | Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) | 2.14% |
| 5 | List of activities in which expenditure in 4 above has been incurred | 1) Promotion of Education 2) Prevention of Child Labour 3) Health and Sanitation 4) Community Development |

Section C: Other Details

| | | |
|---|---|--|
| 1 | Does the Company have any Subsidiary Company/ Companies? | No.* * Refer note no.38 forming part of financial statements. |
| 2 | Does the Subsidiary Company/ Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s): | Not Applicable |
| 3 | Do any other entity/ entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]: | Business Responsibility Reporting has become applicable for the year ended 31 March 2020. The Company encourages other entities that the Company does business with to independently undertake BR initiatives similar to the ones undertaken by the Company. More than 60% of such entities participate in the BR initiatives. |

Section D: Business Responsibility (BR) Information

| | |
|---|------------------------|
| 1 Details of Director/Directors responsible for BR* | |
| (a) Details of the Director/Director responsible for implementation of the BR policy/policies | |
| 1, DIN Number | 00061497 |
| 2, Name | Md. Abdul Saleem |
| 3, Designation | Director (Mines) |
| (b) Details of the BR head | |
| 1, DIN Number | 00061497 |
| 2, Name | Md. Abdul Saleem |
| 3, Designation | Director (Mines) |
| 4, Telephone number | +91 8395 271127 |
| 5, E-mail id | saleem@sandurgroup.com |

* Business Responsibility Reporting has since become applicable only now, the Board of Directors has approved the Business Responsibility Report for the year ended 31 March 2020 and appointed Md. Abdul Saleem – Director (Mines) as the BR head, responsible for implementation of the BR policy/policies of the Company.

2. Principle-wise (as per NVGs) BR Policy/policies:

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted the following nine areas of Business Responsibility:



The Sandur Manganese & Iron Ores Limited

| | |
|---------------------|---|
| Principle 1: | Businesses should conduct and govern themselves with Ethics, Transparency and Accountability |
| Principle 2: | Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle |
| Principle 3: | Businesses should promote the wellbeing of all employees |
| Principle 4: | Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized |
| Principle 5: | Businesses should respect and promote human rights |
| Principle 6: | Businesses should respect, protect, and make efforts to restore the environment |
| Principle 7: | Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner |
| Principle 8: | Businesses should support inclusive growth and equitable development |
| Principle 9: | Businesses should engage with and provide value to their customers and consumers in a responsible manner |

| | | | | | | | | | | |
|-----|---|---|---|---|---|---|---|---|---|---|
| 8. | Does the Company have in- house structure to implement the policy/ policies | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 9. | Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to policy/policies? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 10. | Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency? (Refer Note 4) | Y | Y | Y | Y | Y | Y | Y | Y | Y |

(a) Details regarding the above 9 principles (P1 to P9) is given below [Reply in Yes/No (Y/N)]:

| S. No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|--------|---|---|----|----|----|----|----|----|----|----|
| 1. | Do you have policy/ policies for... (Refer Note 1) | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 2. | Has the policy been formulated in consultation with relevant stakeholders? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 3. | Does the policy conform to any national / international standards? If yes, specify. | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 4. | Has the policy been approved by the Board? If yes, has it been signed by the MD/ owner/ CEO/ appropriate Board Director? (Refer Note 2 below) | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 5. | Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 6. | Indicate the link to view the policy online? (Refer Note 3) | https://www.sandurgroup.com/Policies.html | | | | | | | | |
| 7. | Has the policy been formally communicated to all relevant internal and external stakeholders? | Y | Y | Y | Y | Y | Y | Y | Y | Y |

¹ SMIORE has the following policies covering the nine principles:

Principle 1: Ethics Policy; Code of Conduct for Directors and Senior Management; Vigil Mechanism / Whistle-Blower Policy; Code of Conduct to Regulate, Monitor and Reporting of Trading by Designated Persons and their immediate relatives; Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

Principle 2: Tryst with SMIORE – An informal Will of Shri. M. Y. Ghorpade; Quality, Environmental, Occupational Health and Safety (QEOHS) Policy

Principle 3: HR Policies; Quality, Environmental, Occupational Health and Safety (QEOHS) Policy; Policy on Prevention of Sexual Harassment (POSH)

Principle 4: Corporate Social Responsibility Policy; Tryst with SMIORE – An informal Will of Shri. M. Y. Ghorpade; Policy on Prevention of Sexual Harassment

Principle 5: Human Resource (HR) Policies; Quality, Environmental, Occupational Health and Safety (QEOHS) Policy; Policy on Prevention of Sexual Harassment

Principle 6: Quality, Environmental, Occupational Health and Safety (QEOHS) Policy; Environmental Clearances for Mines and Plant; Supplementary Environment Mining Plant for mines

Principle 7: Quality, Environmental, Occupational Health and Safety (QEOHS) Policy

Principle 8: Corporate Social Responsibility Policy; Tryst with SMIORE – An informal Will of Shri. M. Y. Ghorpade

Principle 9: Quality, Environmental, Occupational Health and Safety (QEOHS) Policy

² All the Policies have been approved by the Board of Directors, except Ethics Policy, HR Policies and Policy on Prevention of Sexual Harassment which have been approved by the Managing Director.

³ All the Policies are available on the website except HR Policies and Tryst with SMIORE – An informal Will of Shri. M. Y. Ghorpade, Environmental Clearances for Mines and Plant, SEMP for Mines.

⁴ Evaluation of the Policies is undertaken periodically by the internal auditors, secretarial auditors and/or statutory auditors.



The Sandur Manganese & Iron Ores Limited

If answer to S. No.1 against any Principle, is 'No', please explain why: (Tick up to 2 options)

| S. No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|--------|---|----------------|----|----|----|----|----|----|----|----|
| 1. | The Company has not understood the Principles | NOT APPLICABLE | | | | | | | | |
| 2. | The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles | | | | | | | | | |
| 3. | The Company does not have financial or manpower resources available for the task | | | | | | | | | |
| 4. | It is planned to be done within next 6 months | | | | | | | | | |
| 5. | Any other reason (please specify) | | | | | | | | | |

3. Governance related to Business Responsibility

| | | |
|----|--|---|
| 1. | Indicate the frequency with which the Board of Directors, Committees of the Board or CEO to assess the BR performance of the Company. | Business Responsibility Reporting has become applicable only now. Presently, assessment of the Business Responsibility performance is carried out by the Managing Director and will be periodically reviewed by the Board of Directors/Committees henceforth. |
| 2. | Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published? | Business Responsibility Report can be viewed as part of Annual Report and is available online at https://www.sandurgroup.com/Annual-Report.html |

Section E: Principle-wise Details:

Principle 1: **Businesses should conduct and govern themselves with Ethics, Transparency and Accountability**

The Company believes in conducting its affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethics in dealing with all the stakeholders that include employees, customers, suppliers, government and the community.

| | | |
|-----|--|--|
| 1.1 | Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs /Others? | The policies relating to ethics, bribery and corruption covers the Company and extends to a large numbers of contractors/ service providers. |
| 1.2 | How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? | During the financial year 2019-20, no complaints were received from any of the Company's stakeholders. |

Section E: Principle-wise Details:

Principle 1: **Businesses should conduct and govern themselves with Ethics, Transparency and Accountability**

The Company believes in conducting its affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethics in dealing with all the stakeholders that include employees, customers, suppliers, government and the community.

Principle 2: **Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle:**

'Sustainable development' basically means economic and social development that endures over the long-term and its core ethic is intergenerational equity. The Company is committed to Sustainable Development in the cause of Society ensuring a safe and good future for employees and their coming generations as has been demonstrated for more than 6 decades as third/fourth generation employees are in service of the Company. Upholding sustainable practices is core to our operations at SMIORE.

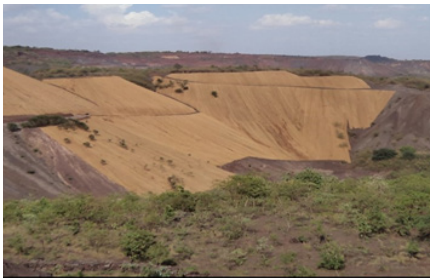
Ministry of Mines, Government of India has awarded 5 Star Rating to our mines based on the assessment of parameters of Sustainable Development Framework (SDF) prescribed by the India Bureau of Mines (IBM). On the first occasion during 2014-15 we were the only Mining Lessee to have been awarded 5 Star Rating in the State of Karnataka and were among the only three Iron Ore Mining Lessees in the country to receive Five Star Rating. Thereafter, we have been awarded 5 Star Rating during 2015-16 and 2016-17 also. Further, based on the template filed by the Company, duly inspected and verified by the IBM, we have once again qualified for being awarded 5 Star Rating by the Ministry of Mines, Government of India during 2017-18 and 2018-19. Based on the template filed by the Company, we have qualified for being awarded 5 Star Rating during 2019-20 and the same is yet to be verified and confirmed by the IBM.

The Sustainable Development Unit (SDU) at the Unit level - comprises of Technical, Financial, CSR, HRD, Environment heads to ensure implementation of Sustainable Development principles. These principles include elements such as intra and inter-generational equity, the precautionary principle, scientific operations, environmental management and socio-economic impacts, creation of social and physical infrastructure through stakeholder engagement.

SMIORE has always laid special emphasis on scientific operations, safety, afforestation and environment protection. SMIORE has won several awards for safety and environmental protection at the State and National levels. SMIORE's culture and philosophy of utmost regard



The Sandur Manganese & Iron Ores Limited



Coir Mat on Waste Dump

and respect to the various statutes and rules, has held the Company in good stead. The Government of India had appointed a committee, popularly known as Vasudeva Committee to study Manganese Ore Mining Procedures in India. The Report of the Committee, published in 1965, significantly noted: *“Although in the 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 such as mines controlled by Manganese Ore India Limited, M/s. Sandur Manganese and Iron Ores Limited and a few other companies who have planned the lay-out of their mines in a systematic manner.”*

2.1 List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

- a. Manganese Ore
- b. Iron Ore
- c. Ferro-alloys

Both Socio-economic assessment and Environmental Impact Assessment have formed an integral part of the process of granting/renewal of mineral concession and the Environment Clearance for setting up/upgradation of Ferroalloys Plant, Power Plant and the Steel Plant. The Company implements the approved development plans in the local area of its operations.

2.2 For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product:

a. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?.

The Company endeavors optimum consumption of resources such as electricity, fuel oil, lubricant oil, raw material and water. Energy audits are routinely carried out, both at the mines and plant, and the recommendations implemented. The energy audits also help in identifying and prioritising energy efficient technological measures and savings opportunities.

b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Not applicable, since our products are intermediary products for manufacture of steel and allied products.

2.3 Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

No raw material sourcing is required for our mining operations. In the case of ferro-alloys production major portion (about 79%) of strategic raw material (like thermal coal) is transported through rail which is more energy efficient than road transportation.

2.4 Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Apart from direct employment of skilled and unskilled persons from the local villages in both mining and ferroalloy operations, the Company also creates employment opportunities in transportation (road transport) business. The Company encourages deployment of transport trucks and machineries owned by local villagers. In addition, small contracts for civil works, supply of water, services like material handling (loading/unloading), waste haulage, maintenance contracts etc., are largely offered to the local people depending upon their knowledge and ability.

2.5 Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

All waste oil generated in the manufacturing process is collected through drain ports and stored in leak proof drum before being disposed off to agencies duly authorized for recycling.



The Sandur Manganese & Iron Ores Limited



Sewage Treatment Plant



M-sand unit



Fly-ash brick unit

The Company's water management plan includes rainwater harvesting, a water target to improve the efficiency and recycling of used water from the kitchens, bathrooms and laundry, and a water risk review to assess risks and opportunities associated with biodiversity. Recycled water (including from Sewage Treatment Plant) is used for dust suppression caused by vehicular traffic.

The Company has tied up with cement plants to sell upto 70% of the total fly ash generated and also, has enabled a vendor to set up a fly ash brick plant of capacity 36,00,000 (36 lakh) bricks per annum close to the fly ash silo within the Metal and ferro-alloys Plant premises (MFA), thereby eliminating environment problems associated with disposal of fly ash. Likewise, the Company has enabled a vendor to set up a M-sand unit within the plant premises using ferroalloys slag.

The Company's MFA plant is a 'Zero' discharge plant. The blow down water from the power plant is re-used in the quenching of coke. Treated water is re-used /recycled in Coke oven quenching system. Coke fines generated in quenching becomes wet and are collected in settling pond and recycled. All process waste water generated inside the plant at different points (Ferro-alloys and Coke Oven) are recycled in settling ponds. Waste water generated from various processes is recycled back or used for dust suppression & green belt development. No water is discharged outside the plant.

These initiatives have enabled us to recycle/re-use 100% of our waste generated.

Principle 3: **Businesses should promote the wellbeing of all employees**

Several welfare programmes have been carefully planned and effectively implemented over the years under the guidance of Company's founder Patron Shri M. Y. Ghorpade, for more than 3000 direct and indirect employees. The welfare programmes are tailored with priority for right to food, clothing, housing, medical care and education.

The welfare programmes include:

- o Subsidized LPG (cooking gas) - 8 cylinders a year with upto 90% subsidy over Govt. subsidized rates;
- o Free solar heated water;
- o Free Electricity to employees in Company Colonies;
- o Free consultation and medication at Dispensaries and Hospitals at Sandur, Mining Camps at Deogiri & S.B. Halli, Swamihalli & Yeshwanthnagar, and Occupational Health Centre at the Plant;
- o Medical expenses entitlement - 20% of annual salary every year over and above the requirement of chronic ailment medication at subsidized cost for employees and their dependents;
- o Generous and almost full reimbursement of cost of treatment/surgeries in case of major ailments for employees and their dependants;
- o Festival gifts for Ugadi, Deepavali, Ramzan and Christmas;
- o Cash gift for clothing - ₹2000 to ₹12,500 to every employee every year;
- o Cash gift for marriage of employees and their children - ₹10,000 to ₹1 lakh;
- o Scholarships to meet total fee (based on Government fee) for PUC, Degree courses, Engineering, Medicine; and other professional courses;
- o Scholarships for study in Sandur Residential School, Sandur Polytechnic and SMIORE PU College; and
- o Funeral expenses and financial help in the event of death in family.

The most popular welfare programme of SMIORE, implemented effectively and continuously sustained for the last five decades, is supply of subsidised food grains at prices prevalent in 1972. The Company provides to all its employees (2339 in all) the facility of a Ration Card which entitles every employee to a package of 16 essential food commodities, which is sufficient for a family of about 5 for a month, at a cost of ₹145/- for the whole package, as against the actual cost of about ₹3,250/-, thus, largely insulating them from inflation and protecting their real wages and quality of life.



The Sandur Manganese & Iron Ores Limited

The various types of Ration Card and the entitlement of food items under each Ration Card are as given below:

| S. No. | Commodity | Kg/Ltr |
|--------|------------------------|--------|
| (a) | Rice | 30 |
| (b) | Jowar | 20 |
| (c) | Wheat | 5 |
| (d) | Toor Dal | 3 |
| (e) | Jaggery | 2 |
| (f) | Groundnut Oil | 2 |
| (g) | Gram Dal | 1 |
| (h) | Chillies | 1 |
| (i) | Rava | 2 |
| (j) | Sun Flower Oil | 1 |
| (k) | Sugar | 1 |
| (l) | Urad Dal | 1 |
| (m) | Beaten Rice (medium) | 1 |
| (n) | Moong Dal | 1 |
| (o) | Groundnuts | 0.5 |
| (p) | Puttane (roasted gram) | 0.5 |

Through the Food Security Scheme, the Company provides a subsidy of nearly ₹9 crore per annum.

Food Security



Dispensary and Hospital at Mines



Details of Employees of the Company are as under:

| | | | | |
|-----|---|---|------------------------------------|--------------------------------------|
| 3.1 | Total number of employees | 2339 | | |
| 3.2 | Total number of employees hired on temporary/contractual/ casual basis | - | | |
| 3.3 | Number of permanent women employees | 185 | | |
| 3.4 | Number of permanent employees with disabilities | 09 | | |
| 3.5 | Do you have an employee association that is recognised by management? | Yes – SMIORE Workers Union is registered body with Registration No.32/BD dated 26 July 1969 and is affiliated to Indian National Trade Union Congress (INTUC) with affiliation No.4442 dated 30 December 1972 | | |
| 3.6 | What percentage of your permanent employees is members of this recognized employee association? | 96.85% | | |
| 3.7 | Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year | Category | Complaints filed during FY 2019-20 | Complaints pending during FY 2019-20 |
| | | Child labour / forced labour / Involuntary labour | Nil | Nil |
| | | Sexual harassment | Nil | Nil |
| | | Discriminatory employment | Nil | Nil |
| 3.8 | What percentage of under-mentioned employees were given safety & skill upgradation training in the last year? | Category | Safety Training | Skill Upgradation Training |
| | | Permanent Employees | 100% | 20% |
| | | Permanent Women Employees | 100% | 20% |
| | | Casual / Temporary / Contractual Employees | NA | NA |
| | | Employees with disabilities | 100% | NIL |



The Sandur Manganese & Iron Ores Limited

Principle 4: **Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized**

Over the years, the Company has made a concerted effort to align the interests of local communities in the areas that the Company operates, on the basis of mature and respectful partnership. The Company recognizes that it must engage in consultation with local community stakeholders at all the stages of its operations, including mine closure and post-closure activities. Continuous consultations are carried out with local communities in the buffer zone of the mining lease and the surroundings of the Plant during various stages of operations that could impact/affect their lives. The Company engages in robust focus group discussions with community leaders and local community stakeholders to address different areas of concern and sharing of information.

Dedicated community liaison teams maintain regular and open dialogue with stakeholders, particularly local communities and undertake various community-related initiatives including preferential employment of local people, training and skill-development of locals, promoting and assisting local small businesses and self-help activities.



Consultation with Kammathuru villagers at Community Hall after adoption of Kammathuru village



New CC road from SK Temple to Deogiri work under progress

Based on one such stakeholders consultation, the Company has, in the interest of public, undertaken construction of 35 kilometres of external roads at a cost of ₹ 85 crore to mitigate the impact of dust due to transportation of ores through trucks. The cost of construction of these external roads is being shared by other mining lessees and customers in the region.

Company's sustained efforts in the direction of socio-economic reconstruction and service, over the years, has set the tone and road map for the Company's progressive growth.

4.1 Has the company mapped its internal and external stakeholders? Yes/No

Yes, the Company has mapped its internal and external stakeholders for the purpose of stakeholder engagements. The key stakeholders include the following:

- (a) Government and Regulatory Authorities;
- (b) Customers;
- (c) Shareholders;
- (d) Employees;
- (e) Local Community; and
- (f) NGO's and other stakeholders.

4.2 Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

Yes. The Company engages in robust consultation with local government bodies, people's representatives, district and local Government authorities and surveys to identify the disadvantaged, vulnerable & marginalized stakeholders as beneficiaries for Company's scholarship programmes, health and sanitation programmes like toilet construction, health camps for cancer detection, woman and child care including prevention of child labour, cardiac care, pediatrics, orthopaedics and ENT including specialized eye care.

SMIORE has always been benevolent in providing employment to locals in and around Sandur, Mines and Plant. The Company strives to give proportionate and fair representation to various communities and castes. It endeavours to achieve gender equality and provide more opportunities to girls/women. The Company has also provided employment to many young widows, for them to have a decent life, by introducing lady security guards for taking care of children in the schools supported by the Company. Preference is given to differently-abled and transgender candidates.



The Sandur Manganese & Iron Ores Limited



Lady Security Guards



Rural Health Camps by Arogya

4.3 Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

SMIORE has consistently done its bit in the welfare of the area and the surrounding villages. Education and Health are the thrust areas in which SMIORE has paid special attention. Some of the noteworthy social service activities of the Company are as follows:

- o Support to educational institutions, Primary Schools, High Schools, Pre–University Colleges and a Polytechnic, which together represent about 5500 students and about 250 teachers.
- o Scholarships for studies to needy and meritorious students.
- o Free Vocational Training for better Employability to local boys and girls in trades such as Electrical Wiring, TV Repair, Welding, Fitting, Plumbing, Carpentry, Masonry, Horticulture and Computer Operation.
- o Aid to Special Training Centre for rural children’s education and prevention of child labour. Cash incentives to such parents to leave their children for study in such schools.
- o SMIORE Academy of Teachers Training for teachers.
- o Free mid-day meals for about 1200 school children in neighbouring village schools;
- o Dispensaries and hospitals in employee colonies and also almost a full-fledged hospital in Sandur, with special emphasis on eye care, woman and child care, and regular specialty treatment camps by expert doctors.
- o Free eye camps 3 to 4 times every year. Financial help and arrangement for medical care to patients from poor families suffering from major ailments.

- o Outreach programmes for primary eye and health check-up in the neighbouring villages.
- o Construction of houses for flood affected victims.
- o Contributions for development works in Ballari District.
- o De-silting of lakes around the mines and other locations.
- o Repair and Construction of roads in local areas.
- o Support to the Sandur Kushala Kala Kendra (SKKK) for nurturing traditional art and craft and for creation of opportunities for supplemental income to dependents of employees and local artisans, especially tribal and backward women of the area.
- o A multipurpose hall, Adarsha Community Centre, provided almost free of charge to employees and local population of Sandur, for marriages and other events.
- o Immediate relief to fire accident victims of surrounding villages by way of free cloth, food grains, etc.
- o Medical help to victims of man-animal conflict in Ballari district.

Principle 5: **Businesses should respect and promote human rights**

5.1 Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

The Company upholds fundamental human rights in its human resource practices/ policies while dealing with its direct and indirect employees. Human Rights are a fundamental precept of all Company policies. The Company also mandates its suppliers/contractors etc. to ensure compliance with various applicable labour statutes in respect of their employees/workers.



The Sandur Manganese & Iron Ores Limited

The Company caters to the right of the employees to work in just and favourable conditions (safe and healthy) and upholds the dignity of every individual associated with it. Policy on Prevention of Sexual Harassment (POSH) of Company, promotes a free, fair and discrimination free working environment for employees and provides a mechanism for raising concerns and resolution of disputes.

The Company has a 'Quality, Environmental, Occupational Health and Safety Policy'. The Company's Occupational Health & Safety Management Systems are in conformity with the OHSAS 18001:2007 Standards.

5.2 How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No stakeholder complaints were received in the past financial year.

Principle 6: **Business should respect, protect, and make efforts to restore the environment**

As part of the Reclamation & Rehabilitation (R&R) Plan prescribed by the Indian Council of Forestry Research & Education (ICFRE) as per the orders of the Hon'ble Supreme Court, SMIORE is implementing Supplementary Environment Management Plan (SEMP) at an estimated cost of about ₹71 crore by undertaking (1) Waste Dump Management - consolidation and geo-textile greening, construction of toe walls, retaining walls and gully plugs; (2) Water Flow Management - constructing drains, dams, silt settling and water harvesting pits; and (3) Green Cover Management - plantations and avenue trees.

Environmental impacts throughout the operations is minimized through the adoption of effective environmental management which includes the following elements:

- o Environmental Impact Assessment (EIA) and preparation of Environment Management Plan (EMP) both during mine planning and in the process of implementing projects at the Plant;
- o Economically viable mineral development within the carrying capacity of the Environment
- o Scientific mining with efficiency-increasing technologies, mining and management practices
- o Biodiversity management including mitigating the effects on flora and fauna and preventing pollution of rivers, streams and creeks;
- o Pollution control in respect of airborne contaminants, noise and vibration;

- o Management of hazardous substances including process reagents, oil and fuel;
- o Management of water including that generated during mining operations, mineral handling and processes, ferroalloy operations etc.

Environmental Impact Assessment (EIA) has been carried out and an Environment Management Plan (EMP) prepared for the Mines and the Plant. Through this EIA/EMP Report, an attempt has been made to identify and list all possible aspects, which could generate significant impact on different environmental attributes during various phases of operations and the implementation of the Projects. An Environment Management Cell (EMC) has been set up, which is responsible for ensuring compliance with Environment Management Plans for the Mines and MFA Plant.

EMC undertakes monitoring of the environmental pollution levels by measuring fugitive emissions, ambient air quality, water and effluent quality, noise level etc., either departmentally or by appointing external agencies wherever necessary. In case, the monitored results of environmental pollution are found to exceed the allowable values, the EMC suggests remedial action and ensure that the same are implemented through the concerned officers in-charge of respective operations. EMC coordinates all the related activities such as collection of statistics with respect to the health of workers, population of the region, afforestation and green belt development/ plantation.

EMC carries out periodic audits and routinely report to the person heading the Mines/Plant. Further, non-compliances/ infringements of the forest and environment laws, if any, are required to be brought to the notice of the head of the Mines/Plant. The EMC lays down Standard Operating Procedures for implementing the Environment Management Plan and bring to the notice of the Committee any non-compliances/infringements and appropriate remedial measures thereof. EMC prepares half-yearly reports on EC Compliance for submission to the Ministry of Environment, Forests and Climate Change (MOEFCC).

The EMC checks the operation of Pollution Control Equipment, Waste Management, Greenery Management, regular compliance to conditions of Environment Clearance (EC), Forest Clearance (FC), Consent for Establishment (CFE) and Consent for Operation (CFO), maintenance of statutory documents, regular statutory audit and arranges trainings related to Environmental Protection etc.



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The Company is maintaining a green cover over about 250 hectares in the mining lease area and is in the process of developing green cover over 45 hectares within its MFA Plant by developing and maintaining in-house nurseries with about 2.5 lakh saplings consisting of variety of native species. The MFA plant also has an in-built organic converter where kitchen waste is used to convert into compost for use in the Nursery. The Mines too creates its own compost for its nurseries through vermicomposting.

The MFA plant has created a water reservoir with storage capacity of 25 million liters populated with native species of fishes.

As part of upgradation of the ferroalloy plant and setting up of the new coke oven plant, the Company has also upgraded the entire pollution control equipment to ensure that air and water pollution are well within the prescribed norms. In the Coke Oven project, the Company has decided to store coking coal and coke under covered sheds, thereby, preventing air and water pollution.

With an objective to reduce dust pollution during mining and ore transportation process, the Company has taken up tarring/concreting of 32 kilometres of roads within mining areas and 35 kms of roads outside mining areas. Further, the Company is setting up a Downhill Conveyor System with 300 tonnes per hour capacity to convey sized-ore to one of the railway sidings, thereby eliminating significant truck movements which otherwise would generate dust pollution.

6.1 Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others

The policies cover the Company and all its contractors operating within its premises.

6.2 Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc.? Yes / No. If yes, please give hyperlink for webpage etc.

Yes. The Company recognizes the need to address the global environmental issues such as climate change, global warming, etc., and endeavours to contribute its utmost to reduce climate change and global warming. Against the statutory requirement to plant 1.11 lakh trees as stipulated under the SEMP, the Company has planted more than 35 lakh saplings with about 70% survival within its mining leases. Also, as against a requirement of 34 Ha of green belt creation as stipulated in the Environmental Clearance for 1 mtpa steel plant, the Company has decided to create 11 ha of additional green belt. These initiatives can be viewed at <https://www.sandurgroup.com/SDF.html>.



Nursery at Mines



Nursery at MFA Plant

6.3 Does the Company identify and assess potential environmental risks? Yes / No

Yes, the Company has defined methods of identifying and assessing potential environmental risks. It carries out Environmental Impact Assessment of operations/ activities to identify impacts on the surrounding environment and initiate mitigation measures accordingly.

EIA for all its mines and industrial activities has been conducted and mitigation measures are being implemented as per the EMPs duly approved by the appropriate authorities. Regular monitoring of environmental parameters is carried out to ensure the effectiveness of the measures implemented and to comply with the CPCB /MOEFCC guidelines. Moreover, Disaster Management Plan (DMP) and Emergency Action Plan (EAP) have also been prepared and implemented for the Plant. The Environment Management Systems at the Mines are in conformity with the ISO 14001:2015 Standard. Environmental monitoring and audits are being carried out both at the Mines and the Plant to check that the environmental management measures are being satisfactorily implemented and are delivering the appropriate level of environmental performance.



The Sandur Manganese & Iron Ores Limited

The system is being monitored periodically by the regulatory authorities. Further, as per the directions of the Hon'ble Supreme Court, Indian Council of Forestry Research & Education (ICFRE), Dehradun has reviewed the environmental protection measures being adopted by the Company and suggested for improvements in the form of Supplementary Environment Management Plan.

6.4 Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

Yes, the Company has taken up upgradation of its entire pollution control equipment to ensure that all emissions from plant operations are well within prescribed norms. Necessary environmental compliance report is filed on quarterly basis with Pollution Control Board.

6.5 Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc? Yes / No. If yes, please give hyperlink for web page etc.

Company is targeting to generate its entire requirement of non-production energy from solar energy by installing solar products like water heaters, street lighting systems, home lighting systems, industrial power systems.

During the FY 2019-20, the Company has installed solar based devices with an aggregated installed capacity of 400 kW to replace a part of its total requirement of electricity. The details of these installations are as given below:

| Product Description | Total Installed Capacity (KW) |
|---------------------------------|-------------------------------|
| Solar Pumps | 33 |
| Solar Power Plants (Commercial) | 288 |
| Solar Street Lights | 30 |
| Solar Home Lighting System | 49 |
| Total | 400 |



Solar water heater system at Deogiri Housing Colony

With a focus to completely eliminate utilisation of thermal coal for power generation for ferro alloys production, the Company has set-up Waste Heat Recovery Boilers and is in the process of commissioning and producing power using waste heat from Coke Oven plant. The Waste Heat Recovery Boiler, which is a co-generation plant as classified by the Government of Karnataka, has potential to generate about 212 mu per annum. Between 20 February 2020 until 26 March 2020, about 9.2 million units (mu) of energy was generated from the flue gases through the WHRB. Further details can be viewed at <https://www.sandurgroup.com/SDF.html>.

6.6 Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?

Yes. All emissions & wastes generated by the Company are monitored on a regular basis and are within permissible limits as specified by CPCB/ SPCB. Also, the returns are filed regularly with the statutory authorities as per requirement.

6.7 Number of show cause / legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year.

Nil

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

7.1 Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.

The Company is member of Federation of Indian Mineral Industries, New Delhi (FIMI) and Indian Ferro Alloy Producers Association, Mumbai (IFAPA), The Associated Chambers of Commerce and Industry of India (ASSOCHAM), New Delhi.

7.2 Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes / No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Yes, following are the broad areas:

- o Sustainable Mining Practices;
- o Energy Conservation; and
- o Inclusive Development.

Principle 8: Businesses should support inclusive growth and equitable development

For us at The Sandur Manganese & Iron Ores



The Sandur Manganese & Iron Ores Limited

Limited (SMIORE), reaching out to underprivileged communities is part of our Philosophy and Culture. This entails transcending business interests and grappling with the “quality of life” challenges that underserved communities face, and working towards making a meaningful difference to them.

SMIORE, for close to six decades, has been consciously contributing towards Social improvement and shall continue to have among its objectives the promotion and growth of the society.

The Company’s CSR Policy identifies broad areas in which the company will undertake projects and serves as a guiding document to help execute and monitor CSR projects.

8.1 Does the Company have specified programme/initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.

To support inclusive growth and equitable development, the Company has undertaken the following programmes:

1. SMIORE CSR Education Programme:

a. Scholarships:

The Company has instituted Sandur Vidya Protsaha Scholarships (SVPS) to help children of needy persons of Sandur and surrounding areas to get better education by giving scholarships, on a merit – cum – means basis. Scholarships for children are given in the below mentioned educational institutions:

- (i) Sandur Residential School, Sandur
- (ii) Sandur Girls Residential School, Vyasnakere
- (iii) Sandur Polytechnic, Yeshwantnagar
- (iv) SMIORE Vyasapuri PU College, Vyasnakere
- (v) SMIORE Vyasapuri High School (English Medium), Vyasnakere
- (vi) SES Vidyamandir PU College, Sandur

b. Prevention of Child Labour

Reimbursement of expenses over and above the Central and State Government Grants, to meet expenses of M. Y. Ghorpade Special Training Centre

2. SMIORE Health & Sanitation Programme:

The Company is pursuing its Health and Sanitation Programme by way of construction of toilets (toilet blocks/individual toilets) in villages falling in the buffer zones of the mining lease area and the Plant.

3. Community Development

The Company often receives requests for contributions towards various social causes such as drilling borewells, etc. from district and local Government Authorities, Peoples Representatives, and local government bodies.

4. Corporate Environment Responsibility

Ministry of Environment, Forest and Climate Change (MOEFCC), Government of India, while according the Environment Clearance (EC) for SMIORE’s 1.0 Mtpa Steel Plant in June 2018, has stipulated that an amount equal to 3% of the project cost has to be spent concurrently along with the project implementation towards Enterprise Social Commitment (ESC). The Ministry has since modified ESC as Corporate Environment Responsibility (CER). Under CER, expenditure can be incurred under nine specified heads viz., Rural Sanitation, Provision of Drinking Water Facilities, Supporting Education, Rural Health, Promotion of Sports, Promotion of Cultural and Religious Faith, Roads and Infrastructure, Local Body Recommendation and Support to Forest Development, Environment and Wildlife.

The objectives and spirit of CER is well dovetailed with the ETHOS and VALUES of SMIORE. SMIORE considers CER as an opportunity to serve the local villages rather than fulfillment of any Government stipulated compliance. Even though the approval of MOEFCC for the Project was received in June 2018, SMIORE had started implementation of CER Programme from FY 2017-18 itself, immediately following the Public Hearing for the Project held in July 2017. This clearly demonstrates the commitment of SMIORE towards society.

During the last 3 years (FY 2018, 19 & 20), SMIORE has spent ₹23.4 crore on 90 activities under CER, including construction of 2084 individual toilets. This is in addition to construction of 1000 toilets under the CSR program of SMIORE, thereby achieving a total of over 3000 individual toilets.



Community Toilet Block at Ayyanahalli with Awareness Painting



Danapura – Toilet Block at Government School



The Sandur Manganese & Iron Ores Limited

8.2 Are the programmes / projects undertaken through in- house team / own foundation / external NGO / government structures / any other organisation?

SMIORE CSR Education Programme and SMIORE Health and Sanitation Programme are being implemented through Karnataka Seva Sangha (KSS), a Charitable Trust formed under Indian Trust Act, 1882.

Community Development initiative and other activities undertaken based on stakeholders consultation as part of Corporate Environment Responsibility (CER) is undertaken directly by the Company.

8.3 Have you done any impact assessment of your initiative?

Yes, routine impact assessment of the various initiatives is carried out and recommendations/ feedbacks are incorporated towards alignment of our program.

8.4 What is your Company's direct contribution to community development projects - Amount in and the details of the projects undertaken?

(In ₹ crore)

| Sl. No. | Activities | Amount spent (2019-20) |
|---------|---|------------------------|
| 1 | Rural Sanitation | 5.48 |
| 2 | Provision of drinking water facilities | 0.30 |
| 3 | Supporting Education Programme | 8.63 |
| 4 | Rural Health Programme | 0.34 |
| 5 | Promotion of Sports | 0.08 |
| 6 | Promotion of cultural / religious faith | 2.08 |
| 7 | Roads and Infrastructure | 1.29 |
| 8 | As per local body recommendation | 1.46 |
| 9 | Support to forest development, environment and wildlife | 0.05 |
| 10 | Prevention of Child Labour | 0.09 |
| | Total | 19.80 |

8.5 Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Initiatives in pursuit of this principle of 'inclusive growth and equitable development' are undertaken by the Company in consultation with the stakeholders. The Company has specially appointed personnel with Masters in Social Welfare (MSW) to conduct survey of villages in the vicinity of the mining area and the plant operations to understand the requirement of the villagers. The Company has adopted Kammathuru village and undertaken various infrastructural development activities. The dedicated team of Welfare department not only interacts with the villagers to identify their requirement but also arranges various counselling and awareness programmes to inculcate the habits to change their lifestyle but also for their better

health, safety and development. Consequent to the Company's initiative of participating in the Swacchh Bharat Mission and construction of Public Toilets and the Individual Toilets, many of the villages have been declared to be Open Defecation Free (ODF) and the counselling of the villagers and more particularly the Panchayat Members has resulted in committees being formed in the villages to ensure use of toilets.

Principle 9: **Businesses should engage with and provide value to their customers and consumers in a responsible manner**

9.1 What percentage of customer complaints / consumer cases are pending as on the end of financial year

There are no customer cases / complaints pending as on the end of FY 2019-20.

9.2 Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)

Not applicable as the industry is not governed by any regulations with respect to product labelling.

9.3 Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as on end of financial year?

No

9.4 Did your Company carry out any consumer survey / consumer satisfaction trends?

SMIORE periodically conducts a Customer Satisfaction Survey and senior level officers interact with the customers to assess their satisfaction levels about the quality of the goods supplied by the Company. Officers from the Quality Assurance Department visit the premises of the customers to address the grievances, if any.

for and on behalf of the Board of Directors

T. R. Raghunandan,
Chairman
(DIN:03637265)

Place : Bengaluru
Date : 31 August 2020



The Sandur Manganese & Iron Ores Limited

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR 2019-20

1. Company's philosophy on code of governance

The Company believes that corporate governance is about maximizing shareholders' value legally, ethically and sustainably. The Company aims to achieve this by providing long-term visibility of its business, ensuring effective relationship with stakeholders, establishing systems that help the Board in understanding risk appetite and monitoring risk at every stage of corporate evolution process.

The Company further believes in and implicitly adopts values such as efficiency with transparency and accountability and integrity with fairness and kindness in Corporate Governance.

2. Board of Directors

• **Composition and category of Directors:**

As on 31 March 2020 the Board consisted of eight members, including a Managing Director, a whole-time director, four independent directors (including one woman director) and two non-executive directors. The Chairperson of the Board is a non-executive director. All the directors are adequately qualified, professional and have vast experience in the industry.

On 31 January 2020, the Board of Directors, based on the recommendations of the Nomination and Remuneration Committee, approved a comprehensive Board Restructuring Plan. The comprehensive plan to restructure the Board has been undertaken to suitably equip the Board to meet the requirement of Company's growing business needs. Manifold increase in the scale of Company's business is expected with the addition of Coke Oven to its product portfolio coupled with substantial increase in the production levels of manganese ore, iron ore and ferro alloys.

In view of the same, the Board sought to increase the number of executive directors representing various domain functions. Senior executives of the Company representing key operational domains (Mines, Plant & Project, Finance, Commercial and Corporate Functions), have been co-opted unto the Board as whole-time directors with effect from 01 April 2020 ensuring better coordinated functioning of the executives and more efficient and effective decision-making process, besides resulting in increased accountability at the level of operational heads.

The following directors stepped down from the Board in the larger interest of the Company with effect from 01 February 2020, to make way for new inductions:

- (i) S. Y. Ghorpade (DIN: 00080477);
- (ii) B. Ananda Kumar (DIN: 01711145);

- (iii) Vatsala Watsa (DIN:02626457);
- (iv) K. V. Ramarathnam (DIN: 00097892);
- (v) P. Anur Reddy (DIN: 05170191); and
- (vi) Lakshmi Venkatachalam (DIN: 00520608).

Also, Shri. S. Y. Ghorpade (DIN: 00080477), Chairman relinquished his position as the Chairman w.e.f. 01 February 2020 making way for fresh Board leadership. The Board conferred upon Shri. S. Y. Ghorpade the title of Chairman Emeritus for life. The Board further approved the appointment of Shri. T. R. Raghunandan (DIN: 03637265), Non-Executive Director as the Chairman of the Board w.e.f. 01 February 2020.

- **The particulars of directors, their attendance at Board meetings during the financial year and at the last Annual General Meeting are as under:**

| Name of Directors | Category / Designation | Board meetings attended | Meetings held during tenure | Last AGM |
|------------------------------------|---|-------------------------|-----------------------------|----------|
| S. Y. Ghorpade ² | Non-executive Chairman ⁴ | 5 | 6 | Yes |
| Nazim Sheikh | Managing Director | 9 | 9 | Yes |
| B. Ananda Kumar ² | Non-Executive & Independent | 6 | 6 | Yes |
| S. S. Rao | Non-Executive & Independent | 9 | 9 | Yes |
| Vatsala Watsa ² | Non-Executive Director | 6 | 6 | Yes |
| K. V. Ramarathnam ² | Non-Executive & Independent | 6 | 6 | Yes |
| T. R. Raghunandan | Non-Executive Director, Chairman ⁵ | 9 | 9 | Yes |
| G. P. Kundargi | Non-Executive & Independent | 9 | 9 | Yes |
| Rajnish Singh | Executive Director/ Director (Corporate) ³ | 9 | 9 | Yes |
| P. Anur Reddy ² | Non-Executive Director | 6 | 6 | Yes |
| Lakshmi Venkatachalam ² | Non-Executive & Independent | 6 | 6 | Yes |
| Latha Pillai | Non-Executive & Independent | 7 | 9 | No |
| Jagdish Rao Kote ¹ | Non-Executive & Independent Director | 8 | 8 | Yes |
| H. L. Shah ¹ | Non-Executive Director | 8 | 8 | No |

¹ Appointed w.e.f. 27.05.2019;

² Relinquished directorship from the Board w.e.f. 01.02.2020 as per Board Restructuring Plan.

³ Re-designated as Director (Plant) w.e.f. 01.04.2020.

⁴ Served as Chairman of the Company till 31.01.2020.

⁵ Appointed as Chairman of the Company w.e.f. 01.02.2020.



The Sandur Manganese & Iron Ores Limited

- **Number of directorships and committee memberships held by the directors in domestic public companies as at 31 March 2020 are as indicated below:**

| Name of the Directors | Directorships (Excluding this Company) | Listed entities (excluding this Company) where the person is a director and the category of directorship | Committee Memberships ¹ (Excluding this Company) | |
|-----------------------|--|--|---|-----------|
| | | | As Chairman | As Member |
| Nazim Sheikh | - | - | - | - |
| S. S. Rao | 3 | JSW Energy Limited Non-executive & Independent | 2 | 1 |
| T. R. Raghunandan | - | - | - | - |
| G. P. Kundargi | 1 | Nava Bharat Ventures Limited Non-executive & Independent | - | 1 |
| Rajnish Singh | - | - | - | - |
| Latha Pillai | - | - | - | - |
| Jagdish Rao Kote | - | Non-Executive & Independent | - | - |
| H. L. Shah | - | Non-Executive Director | - | - |

¹ Only membership in Audit Committee and Stakeholders Relationship Committee considered.

- **Board meetings:**

Meetings of the Board of Directors are generally held at the Company's Corporate Office at Bengaluru, the Registered Office at Sandur or the Project Office at Hosapete and are scheduled well in advance. The Board meetings are held at least once in a quarter to review the quarterly performance and the financial results, apart from transacting other items of business requiring the Board's attention. The Company Secretary, in consultation with the Managing Director, prepares agenda for the meetings. The Board papers are circulated to directors in advance. Senior management personnel are invited to attend the Board meetings and provide clarifications as and when required.

The information as specified in Part A of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI(LODR) Regulations, 2015] is being regularly placed before the Board. The Board also reviews the declaration made by the Managing Director and the Company Secretary regarding compliance with all laws applicable to the Company on a quarterly basis.

The Board of Directors met nine times during the financial year on 27 May 2019, 10 August 2019, 20 September 2019, 11 November 2019, 19 December 2019, 31 January 2020, 14 February 2020, 05 March 2020 and 30 March 2020. The time gap between any

two successive Board Meetings did not exceed four months or one hundred and twenty days.

- **Disclosure of relationships between directors inter-se:**

Mubeen Ahmed Sheriff being Nazim Sheikh's son-in law are related. None of the other directors are related to any other Directors on the Board.

- **Number of shares and convertible instruments held by non-executive directors:**

None of non-executive directors as at 31 March 2020 hold any shares in the Company.

- **Familiarisation Programme for Independent Directors:**

On induction, the new independent directors on Board are familiarized with the nature of Industry and the Company's business operations. The Directors are updated on a frequent basis with regard to operations of the Company. Any material development is intimated promptly. The Management encourages participation by the independent directors and accordingly, any clarification sought by the independent directors with regard to the Company's operations is duly addressed.

In addition, the independent directors are acquainted with their roles, rights, and responsibilities at the time of induction. Presently, no formal/structured training programme exists. Learning for the independent directors on one hand, and the Company's and Whole Time Director's imbibement of experience and knowledge of the Independent Directors on the other hand, has been a pervasive ongoing phenomenon.

The details on the Company's Familiarisation Programme for Independent directors can be accessed at: <http://www.sandurgroup.com/Policies>.

- **Matrix setting out the skills/expertise/competence of the board of directors:**

Matrix setting out the skills/expertise/competence of the directors on the Board as on 31 March 2020 is appended as **Annexure – 'A'** to the Report.

- **Confirmation that in the opinion of the Board, the independent directors fulfill the conditions specified in these regulations and are independent of the management:**

In the opinion of the Board, the independent directors fulfill the conditions specified in SEBI (LODR) Regulations, 2015 and are independent of the management.



The Sandur Manganese & Iron Ores Limited

- **Detailed reasons for the resignation of an independent director who resigns before the expiry of his tenure along with a confirmation by such director that there are no other material reasons other than those provided*:**

Independent Directors, namely (i) B. Ananda Kumar (DIN: 01711145); K. V. Ramarathnam (DIN: 00097892); and (iii) Lakshmi Venkatachalam (DIN: 00520608) stepped down from the Board in the larger interest of the Company, making way for the new inductions as per the Board Restructuring Plan approved by the Board of Directors on 31 January 2020.

The Board Restructuring was undertaken in keeping with the need of the present business needs especially in the light of ongoing and new project investment plans. This involved inter alia, induction of senior executives as whole-time functional Directors and right sizing the Board with respect to required number of independent /non-executive Directors, in accordance with applicable regulations.

The Independent Directors, in their letters relinquishing their directorship in the Company, filed with BSE Limited, have confirmed that there are no other material reasons other than that cited above.

3. **Audit Committee**

In compliance with Regulation 18 of the Listing Regulations read with Section 177 of the Act and Rules made thereunder, the Audit Committee ("AC") has been constituted to monitor and supervise the Company's financial reporting process with a view to provide accurate, timely and proper disclosures and financial reporting.

- **Powers of the Audit Committee:**

- a) to investigate any activity within its terms of reference;
- b) to seek information from any employee;
- c) to obtain outside legal or other professional advice; and
- d) to secure attendance of outsiders with relevant expertise, if considered necessary.

- **Terms of reference of the Audit Committee:**

- a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- b) Recommending the appointment, remuneration and terms of appointment of auditors of the company.

- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- d) Reviewing with the management the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Directors Responsibility Statement in the Board's report in terms of clause (c) of sub section 3 of section 134 of the Companies Act, 2013
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries based on the exercise of judgment by management
 - Significant adjustments made in the financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of any related party transactions
 - Qualifications in the draft audit report
- e) Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- f) Reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer documents/prospectus/notice and the report submitted by the monitoring agency, and monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take necessary steps in this matter.
- g) Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- h) Approval or any subsequent modification of transactions of the company with related parties.
- i) Scrutiny of inter-corporate loans and investments.
- j) Valuation of undertakings or assets of the company, wherever it is necessary.
- k) Evaluation of internal financial controls and risk management systems.



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- l) Reviewing with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- m) Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- n) Discussion with internal auditors of any significant findings and follow up there on.
- o) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- p) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as having post-audit discussion to ascertain any area of concern.
- q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- r) To review the functioning of the Whistle Blower mechanism.
- s) Approval of appointment of CFO after assessing the qualifications, experience and background of the candidate.
- t) Carrying out any other function as mentioned in the terms of reference of the Audit Committee.
- u) The audit committee shall mandatorily review the following information:
- management discussion and analysis of financial condition and results of operations;
 - statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - management letters / letters of internal control weaknesses issued by the statutory auditors;
 - internal audit reports relating to internal control weaknesses; and
 - the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
 - statement of deviations:
- ✓ quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - ✓ annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).
- **Composition, names of the members and their attendance at meetings during the financial year are as under:**
- | Name | Designation | Category | No. of meetings attended | Held during Tenure |
|------------------------------------|------------------------|-----------------------------|--------------------------|--------------------|
| G. P Kundargi | Chairman ¹¹ | Non-Executive & Independent | 4 | 4 |
| B. Ananda Kumar ¹ | Chairman ¹² | Non-Executive & Independent | 3 | 3 |
| S. S. Rao | Member | Non-Executive & Independent | 4 | 4 |
| VatsalaWatsa ² | Member | Non-Executive Director | 3 | 3 |
| K. V. Ramarathnam ³ | Member | Non-Executive & Independent | 3 | 3 |
| T. R. Raghunandan ^{6,10} | Member | Non-Executive Director | 2 | 2 |
| P. Anur Reddy ⁴ | Member | Non-Executive Director | 1 | 1 |
| Lakshmi Venkatachalam ⁵ | Member | Non-Executive & Independent | 3 | 3 |
| Latha Pillai ⁹ | Member | Non-Executive & Independent | 1 | 1 |
| H.L. Shah ⁷ | Member | Non-Executive Director | 3 | 3 |
| Jagadish Rao Kote ⁸ | Member | Non-Executive & Independent | 3 | 3 |
- ^{1,2,3,4 & 5} Ceased to be members of the Committee w.e.f. 01.02.2020 consequent to their stepping down from the Board as per Board Restructuring Plan approved in 336th meeting of the Board of Director held on 31.01.2020.
- ⁶ Ceased to be members of the Committee w.e.f. 28.05.2019 on reconstitution of the Committee approved by the Board of Directors in its 331st meeting held on 27.05.2019.
- ^{7 & 8} Inducted w.e.f. 28.05.2019 on re-constitution of the Committee approved by the Board of Directors in its 331st meeting held on 27.05.2019.
- ^{9 & 10} Inducted w.e.f. 01.02.2020 on re-constitution of the Committee approved by the Board of Directors in its 336th meeting held on 31.01.2020.
- ¹¹ Chairman w.e.f. 01.02.2020.
- ¹² Served as Chairman till 31.01.2020.
- The Audit Committee is duly constituted in compliance with the SEBI (LODR) Regulations, 2015 with members who are financially literate and members having accounting or related financial management expertise. G. P Kundargi, a Non-Executive and Independent Director, is the Chairman of the Committee.
- The Company Secretary acts as Secretary to the Committee.
- The Audit Committee met four times during the financial year, on 27 May 2019, 10 August 2019, 11 November 2019 and 14 February 2020. The interval between any two successive meetings did



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not exceed one hundred and twenty days. The quorum as required under the Listing Regulations was maintained at all the meetings.

The meetings are scheduled well in advance and the statutory auditors and internal auditors are invited to attend the meetings.

B. Ananda Kumar, the then Chairman of the Audit Committee was present at the Annual General Meeting held on 21 September 2019 to answer the queries of the shareholders.

4. **Nomination and Remuneration Committee**

Remuneration Committee was constituted in April 2002 to consider and recommend to the Board, appointment, re-appointment and remuneration payable to whole-time directors. Nomination and Remuneration Committee is duly constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and in compliance with the SEBI (LODR) Regulations, 2015.

• **Terms of reference of the Nomination & Remuneration Committee:**

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of board of directors;
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and/or removal.
- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

• **Composition, names of the members and their attendance at meetings during the financial year are as under:**

| Name | Designation | Category | No. of meetings attended | Held during Tenure |
|--------------------------------|--------------------------|-----------------------------|--------------------------|--------------------|
| Latha Pillai ¹ | Chairperson ⁸ | Non-Executive & Independent | 3 | 3 |
| K. V. Ramarathnam ² | Chairman ⁹ | Non-Executive & Independent | 2 | 2 |
| S. S. Rao | Member | Non-Executive & Independent | 4 | 4 |
| VatsalaWatsa ³ | Member | Non-Executive Director | 2 | 2 |
| G. P. Kundargi | Member | Non-Executive & Independent | 4 | 4 |
| P. Anur Reddy ⁴ | Member | Non-Executive Director | 2 | 2 |
| T. R. Raghunandan ⁵ | Member | Non-Executive Director | 2 | 2 |
| H. L. Shah ⁶ | Member | Non-Executive Director | 2 | 2 |
| Jagadish Rao Kote ⁷ | Member | Non-Executive & Independent | 2 | 2 |

¹ Inducted as member w.e.f. 28.05.2019 consequent to re-constitution of the Committee approved by the Board of Directors in its 331st meeting held on 27.05.2019.

^{2,3 & 4} Ceased to be members w.e.f.01.02.2020 consequent to re-constitution of the Committee approved by the Board of Directors in its 336th meeting held on 31.01.2020.

^{5,6 & 7} Inducted as members w.e.f.01.02.2020 consequent to re-constitution of the Committee approved by the Board of Directors in its 336th meeting held on 31.01.2020.

⁸ Inducted as Chairperson of the Committee w.e.f. 28.05.2019 consequent to re-constitution of the Committee approved by the Board of Directors in its 331st meeting held on 27.05.2019.

⁹ Served as Chairman of the Committee till 27.05.2019.

K. V. Ramarathnam, a Non-Executive and Independent Director, served as the Chairman of the Committee till 27 May 2019. Latha Pillai, a Non-Executive and Independent Director was appointed as the Chairperson of the Committee w.e.f. 28 May 2019.

The Company Secretary acts as Secretary to the Committee.

During the year, the Committee met four times on 27 May 2019, 31 January, 2020 14 February 2020 and 30 March 2020.

K. V. Ramarathnam, authorised representative of the Chairman of the Nomination and Remuneration Committee, was present at the Annual General Meeting held on 21 September 2019 to answer the queries of the shareholders.

• **Performance evaluation criteria for independent directors:**

The Nomination and Remuneration Committee formulates the criteria and framework for evaluation of performance of every Director on the Board of the Company in line with the Policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Other Employees.



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Presently, the independent directors are being evaluated on the following criteria:

- Maintenance of independence and no conflict of interest.
- Exercise of objective independent judgment in the best interest of the company;
- Ability to contribute to and monitor corporate governance practice; and
- Adherence to the code of conduct for independent directors.

The Board also, evaluates the fulfilment of the independence criteria by the independent directors as specified in SEBI (LODR) Regulations, 2015 and their independence from the management.

• **Remuneration of Directors and KMP:**

The Nomination and Remuneration Committee is responsible for reviewing and making recommendations to the Board on:

- the remuneration of the Managing Director, Whole-time Directors and KMPs
- the total level of remuneration of Non-Executive Directors and for individual remuneration for Non-Executive Directors;
- the remuneration policies for KMPs, senior management personnel and other employees

The remuneration policy is to pay salary / compensation and benefits adequately so as to attract, motivate and retain talent. Detailed policy on Nomination and Remuneration of Directors, Key Managerial Personnel (KMP) and other employees can be accessed at the Company's website <https://www.sandurgroup.com/Policies.html>

• **Remuneration to whole-time directors:**

The whole-time directors are remunerated in accordance with special resolutions passed by the shareholders. During financial year 2019-20, the Managing Director has been remunerated in accordance with the special resolutions passed by the shareholders at the 63rd Annual General Meeting on 26 September 2017 and Director (Corporate) has been remunerated in accordance with the special resolutions passed by the shareholders postal ballot on 21 July 2018.

• **Details of remuneration paid to the whole-time directors for the year 2019-20:**

(₹ in lakh)

| Name of Director | Salary | Perquisites | Contributions ¹ | Commission | Term |
|---------------------------------------|--------|-------------|----------------------------|------------|-----------------------------|
| Nazim Sheikh Managing Director | 45.60 | 94.78 | 12.31 | 16.51 | 3 years from 1 April 2017 |
| Rajnish Singh Director (Corporate) | 26.52 | 53.06 | 7.16 | 16.51 | 3 years from 1 January 2018 |

¹ includes contribution to Provident and other funds but does not include contribution towards Gratuity and Leave salary, as these are determined on an actuarial basis for the Company as a whole.

Presently, stock options do not form part of the remuneration package. Also, there is no variable component in the remuneration except for payment of commission as a percentage of profit and there is no severance fee. Service contracts exist with the whole-time directors which contain their terms and conditions including remuneration, notice period etc., as approved by the members. The agreements may be terminated by either party at any time by giving three months' notice to the other party.

• **Remuneration to Non-Executive directors:**

The non-executive directors receive sitting fee for attending meetings of the Board and its Committees, and reimbursement of expenses incurred on travelling and stay in case of outstation directors. The Company had no direct pecuniary relationship or transactions with any of the non-executive directors during the year under review except for payment of sitting fees and commission for attending meetings of the Board and its Committees. However, the Company has entered in lease agreement with S. Y. Ghorpade (HUF) and Yashodhara Devi Ghorpade for taking on lease properties for Company's use for a sum of ₹ 33.34 lakh and ₹ 31.75 lakh, respectively.

• **Details of sitting fees and commission paid to non-executive directors for the financial year 2019-20:**

(₹ in lakh)

| Sl. No. | Name of Director | Sitting Fees ⁷ | Commission |
|---------|------------------------------------|---------------------------|------------|
| 1 | S. Y. Ghorpade ¹ | 5.10 | 14.44 |
| 2 | B. Ananda Kumar ² | 5.90 | 14.44 |
| 3 | S. S. Rao | 8.90 | 16.51 |
| 4 | VatsalaWatsa ³ | 6.10 | 14.44 |
| 5 | K. V. Ramarathnam ⁴ | 5.90 | 14.44 |
| 6 | T. R. Raghunandan | 7.90 | 16.51 |
| 7 | G. P. Kundargi | 8.90 | 16.51 |
| 8 | P. Anur Reddy ⁵ | 4.90 | 14.44 |
| 19 | Lakshmi Venkatachalam ⁶ | 6.30 | 14.44 |
| 10 | Latha Pillai | 5.80 | 16.51 |
| 11 | H.L. Shah | 7.80 | 13.75 |
| 12 | Jagadish Rao Kote | 7.40 | 13.75 |

^{1,2,3,4,5 & 6} Ceased to be directors w.e.f. 01.02.2020 consequent to stepping down from the Board as per Board Restructuring Plan approved by the Board of Directors in its 336th meeting held on 31.01.2020

⁷ excluding applicable taxes



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5. Stakeholders Relationship Committee

Investors Grievance and Share Transfer Committee was constituted on 26 July 2006 to oversee redressal of shareholders and investors complaints, if any, and to consider and approve transfer and transmission of shares and issue of duplicate share certificates. In accordance with the provisions of Section 178 of the Companies Act, 2013, the Committee has been renamed as 'Stakeholders Relationship Committee'.

To expedite the process of share transfers / transmissions, authority has been delegated by the Board severally to the Chairman, Managing Director and the Company Secretary, who regularly attend to share transfers and transmissions, issue of fresh share certificates in lieu of old share certificates lost / mutilated or on transfer, sub-division, consolidation, renewal, exchange etc., subject to the related deeds / documents being in order.

Venture Capital and Corporate Investments Private Limited (VCCIP), one of the leading SEBI registered Category - I Registrar and Transfer Agents has been appointed as Share Transfer Agent of the Company to process share transfer requests on behalf of the Company with effect from 18 January 2008. The Chairman or Managing Director or Company Secretary approves the share transfer registers and a statement of share transfers / transmissions effected and share certificates issued in each quarter are placed before the Stakeholders Relationship Committee for approval and are also placed before the Board of Directors for ratification at their next meeting.

- **Name and designation of Compliance Officer:**
Divya Ajith, Company Secretary and Compliance Officer
- **Composition, names of the members and their attendance at meetings are as under:**

| Name | Designation | Category | No. of Meetings attended | Meetings held during Tenure |
|-----------------------------|--------------------------|-----------------------------|--------------------------|-----------------------------|
| S. Y. Ghorpade ¹ | Member | Non-Executive Director | 3 | 3 |
| Nazim Sheikh | Member | Executive Director | 4 | 4 |
| Vatsala Watsa ² | Chairperson ⁴ | Non-Executive Director | 3 | 3 |
| T. R. Raghunandan | Chairman ⁵ | Non-Executive Director | 4 | 4 |
| G. P. Kundargi | Member | Non-Executive & Independent | 4 | 4 |
| Rajnish Singh | Member | Executive Director | 4 | 4 |
| Latha Pillai ³ | Member | Non-Executive & Independent | 4 | 4 |

^{1&2} Ceased to be member w.e.f. 01.02.2020 consequent to stepping down from the Board as per Board Restructuring Plan approved by the Board of Directors in its 336th meeting held on 31.01.2020

³ Inducted as member w.e.f. 01.04.2019 consequent to re-constitution of the Committee vide resolution passed by circulation by the Board of Directors

⁴ Served as Chairperson of Committee till 31.01.2020.

⁵ Appointed as Chairman of the Committee w.e.f. 14.02.2020

The Company Secretary acts as Secretary to the Committee.

The Stakeholders Relationship Committee met four times during the financial year 27 May 2019, 10 August 2019, 11 November 2019 and 14 February 2020. The interval between any two successive meetings did not exceed four months.

- **Role of Stakeholders Relationship Committee**

The Committee shall consider and resolve the grievances of the security holders of the listed entity, including complaints related to transfer of shares, non-receipt of annual report and non- receipt of declared dividends.

- **Number of shareholder complaints received, resolved to the satisfaction of the shareholder and number of pending complaints:**

| | |
|--|---|
| Complaints outstanding as on 01 April 2019 | 0 |
| Complaints received during the year | 2 |
| Complaints resolved during the year | 2 |
| Complaints pending as on 31 March 2020 | 0 |

6. Environment Committee

Reclamation & Rehabilitation Plans Implementation Review Committee was constituted on 10 August 2012 for ensuring effective implementation of Reclamation & Rehabilitation (R&R) plans for the Company's Mining Leases No.2678 and 2679.

The Hon'ble Supreme Court had, while dealing with Public Interest Litigation (PIL) in the form of Writ Petition (Civil) No.562 of 2009 with regard to rampant illegal mining being carried on in the States of Andhra Pradesh and Karnataka, vide its order dated 13 April 2012, prescribed certain guidelines for preparation of R&R Plans for all the mining leases in Ballari, Tumakuru and Chitradurga. The same is referred to as Supplementary Environment Management Plan (SEMP) in the case of the Company, as both its' Mining Leases are in "A" category and R & R becomes an ongoing process.

Accordingly, the Committee was formed for implementing and monitoring the progress of implementation of the R&R Plans (or SEMP) that may be prescribed and approved by the Central Empowered Committee for the Company's Mining Leases. The Committee was renamed as 'Environment Committee' in order to enlarge the scope and also, provide an opportunity for the Committee to consider exploring and implementing new avenues for preserving the environment and contribute towards further improvement of environment in the region of our presence.



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- **Composition, names of the members and their attendance at meetings during the financial year are as under:**

| Name | Designation | Category | No. of Meetings attended | Meetings held during Tenure |
|-------------------------------|-------------|-----------------------------|--------------------------|-----------------------------|
| P. Anur Reddy ¹ | Chairman | Non-Executive Director | 1 | 1 |
| S. Y. Ghorpade ² | Member | Non-Executive Director | 1 | 1 |
| Nazim Sheikh | Member | Executive Director | 1 | 1 |
| B. Ananda Kumar ³ | Member | Non-Executive & Independent | 1 | 1 |
| Rajnish Singh | Member | Executive Director | 1 | 1 |
| Jagdish Rao Kote ⁴ | Member | Non-Executive & Independent | 0 | 1 |

^{1,2 & 3} Ceased to be member w.e.f. 01.02.2020 consequent to stepping down from the Board as per Board Restructuring Plan approved by the Board of Directors in its 336th meeting held on 31.01.2020

⁴ Inducted as member w.e.f. 28.05.2019 consequent to re-constitution of the Committee approved by the Board of Directors in its 331st meeting held on 27.05.2019.

The Company Secretary acts as Secretary to the Committee.

The Committee met once during the financial year on 17 July 2019.

7. **Corporate Social Responsibility Committee:**

The Corporate Social Responsibility Committee was constituted on 29 March 2014, in compliance with the provisions of Section 135 of the Companies Act 2013.

Based on the recommendation of the Committee, the Board has approved the Policy on Corporate Social Responsibility indicating the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013. The Policy on Corporate Social Responsibility is available at the Company's website <https://www.sandurgroup.com/Policies.html>.

The Committee recommends the amount of expenditure to be incurred on the said activities and monitors the Corporate Social Responsibility Policy of the Company from time to time.

- **Composition, names of the members and their attendance at meetings during the financial year are as under:**

| Name | Designation | Category | No. of Meetings attended | Meetings held during Tenure |
|------------------------------------|-------------|-----------------------------|--------------------------|-----------------------------|
| T. R. Raghunandan | Chairman | Non-Executive Director | 2 | 2 |
| S. Y. Ghorpade ³ | Member | Non-Executive Director | 2 | 2 |
| Nazim Sheikh | Member | Executive Director | 2 | 2 |
| Rajnish Singh | Member | Executive Director | 2 | 2 |
| Lakshmi Venkatachalam ⁴ | Member | Non-Executive & Independent | 2 | 2 |
| Jagdish Rao Kote ¹ | Member | Non-Executive & Independent | 1 | 1 |
| P. Anur Reddy ² | Member | Non-Executive Director | 1 | 1 |

^{1&2} Inducted as member w.e.f. 28.05.2019 consequent to re-constitution of the Committee approved by the Board of Directors in its 331st meeting held on 27.05.2019.

^{3&4} Ceased to be member w.e.f. 01.02.2020 consequent to stepping down from the Board as per Board Restructuring Plan approved by the Board of Directors in its 336th meeting held on 31.01.2020

The CSR Committee met two times during the financial year on 27 May 2019 and 20 September 2019. The Company Secretary acts as Secretary to the Committee.

8. **Risk Management Committee:**

The Risk Management Committee was constituted by the Board of Directors in its meeting held on 28 May 2014. The SEBI (LODR) Regulations 2015, requires only the top 100 listed entities (based on the market capitalization) to constitute a Risk Management Committee. Nevertheless, the Board has continued with the Risk Management Committee which has been delegated the responsibility of monitoring and reviewing of the risk management plan.

- **Composition, names of the members and their attendance at meetings during the financial year are as under:**

| Name | Designation | Category | No. of Meetings attended | Meetings held during Tenure |
|--------------------------------|-------------|-----------------------------|--------------------------|-----------------------------|
| K. V. Ramarathnam ¹ | Chairman | Non-Executive & Independent | 2 | 2 |
| S. Y. Ghorpade ² | Member | Non-Executive Director | 2 | 2 |
| Nazim Sheikh | Member | Executive Director | 2 | 2 |
| B. Ananda Kumar ³ | Member | Non-Executive & Independent | 1 | 2 |
| S. S. Rao | Member | Non-Executive & Independent | 2 | 2 |
| Vatsala Watsa ⁴ | Member | Non-Executive Director | 2 | 2 |
| T. R. Raghunandan | Member | Non-Executive Director | 2 | 2 |
| G. P. Kundargi | Member | Non-Executive & Independent | 2 | 2 |
| Rajnish Singh | Member | Executive Director | 2 | 2 |



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| | | | | |
|------------------------------------|--------|-----------------------------|---|---|
| P. Anur Reddy ⁵ | Member | Non-Executive Director | 2 | 2 |
| Lakshmi Venkatachalam ⁶ | Member | Non-Executive & Independent | 2 | 2 |
| H. L. Shah ⁷ | Member | Non-Executive Director | 2 | 2 |
| Jagadish Rao Kote ⁸ | Member | Independent Director | 2 | 2 |
| Latha Pillai ⁹ | Member | Independent Director | 1 | 2 |

^{1,2,3,4,5&6} Ceased to be member w.e.f. 01.02.2020 consequent to stepping down from the Board as per Board Restructuring Plan approved by the Board of Directors in its 336th meeting held on 31.01.2020

^{7,8 & 9} Inducted as members w.e.f. 28.05.2019 consequent to re-constitution of the Committee approved by the Board of Directors in its 331st meeting held on 27.05.2019.

The Company Secretary acts as Secretary to the Committee.

The Committee met twice during the financial year on 20 September 2019 and 18 December 2019. All members were present for the meeting.

9. Project Committee

The Project Committee was constituted on 31 March 2017 in order to periodically review the progress in implementation of the 1 Million Tonne Per Annum (MTPA) Iron and Steel Project.

The Board of Directors has envisioned a more stable and sustained future and have set an aim to consolidate its present business by upgradation of the current facilities and amplify the current business. The Plan is basically to integrate the various operations and products of the company for value addition and sustainability. The Committee is entrusted with the onerous task of setting up the 1MTPA Iron and Steel facility, in stages on a sure-footed basis, to secure and strengthen the future of the Company.

- Composition, names of the members and their attendance at meetings during the financial year are as under:**

| Name | Designation | Category | No. of Meetings attended | Meetings held during Tenure |
|------------------------------------|-------------|-----------------------------|--------------------------|-----------------------------|
| S. S. Rao | Chairman | Non-Executive & Independent | 4 | 4 |
| S. Y. Ghorpade ¹ | Member | Non-Executive Director | 3 | 3 |
| Nazim Sheikh | Member | Executive Director | 4 | 4 |
| B. Ananda Kumar ² | Member | Non-Executive & Independent | 3 | 3 |
| K. V. Ramarathnam ³ | Member | Non-Executive & Independent | 2 | 3 |
| Rajnish Singh | Member | Executive Director | 4 | 4 |
| Lakshmi Venkatachalam ⁴ | Member | Non-Executive & Independent | 3 | 3 |
| H. L. Shah ⁵ | Member | Non-Executive Director | 4 | 4 |

^{1,2,3,4} Ceased to be member w.e.f. 01.02.2020 consequent to stepping down from the Board as per Board Restructuring Plan approved by the Board of Directors in its 336th meeting held on 31.01.2020.

⁵ Inducted as members w.e.f. 28.05.2019 consequent to re-constitution of the Committee approved by the Board of Directors in its 331st meeting held on 27.05.2019.

The Company Secretary acts as Secretary to the Committee.

The Committee met four times during the financial year on 14 June 2019, 16 July 2019, 20 September 2019 and 05 March 2020.

10. Financial Planning Committee

The Board in its 326th meeting held on 11 August 2018 constituted the Financial Planning Committee (the Committee) comprising of Directors with relevant expertise and experience. The purpose of the Committee is to advise and assist the Management and the Board in monitoring and reviewing debt servicing, status of debtors and creditors and financial investments and/or such other areas that may be prescribed by the Board from time to time.

- Composition, names of the members and their attendance at meetings during the financial year are as under:**

| Name | Designation | Category | No. of Meetings attended | Meetings held during Tenure |
|------------------------------------|-------------|-----------------------------|--------------------------|-----------------------------|
| Lakshmi Venkatachalam ¹ | Chairperson | Non-Executive & Independent | 1 | 1 |
| S. Y. Ghorpade ² | Member | Non-Executive Director | 1 | 1 |
| Nazim Sheikh | Member | Executive Director | 1 | 1 |
| S. S. Rao | Member | Non-Executive & Independent | 1 | 1 |
| Vatsala Watsa ³ | Member | Non-Executive Director | 1 | 1 |
| T. R. Raghunandan | Member | Non-Executive Director | 1 | 1 |
| Rajnish Singh | Member | Executive Director | 1 | 1 |
| H. L. Shah ⁴ | Member | Non-Executive Director | - | 1 |

^{1,2,3} Ceased to be member w.e.f. 01.02.2020 consequent to stepping down from the Board as per Board Restructuring Plan approved by the Board of Directors in its 336th meeting held on 31.01.2020

⁴ Inducted as members w.e.f. 28.05.2019 consequent to re-constitution of the Committee approved by the Board of Directors in its 331st meeting held on 27.05.2019.

The Company Secretary acts as Secretary to the Committee.

The Committee met once during the financial year on 09 November 2019.

11. Product Development Committee

The Board in its 326th meeting held on 11 August 2018 constituted the Product Development Committee (the Committee) comprising of Directors with relevant expertise and experience. The purpose of the Committee is to advise and assist the Management and the Board primarily in identifying strategies and projects for beneficiation of Iron Ores and Manganese Ore and value addition of ferro-alloys and/or such other areas that may be prescribed by the Board from time to time.



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- **Composition, names of the members and their attendance at meetings during the financial year are as under:**

| Name | Designation | Category | No. of Meetings attended | Meetings held during Tenure |
|------------------------------------|-------------|-----------------------------|--------------------------|-----------------------------|
| G. P. Kundargi | Chairman | Non-Executive & Independent | 1 | 1 |
| S. Y. Ghorpade ¹ | Member | Non-Executive Director | 1 | 1 |
| Nazim Sheikh | Member | Executive Director | 1 | 1 |
| B. Ananda Kumar ² | Member | Non-Executive & Independent | 1 | 1 |
| K. V. Ramarathnam ³ | Member | Non-Executive & Independent | 1 | 1 |
| Rajnish Singh | Member | Executive Director | 1 | 1 |
| Lakshmi Venkatachalam ⁴ | Member | Non-Executive & Independent | 1 | 1 |
| P. Anur Reddy ⁵ | Member | Non-Executive Director | 1 | 1 |
| Jagadish Rao Kote ⁶ | Member | Non-Executive & Independent | - | 1 |

^{1,2,3,4&5} Ceased to be member w.e.f. 01.02.2020 consequent to stepping down from the Board as per Board Restructuring Plan approved by the Board of Directors in its 336th meeting held on 31.01.2020

⁶ Inducted as members w.e.f. 28.05.2019 consequent to re-constitution of the Committee approved by the Board of Directors in its 331st meeting held on 27.05.2019.

The Company Secretary acts as Secretary to the Committee.

The Committee met one time during the financial year on 16 July 2019.

12. General Body Meetings

- **Location and time of the last three Annual General Meetings of the Company:**

| | Location | Date & Time |
|----------------------|---|-----------------------------------|
| 65 th AGM | Golden Jubilee Hall Sandur Residential School, Palace Road, Shivapur, Sandur - 583 119 | 21 September 2019 at 11.00 A.M |
| 64 th AGM | Golden Jubilee Hall Sandur Residential School, Palace Road, Shivapur, Sandur - 583 119 | 01 September 2018 at 11.00 A.M |
| 63 rd AGM | Golden Jubilee Hall Sandur Residential School, Palace Road Shivapur, Sandur - 583 119 | 26 September 2017 at 11.00 A.M |

- **Special resolutions passed in the previous three annual general meetings**

| AGM | Whether Special Resolution passed thereat | Special Resolutions |
|--|---|---|
| 65 th AGM held on 21 September 2019 | No | Nil |
| 64 th AGM held on 01 September 2018 | No | Nil |
| 63 rd AGM held on 26 September 2017 | Yes | <ol style="list-style-type: none"> 1. Re-appointment of Nazim Sheikh (DIN – 00064275) as Managing Director for a term of 3 years with effect from 01 April 2017. 2. Re-appointment of U. R. Acharya (DIN – 00135676) as Director (Commercial) for a term of 1 year with effect from 01 April 2017. 3. Delegation of borrowing powers to the Board of Directors in terms of Section 180(1)(c) of the Companies Act, 2013 to borrow amounts not exceeding ₹1200 crore. |

- **Details of NCLT Convened Meetings of the Company in connection with the Scheme of Amalgamation of Star Metallics and Power Private Limited (Transferor Company) with The Sandur Manganese and Iron Ores Limited (Transferee Company) and their respective Shareholders and Creditors and voting pattern:**

Pursuant to the Order dated 09 August 2019 passed by the Bengaluru Bench of Hon'ble National Company Law Tribunal, separate meetings of the Equity Shareholders, Secured and Unsecured Creditors of The Sandur Manganese and Iron Ores Limited were held on Monday, 23 September 2019 at 10:00 AM, 12:00 PM and 1.00 PM respectively at Golden Jubilee Hall, Sandur Residential School, Palace Road, Shivapur, Sandur - 583 119 for the purpose of considering the Scheme of Amalgamation between Star Metallics and Power Private Limited (Transferor Company) with The Sandur Manganese & Iron Ores Limited (Transferee Company) and their respective shareholders and creditors, pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 ("Act"), (including any statutory modification(s) or re-enactment thereof, for the time being in force) (the "Scheme" or "Scheme of Amalgamation").



The Sandur Manganese & Iron Ores Limited

Details of Voting Results of respective NCLT Convened Meetings:

- Meeting of Equity Shareholders of Company:**

Consolidated Voting Results

| Particulars | Remote E-voting | | Postal Ballot | | Voting through Ballot form at the NCLT Convened meeting | | Total | |
|---|-----------------|---------------|---------------|---------------|---|---------------|---------|---------------|
| | Members | Equity Shares | Members | Equity Shares | Members | Equity Shares | Members | Equity Shares |
| Total Valid Votes | 75 | 6,65,810 | 2 | 2 | 52 | 58,91,793 | 129 | 65,57,605 |
| Total Votes cast in favour of the Resolution | 71 | 6,64,900 | 0 | 0 | 52 | 58,91,793 | 123 | 65,56,693 |
| Total Votes cast against the Resolution | 4 | 910 | 2 | 2 | 0 | 0 | 6 | 912 |
| Percentage (%) of Votes cast in favour | 94.67% | 99.86% | 0.00% | 0.00% | 100.00% | 100.00% | 95.35% | 99.99% |
| Percentage (%) of Votes cast against | 5.33% | 0.14% | 100.00% | 100.00% | 0.00% | 0.00% | 4.65% | 0.01% |

- Meeting of Secured Creditors of the Company:**

The 3 (Three) Secured Creditors, aggregating to ₹470 crore (Rupees Four Hundred and Seventy Crore Only) representing 100.00% of the total value of Secured Creditors voted in favour of the Scheme. Accordingly, the resolution was passed unanimously by the Secured Creditors.

| VOTED FOR THE RESOLUTION | | | | |
|--------------------------|--------------------------|---|------------------------------|--|
| S. No. | Name of Secured Creditor | Value of Votes in terms of amount outstanding cast (In ₹ Crore) | Number of Votes (In ₹ Crore) | Percentage of Value of Votes to the total outstanding as on 31/03/2019 |
| 1. | Axis Bank Limited | 235.00 | 235.00 | 50.00% |
| 2. | ICICI Bank Limited | 135.00 | 135.00 | 28.72% |
| 3. | IndusInd Bank Limited | 100.00 | 100.00 | 21.28% |
| | TOTAL | 470.00 | 470.00 | 100.00% |

- Meeting of unsecured Creditors of the Company:**

115 (One Hundred and Fifteen) Unsecured Creditors holding ₹23,25,90,043/- (Twenty- Three Crore Twenty-Five Lakh Ninety Thousand and Forty-Three) representing 100% of the total valid votes cast by unsecured creditors, cast their votes in favour of the Scheme of Amalgamation. No unsecured creditor cast their vote against the Scheme.

Voting in favor of resolution

| Number of Unsecured Creditors present and voting (in person/ Authorised Representative) | Number of Unsecured Creditors sending postal ballot | Number of votes cast by them (Excluding Invalid Votes) | Number of valid votes cast in favour | % of valid votes cast in favour | Amount due (in Rupees) as on 31 March 2019 from Creditors casting valid votes |
|---|---|--|--------------------------------------|---------------------------------|---|
| 117 | 1 | 115 | 115 | 100% | 23,25,90,043 |

Voted against the resolution:

| Number of Unsecured Creditors present and voting (in person/ Authorised Representative) | Number of votes cast by them | % of total number of valid votes cast | Amount due (in Rupees) as on 31 March 2019 |
|---|------------------------------|---------------------------------------|--|
| Nil | Nil | Nil | Nil |

| Total number of Unsecured Creditors (in person/ or by proxy or postal ballot) whose votes were declared invalid | Total number of votes cast by them | Amount due (in Rupees) as on 31 March 2019 from unsecured creditors casting invalid votes |
|---|------------------------------------|---|
| 3 | 3 | 10,38,001 |



The Sandur Manganese & Iron Ores Limited

- Resolution passed last year through postal ballot and details of voting pattern:**

During the previous year, the Company approached the shareholders for voting through postal ballot. The details are as follows:

Date of Postal Ballot Notice: 20 September 2019 **Voting period:** 06 November 2019 to 05 December 2019

Date of declaration of result: 06 December 2019 **Date of Approval:** 05 December 2019

| S. No. | Particulars of Resolutions | Total No of Votes polled | Type of Resolution | Votes in favor (In Numbers) | Votes in Favor (In Percentage) | Votes cast against (In Numbers) | Votes cast against (In Percentage) |
|--------|--|--------------------------|--------------------|-----------------------------|--------------------------------|---------------------------------|------------------------------------|
| 1. | To approve creation of Security interest in favour of financial institutions and authorization to carry out such acts and deeds as may be deemed necessary for creation of such security | 65,09,183 | Special | 65,09,053 | 99.9980% | 130 | 0.0020 % |

- Person who conducted the postal ballot exercise:**

Mr. T. Sathya Prasad Yadav, Advocate

- Whether any special resolution is proposed to be conducted through postal ballot?**

None in the near future.

- Procedure for postal ballot:**

In compliance with Sections 108 and 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules, the Company provides electronic voting (e-voting) facility, in addition to physical ballot, to all its members. For this purpose, the Company has engaged the services of NSDL.

Postal ballot notices and forms are dispatched, along with postage-prepaid business reply envelopes to registered members / beneficiaries. The same notice is sent by email to members who have opted for receiving communication through the electronic mode. The Company also publishes a notice in the newspaper declaring the details and requirements as mandated by the Act and applicable rules.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Members who want to exercise their votes by physical postal ballot are requested to return the forms, duly completed and signed, to the scrutinizer on or before the close of the voting period. Those using the e-voting option are requested to vote before the close of business hours on the last date of e-voting.

The scrutinizer completes his scrutiny and submits his report to the Chairman, and the voting results are announced by the Chairman / authorized person. The results are also displayed on the Company website, <https://www.sandurgroup.com/Annual-General-Meetings-and-Postal-Ballots.html>, besides being communicated to the stock exchange. The last date for the receipt of postal ballot forms or e-voting is reckoned to be the date on which the resolution would be deemed to have been passed, if approved.

- Subsidiary Company**

Star Metallics and Power Private Limited (SMPPL) is a subsidiary in which the Company held 80.58% of its paid-up equity share capital..

Pursuant to the order dated 04 March 2020, issued by The Hon'ble National Company Law Tribunal, Bengaluru Bench has sanctioned the Scheme of Amalgamation of Star Metallics and Power Private Limited (SMPPL)(Transferor Company) with The Sandur Manganese & Iron Ores Limited (SMIORE) (Transferee Company) and their respective Shareholders and Creditors, SMPPL has been amalgamated with the Company w.e.f. appointed date 01 April 2019, being the appointed date. As a result, the holding of 7,52,40,000 shares constituting 80.58 % of the issued, subscribed and paid up share capital in SMPPL stands cancelled and SMPPL ceases to be a subsidiary.

During the year, the following directors of the Company - S. Y. Ghorpade, Nazim Sheikh, S. S. Rao and B. Ananda Kumar held directorship in SMPPL. Both, B. Ananda Kumar and S. S. Rao, independent directors of the Company were appointed as independent directors on the Board of SMPPL. S. Y. Ghorpade, held the position of Non-Executive Chairman of SMPPL.

- Means of Communication**

- Quarterly financial results are being regularly sent to BSE Limited.
- Quarterly financial results are generally published in The Financial Express and Sanjevani newspapers and also, placed on the website of the Company.
- Latest updates or any material developments are intimated to BSE Limited and also, displayed on the website of the Company at www.sandurgroup.com.
- No presentation has been made to institutional investors or to the analysts.



The Sandur Manganese & Iron Ores Limited

• General Shareholder Information

i) Date, Time and Venue of the Annual General Meeting:

23 September 2020 at 11:00 a.m. through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) in compliance with circulars issued by Ministry of Corporate Affairs and Securities and Exchange Board of India on account of CoVID19 pandemic.

ii) Financial Year: 01 April 2019 to 31 March 2020

iii) Financial Calendar: (tentative and subject to change)

iv) Dates of Book Closure: Thursday, 17 September 2020 to Wednesday, 23 September 2020 (both days inclusive)

v) Dividend Payment Date: Not Applicable

vi) Listing on Stock Exchange: The Company’s

| | |
|--|-------------------------------|
| Financial Reporting for the quarter ending 30 June 2020 | On or before 14 August 2020 |
| Financial Reporting for the quarter ending 30 September 2020 | On or before 14 November 2020 |
| Financial Reporting for the quarter ending 31 December 2020 | On or before 14 February 2020 |
| Financial Reporting for the quarter ending 31 March 2021 | On or before 30 May 2021 |

shares are listed on BSE limited, P. J. Towers, Dalal Street, Mumbai – 400 001.

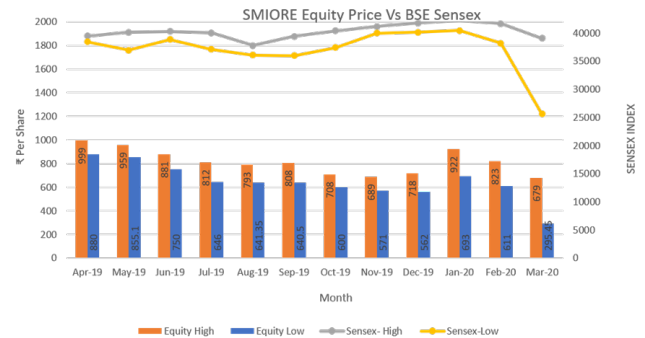
Listing Fee: The Company has paid annual listing fee for the year 2019-20 to BSE Limited where the securities of the Company are listed.

vii) Stock Code: BSE Limited (BSE) - 504918

viii) Monthly High and Low Quotation of Company’s shares traded on BSE:

| Month | Open ₹ | High ₹ | Low ₹ | Close ₹ | No. of Shares | No. of Trades | BSE Sensex (Average) |
|--------|--------|--------|-------|---------|---------------|---------------|----------------------|
| Apr-19 | 970 | 999 | 880 | 891 | 45136 | 2205 | 38974 |
| May-19 | 893 | 959 | 855 | 877 | 64196 | 2701 | 38541 |
| Jun-19 | 880 | 881 | 750 | 777 | 58203 | 2327 | 39592 |
| Jul-19 | 781 | 812 | 646 | 689 | 42062 | 2251 | 38580 |
| Aug-19 | 668 | 793 | 641 | 647 | 43771 | 2496 | 36955 |
| Sep-19 | 684 | 808 | 641 | 680 | 104073 | 4421 | 37715 |
| Oct-19 | 708 | 708 | 600 | 623 | 81433 | 4302 | 38904 |
| Nov-19 | 624 | 689 | 571 | 606 | 109203 | 5050 | 40589 |
| Dec-19 | 602 | 718 | 562 | 701 | 63056 | 2580 | 40973 |
| Jan-20 | 710 | 922 | 693 | 781 | 266200 | 11353 | 41375 |
| Feb-20 | 775 | 823 | 611 | 645 | 72933 | 3370 | 39965 |
| Mar-20 | 660 | 679 | 295 | 371 | 225754 | 6803 | 32361 |

ix) Comparison of Company’s share price movement with BSE Sensex:



x) Distribution of Equity Shareholding as on 31 March 2020:

| Shareholding of Nominal value (In ₹) | No. of shareholders | No. of Shares | % to total Capital |
|--------------------------------------|---------------------|------------------|--------------------|
| Up to 5000 | 9381 | 6,69,523 | 7.44% |
| 5001 to 10000 | 293 | 2,20,383 | 2.45% |
| 10001 to 20000 | 137 | 2,00,273 | 2.22% |
| 20001 to 30000 | 44 | 1,07,434 | 1.19% |
| 30001 to 40000 | 24 | 86,596 | 0.96% |
| 40001 to 50000 | 16 | 75,414 | 0.84% |
| 50001 to 100000 | 26 | 1,93,463 | 2.15% |
| 100001 and Above | 37 | 74,48,855 | 82.75% |
| Total | 9958 | 90,01,941 | 100.00% |

xi) Shareholding pattern as on 31 March 2020:

| Categories | No. of Shares | % to Total |
|--|------------------|----------------|
| Promoters, Directors and their relatives and persons acting in concert | 65,92,627 | 73.24% |
| Banks and Financial Institutions Investors | 2402 | 0.03% |
| Mutual Funds | 650 | 0.01% |
| Insurance Companies | 70000 | 0.78% |
| Foreign Institutional Investors | - | - |
| Other bodies corporate | 408168 | 4.53% |
| Public | 19,28,094 | 21.42% |
| TOTAL | 90,01,941 | 100.00% |

xii) Registrar and Share Transfer Agents: Venture Capital and Corporate Investments Private Limited, 12-10-167, Bharatnagar, Hyderabad - 500 018

xiii) Share Transfer System: Venture Capital and Corporate Investments Private Limited (VCCIPL), one of the leading SEBI registered Category - I Registrar and Transfer Agents has been appointed as Share Transfer Agent of the Company to process share transfer requests on behalf of the Company with effect from 18 January 2008. The Chairman or Managing Director or Company Secretary approves the share transfer registers and statements of share transfers / transmissions effected, share certificates issued in each quarter are placed before the Stakeholders Relationship Committee for approval and are also placed before the Board of Directors for ratification at their next meeting.



The Sandur Manganese & Iron Ores Limited

xiv) **Dematerialization of Shares and Liquidity:** As on 31 March 2020, 86,58,230 equity shares have been dematerialized.

xv) **There are no outstanding GDRs / ADRs / Warrants or any Convertible Instruments due for conversion.**

xvi) **Commodity price risk or foreign exchange risk and hedging activities:**

In connection with the setting up of 0.4MTPA Coke Oven Plant, the Company has incurred capital expenditure on plant and machineries imported from China and Italy, amounts aggregating to USD 16,785,564 and Euro 810,000 respectively, for which USD 4,155,000 and Euro 121,500 are yet to be paid, as per the terms of the contract. The company is in the process of determining the exact dates for these payments in consultation with the equipment supplier and expected commissioning of the Coke Oven Plant. Necessary steps will be taken to appropriately hedge these foreign exchange exposures.

Further, the Company has imported coking coal for trial operations, of which imports aggregating to USD 15,909,309 are yet to be paid for. Import of Coking Coal for Coke production will be a part of normal business operations and the Company is in the process of evaluating various options for covering the risk.

As on 31 March 2020, exposure of USD 4,155,000 and Euro 121,500 on Capital Account and USD 15,909,309 are to be hedged using either forward contracts/ Buy Call Options.

xvii) **Plant location:** Mines at Deogiri, SB Halli & Ramgad located around Sandur and Metal & Ferroalloy plant at Vyasankere, near Hosapete.

xviii) **Address for correspondence:**

Registered Office: 'SATYALAYA', Door No. 266 (Old No. 80), Ward No.1, Behind Taluka Office, Sandur - 583 119, Ballari District, Karnataka

xix) **Credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.**

The Company has not issued any debt instruments or instituted any fixed deposit programme or any scheme or proposal involving mobilization of funds, in India or abroad and accordingly, has not obtained any credit rating thereof.

• **Other Disclosures**

• **Materially significant related party transactions that may have potential conflict with the interests of listed entity at large:** No materially significant related party transactions have been entered into by the Company that may have potential conflict with the interest of the Company at large. The Board has received disclosures from its Directors disclosing their concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including their shareholding.

• **Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years:** There have been no instances of non-compliance by the Company and no penalties, strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

• **Vigil Mechanism:** The Company has put in place a mechanism of reporting illegal or unethical behavior. Employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor/ notified persons. The reports received from any employee will be reviewed by the audit committee. It is affirmed that no personnel have been denied access to the audit committee in this respect. The Directors and senior management are to maintain confidentiality of such reporting and ensure that the whistle blowers are not subjected to any discriminatory practice. The Whistle Blower Policy is available on the Company's website at www.sandurgroup.com.

• **Status of compliance with the mandatory requirements and adoption of non-mandatory requirements of SEBI (LODR) Regulations, 2015 is given below:**

(i) **Compliance with mandatory requirements:** The Company has complied with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46.

(ii) **Shareholder Rights:** The quarterly and annual financial results of the Company are published in leading newspapers, placed on website of the Company and are provided to stock exchanges in compliance with the provisions of SEBI (LODR) Regulations,



The Sandur Manganese & Iron Ores Limited

2015. A copy of complete Annual Report is sent to each and every shareholder of the Company. The Company hopes to move to a regime of sending a half- yearly declaration of the financial performance, including summary of the significant events, to each household of its shareholders.

(iii) Modified Opinion(s) in the Audit Report:

During the year under review, there was no audit qualification / modification in the Audit Report.

(iv) Separate posts of Chairman and Managing Director/CEO:

The Company has appointed separate persons to the posts of Chairman and Managing Director or Chief Executive Officer. Shri. S. Y. Ghorpade held the position of Non - Executive Chairman until 31.01.2020 before stepping down from the Board as per the Board Restructuring Plan approved by the Board of Directors. Shri. T. R. Raghunandan, has been appointed as Non-Executive Chairman w.e.f. 01.02.2020 and Nazim Sheikh serveds as the Managing Director during the year.

(v) Reporting of Internal Auditor:

The Company has appointed M/s. P. Chandrasekar LLP, Chartered Accountants, as its internal auditor and they directly report to the Audit Committee on a quarterly basis.

- **Policy on determining material subsidiaries:** In terms of Regulation 16 (1)(c) of the SEBI (LODR) Regulation, 2015, the Company has formulated a Policy for Determining Material Subsidiaries and the same is available on the Company's website. The Policy can be accessed at: <https://www.sandurgroup.com/Policies.html>
- **Policy on dealing with related party transactions:** The Board of Directors first formulated the Policy on Related Party Transaction, as per the requirement of Clause 49 of the Listing Agreement, in its meeting held on 28 May 2014. The said Policy was amended to incorporate the changes in provisions governing related party transactions, as stipulated in the SEBI (LODR) Regulations, 2015, by the Board in its meeting held on 14 November 2015. The Policy was once again revised by the Board in its meeting held on 13 September 2017 to incorporate the changes in applicable accounting standard from the existing Accounting Standard - 18 to Indian Accounting Standard (Ind AS) - 24. The Policy also, incorporates the provisions of the Companies Act, 2013 dealing with Related

Party Transactions. The Policy can be accessed at: <https://www.sandurgroup.com/Policies.html>

- **Disclosure of commodity price risks and commodity hedging activities:** Not applicable
- **Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):** Not applicable
- **A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.**

Mr. N. D. Satish, Practicing Company Secretary, has issued a certificate as required under the Listing Regulations, confirming that none of the directors on the Board of the Company has been debarred or disqualified by the SEBI/Ministry of Corporate Affairs or any such statutory authority from being appointed or continuing as director of companies. The certification is appended as **Annexure – 'B'** to the Report.

- **Instances where the Board has not accepted any recommendation of any Committee of the Board which is mandatorily required, in the relevant financial year:** Not Applicable
- **Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.**

M/s. R. Subramanian and Company LLP, Chartered Accountants, Chennai (Firm Registration No. FRN004137S/S200041) have been appointed as the Statutory Auditors of the Company.

The particulars of payment of Statutory Auditors' fees, on consolidated basis is given below:

| S. No. | Particulars | Amount (In ₹) |
|--------|---|------------------|
| 1 | Statutory Auditors Fee for the Audit of Standalone Financial Statements | 32,00,000 |
| 2 | Statutory Auditors Fee for Limited Review of Quarterly financials | 16,00,000 |
| 3 | Statutory Auditors Fee for the Corporate Governance Audit | 3,50,000 |
| 4 | Fee for Tax Audit | 7,00,000 |
| | TOTAL | 58,50,000 |



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- **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

- a. Number of complaints filed : Nil during the financial year
- b. Number of complaints : Not disposed of during the financial year : Applicable
- c. Number of complaints pending : Nil as on end of the financial year

- **Non-compliance of any requirements of corporate governance report:** Nil

- **CEO / CFO Certification:**

The Managing Director (MD)/Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) have certified to the Board in accordance with Regulation 17 (8) of the SEBI (LODR) Regulations, 2015 for the financial year 2019-20. The CEO/CFO certification is appended as **Annexure – ‘C’** to the Report.

- **Affirmation of compliance with Code of Conduct:**

In compliance with Regulation 17 (8) of the SEBI (LODR) Regulations, 2015, the Company has framed and adopted the Code of Conduct for Board Members and Senior Management Personnel (“Code of Conduct”). All members of

the board of directors and senior management personnel have affirmed compliance with the Code of Conduct. Managing Director of the Company has given a certificate confirming that the Company has obtained from all the members of the Board and senior management, affirmation of their compliance with the Code of Conduct for directors and senior management in respect of the financial year 2019-20 and the same were placed before the Board at its meeting held on 29 June 2020. A copy of the said certificate is appended as **Annexure – ‘D’** to the Report.

- **Auditor’s certificate on compliance with corporate governance requirements of the SEBI (LODR) Regulations, 2015:**

Auditor’s Certificate is appended as **Annexure – ‘E’** to the Report.

for and on behalf of the Board of Directors

Bahirji A. Ghorpade
Managing Director
(DIN: 08452844)

Place : Bengaluru
Date : 29 June 2020



The Sandur Manganese & Iron Ores Limited

ANNEXURE - 'A'

MATRIX SETTING OUT THE SKILLS/EXPERTISE/COMPETENCIES OF THE DIRECTORS ON THE BOARD*

| Skills/ Expertise/Competencies identified by the Board | | | | TRR | NS | SSR | GPK | RS | LP | HLS | JRK | Whether identified skills/ expertise/ competencies are present on Board (Y/N) | | |
|--|-----------------------|---------------|---------------------------|-------------------------|-----------------------|-----|-----|----|----|-----|-----|---|---|---|
| Competency | Skills | Domain Skills | Metal Mining | | | | ✓ | | | | | Y | | |
| | | | Mineral Processing | | | | ✓ | | | | | | Y | |
| | | | Metallurgical Engineering | | ✓ | | | | | | | | | Y |
| | | | Electrical Engineering | | | ✓ | | | | | | | ✓ | Y |
| | | | Mechanical Engineering | | | | | ✓ | | | | | | Y |
| | | | Environment Management | | | | ✓ | | | | | | | Y |
| | | | Accounting/ Finance | | | | | ✓ | | ✓ | ✓ | | | Y |
| | | | Human Resource Management | | | | | ✓ | ✓ | ✓ | | | | Y |
| | | | Legal/ Regulatory | ✓ | | | | | | | ✓ | ✓ | | Y |
| | | | Business Administration | | | | ✓ | ✓ | ✓ | ✓ | | | | Y |
| | | | Economics | | | | | | | ✓ | ✓ | | | Y |
| | | | Organisational Psychology | | | | | | ✓ | | | | | Y |
| | | | Experience | Professional Experience | Strategy and Planning | | ✓ | | ✓ | ✓ | | ✓ | ✓ | |
| | Policy making | ✓ | | | | | | | ✓ | ✓ | | | Y | |
| | Commercial Governance | ✓ | | | | | | | ✓ | ✓ | ✓ | | Y | |
| | Risk Management | | | | | | | ✓ | | ✓ | ✓ | | Y | |
| | Project Management | | | | | ✓ | | | | | | ✓ | Y | |
| | | | | | | | | | | | | | | |
| | Industry Exposure | Mining | | | ✓ | | ✓ | | | | | | | Y |
| | | Power | | | | ✓ | | | | | | | ✓ | Y |
| Banking | | | | | | | ✓ | | | | | | Y | |

Note: *As on 31 March 2020;

TRR: T. R. Raghunandan; NS: Nazim Sheikh; SSR: S. S. Rao; GPK: G.P. Kundargi;

RS: Rajnish Singh; LP: Latha Pillai; HLS: Hemendra Laxmidas Shah; JRK: Jagadish Rao Kote;



The Sandur Manganese & Iron Ores Limited

ANNEXURE - 'B'

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS (pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
THE SANDUR MANGANESE & IRON ORES LIMITED,
'SATYALAYA' Door No.266 (Old No.80),
Ward No. 1, Behind Taluk Office,
Sandur, Ballari,
Karnataka - 583 119

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **The Sandur Manganese & Iron Ores Limited** having CIN L85110KA1954PLC000759 and having registered office at 'SATYALAYA' Door No.266 (Old No.80), Ward No. 1, Behind Taluk Office, Sandur, Ballari, Karnataka - 583 119 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

| Sr. No. | Name of Director | Designation | DIN | Date of appointment in Company |
|---------|------------------------------------|---|----------|--------------------------------|
| 1. | Thoniparambil Raghavan Raghunandan | Non-Executive - Non- Independent Director | 03637265 | 28/05/2016 |
| 2. | Nazim Sheikh | Managing Director | 00064275 | 31/01/2001 |
| 3. | Sattiraju Seshagiri Rao | Non-Executive - Independent Director | 00150816 | 01/09/2013 |
| 4. | Gururaj Pandurang Kundargi | Non-Executive - Independent Director | 02256516 | 12/11/2016 |
| 5. | Rajnish Kumar Singh | Executive Director | 05319511 | 01/01/2018 |
| 6. | Latha Pillai | Non-Executive - Independent Director | 08378473 | 08/03/2019 |
| 7. | Hemendra Laxmidas Shah | Non-Executive - Non- Independent Director | 00996888 | 27/05/2019 |
| 8. | Jagadish Rao Kote | Non-Executive - Independent Director | 00521065 | 27/05/2019 |

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date : 01 September 2020
Place : Bengaluru

Name and Signature : **N.D Satish**
Designation : Practicing Company Secretary
Stamp : FCS No. 10003; CP No.12400
UDIN : F010003B000641227



The Sandur Manganese & Iron Ores Limited

ANNEXURE - 'C'

CEO and CFO CERTIFICATION

We, Bahirji Ajai Ghorpade, Managing Director and Sachin Sanu, Chief Financial Officer, certify that:

- a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:-
 - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
 - ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) They are to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting, deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors and the Audit Committee and steps have been taken or propose to be taken to rectify these deficiencies.
- d) We have indicated to the Auditors and Audit Committee
 - (i) Significant change in internal control over financial reporting during the year under reference;
 - (ii) Significant change in accounting policies during the year requiring disclosures in the notes to the financial statements; and
 - (iii) Instances of significant fraud during the year with involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

for The Sandur Manganese & Iron Ores Limited

Date : 29 June 2020
Place : Bengaluru

Bahirji Ajai Ghorpade
Managing Director

Sachin Sanu
Chief Financial Officer

ANNEXURE - 'D'

CERTIFICATE ON COMPLIANCE WITH CODE OF CONDUCT

I, Bahirji Ajai Ghorpade, Managing Director do hereby certify and confirm that the Company has obtained from all the members of the Board and senior management, affirmation of their compliance with the Code of Conduct for directors and senior management in respect of the financial year 2019-20 and the same are being placed before the Board at its meeting held on 29 June 2020.

for The Sandur Manganese & Iron Ores Limited

Date : 29 June 2020
Place : Bengaluru

Bahirji Ajai Ghorpade
Managing Director



The Sandur Manganese & Iron Ores Limited

ANNEXURE – ‘E’

INDEPENDENT AUDITORS’ REPORT ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER PROVISIONS OF CHAPTER IV OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The Members

The Sandur Manganese and Iron ores Limited

1. The accompanying Corporate Governance Report for the year ended March 31, 2020 prepared by The Sandur Manganese and Iron Ores Limited (hereinafter referred to as the “Company”), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“the Listing Regulations”) with respect to Corporate Governance (‘Applicable criteria’).

Management’s Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditors’ Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 1 above.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India (“ICAI”). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that perform Audits and Reviews of Historical Financial Information, and other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor’s judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:
 - a. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report
 - b. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive Directors has been met throughout the reporting period
 - c. Obtained and read the Register of Directors and Key Managerial Personnel as on March 31, 2020 and verified that at-least one women director is on the Board during the year
 - d. Obtained and read the minutes of the following meetings of the Board of Directors and its Committees held from April 01, 2019 to March 31, 2020
 - Board of Directors;
 - Audit Committee;
 - Nomination and Remuneration Committee; and
 - Stakeholders’ Relationship Committee.
 - e. Obtained necessary representations and declarations from Directors of the Company including the Independent Directors; and
 - f. Performed necessary inquiries with the management and obtained necessary specific representations from management.

The above-mentioned procedures include examining evidence supporting the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes



The Sandur Manganese & Iron Ores Limited

of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

8. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, Except for the matter specified in para 9 below we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable as at March 31, 2020, referred to in paragraph 1 above
9. The Company has delayed in submission of secretarial audit report, given by a company secretary in practice to the stock exchange by 6 days as per as per the provision of Regulation 24A of SEBI (LODR), 2015.

Other matters and Restriction on Use

10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to Corporate Governance Report accompanied with by a report thereon from the statutory auditors and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For R Subramanian and Company LLP

Chartered Accountants

ICAI Firm Registration Number: 004137S/S200041

Gokul S Dixit

Partner

Membership Number: 209464

UDIN: 20209464AAAAAG5650

Date: June 29, 2020

Place: Chennai



The Sandur Manganese & Iron Ores Limited

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. BACKGROUND

The Management Discussion and Analysis Report dwells on the developments in related business, market and the Company's performance during the year of reporting (2019-20), and future outlook. This report is part of the Directors' Report and the Audited Financial Statements, forming part of the Annual Report. However, certain statements made in this report relating to the projections, outlook, expectations, and estimates, among others, may constitute 'forward looking statements' within the meaning of applicable laws and regulations, and may differ from actual results. Several factors could make a significant difference to the Company's operations, including economic conditions affecting demand and supply, judicial pronouncements, change in government regulations and revision in policies, taxation and any force majeure situations, over which the Company does not have any control.

2. INDUSTRIAL OVERVIEW, MARKET SCENARIO, OPPORTUNITIES AND THREATS

Iron Ore

Iron ore production in Karnataka during 2019-2020 was about 30 million tonnes (Mt) as against permissible production limit of 35 Mt. Production was lower than the permissible limit mainly on account of stoppage of production at Donimalai mines of NMDC. Sale of iron ore through e-auction in Karnataka was about 29.77 Mt. The Company produced 1.59 Mt and Sold 1.54 Mt due to timely adjustment of prices to market situation.

Manganese ore

The production of Manganese (Mn) ore in India during 2019-20 was 2.5 Mt and imports were to the tune of 2.74 Mt. As supply continues to be lower than the demand and import of Mn ore is expected to continue in the coming years as well.

The Company's production of Mn Ore was 2.85 kt in 2019-20 as against 2.84 kt for the year 2018-19. The average international prices of Mn ore during 2019-20 was about 6 \$/dmtu which is marginally lower as compared to the average price during 2018-19. The Grade of the Mn ore lumps sold by the Company during 2019-20 was 29.93 unit of Mn, compared to 31.13 units of Mn ore during 2018-19. The average realization of Mn ore lumps in e-auction was lower by nearly ₹ 1,000/ per tonne from ₹ 7,800/t (FY19) to ₹,6800/t (FY20) due to decrease in the grade of the Mn ore. Also the realization of Mn Ore for FY 18-

19 was higher by ₹ 1000/t due to sale of 19,000t of Mn 35% grade, whereas only 8,000t of similar high-grade was sold during FY 19-20. The Company sold 16,128t of Mn Ore fines during 2019-20 as compared to 52,920t during 2018-19.

Ferro alloys

Ferro alloys production in India is about 3.5 Mt per annum, of which Manganese alloy production is about 2.5 Mt, which is higher than domestic requirement, leaving the surplus for export or stockpile. The Company's Silicomanganese (SiMn) sales during FY 2019-20 declined to 19,292 tonnes compared to 32,669 tonnes during 2018-19, mainly on account of planned shutdown of furnace for modernization/commissioning of a new furnace. Market conditions during the year for SiMn were not favorable and thus resulted in decrease in realization during FY 2019-20 as compared to the previous year. Higher dependence on imported manganese ore and higher exchange rate for rupee vis-à-vis US Dollar led to higher level of input costs.

Energy

During 2019-20, the prices obtainable in the open market for energy continued to be less than the variable cost of generation. The Company's power plant being dependent on coal prices, saw considerable increase in cost of generation. As a result, sale of energy was not viable. With the commissioning of one Waste Heat Recovery Boiler (WHRB) on 22 Feb 2020, a part of the steam requirement for power generation was met by the WHRB, which operated at an average of 11MW. The variable cost of generation of power from WHRB is not significant as it uses the sensible heat of the waste gas discharged from coke Oven Plant for generation of steam, which is then fed to the turbine. During FY 2019-20, the WHRB was operated for 35 days, before it had to be shut down from 28 Mar 2020 on account of lock-down due to COVID-19 pandemic. It is expected that operations of WHRB will resume from August 2020, thereby resulting in significant reduction in cost of power generation.

Coke

As steel production in India continues to be stable, the market for coke produced by the company is generally expected to be favorable. Although, two batteries (out of a total of 4) of Coke Oven Plant commenced trial production on January 17, 2020, the batteries are yet to achieve their full rated capacity



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from September 2020 onwards. The remaining 2 batteries of Coke Oven Plant are expected to commence trial production from December 2020. Once the coke oven operation is stabilized at full capacity, the Plant (Ferro-alloy, Coke and Power) operations and profitability is expected to improve.

3. SEGMENT-WISE PERFORMANCE

a) Mining

During FY 2019-20, the performance of the Company's Mines is as given below:

(i) Produced 2.85 kt of manganese ore and sold 2.22 kt.

(ii) Produced 15.90 kt of iron ore and sold 15.45 kt.

b) Conversion of Manganese ore to Silicomanganese 31,825 tonnes of Mn ore produced at Company's mines was used to produce 20,544 tonnes of Silicomanganese. The Company sold 19,292 tonnes SiMn mostly to domestic industries.

4. OUTLOOK, RISKS AND CONCERNS

Iron Ore

Iron and Steel industry in Karnataka continues to procure a part of its Iron Ore requirement from Odisha, in spite of higher freight as compared to Iron Ore produced in Karnataka. Reduction in off-take by local steel industry, could result in lower prices for iron ore produced in Karnataka. Overall profitability of iron ore operations is expected to continue to be satisfactory, even though margins are expected to be lower during the next year. The profitability of Iron Ore business will be boosted if exports are permitted from Karnataka as international prices of Iron Ore continues to remain buoyant.

Manganese ore

Mn ore realisation in the international market is expected to marginally drop from current levels, thereby adversely impacting Mn Ore business profitability. During the year, several new Mn Ore mines were opened up in Africa and Brazil, while a few existing mines have increased their production. Increased availability of Mn Ore internationally is expected to result in a marginal fall in prices. During 2020-21, the Company plans to produce Mn ore of higher Mn content to meet its captive requirement, and expects to realize stable prices for its Mn Ores sold.

Ferro alloys

Mn alloy business is not expected to witness any significant change during FY 20-21. Indian ferroalloy industry is currently operating at about 65% capacity utilization. Prices which picked up during 2019-20 may decline marginally during 2020-21. With the new 24 MVA furnace commencing trial operations and the 20 MVA existing furnace expected to be modernized during FY 20-21, the Company expects to produce and sell about 40,000 tonnes of ferroalloy during FY 20-21.

Coke

The integrated steel plants within a radius of 50 kms from the Company's plant purchase about 5.5 lakh tonnes of met coke every year, a major part of which is imported. Thus, the demand for Company's met coke is significantly dependent on the production level of these steel plants (which have been adversely impacted due to COVID-19 pandemic) and landed price of imported coke for these buyers. The price of met coke in the international market generally tracks the price of coking coal, with some exceptions. The price of coking coal has been significantly volatile during the last one year and the trend is expected to continue in the near future. As a result, the price of met coke has also been volatile in the domestic market. We expect that the met coke prices will stabilize from October 2020 onwards. However, the full impact of COVID-19 pandemic is yet to be determined and if the effect of the pandemic continues longer, this may put significant pressure on the demand and profitability of Company's met coke business.

The products of the Company namely Iron ore, Mn ore, Silicomanganese and Coke are dependent on the health of the steel market. The prospects of Steel Industry are expected to be good due to thrust given by the Government to boost steel production in the country to meet the requirement for infrastructure building and housing. As a result, the overall prospect of the Company is also expected to remain satisfactory.

5. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a well-developed internal control system and has clearly allocated responsibilities among its executives. The Company has a management audit department, which independently monitors compliances with approved internal control procedures and exercise of delegated powers.



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To substantially expand the scope of internal audit, the Company has, in line with the standards of internal audit issued by the Institute of Chartered Accountants of India, appointed P. Chandrasekar LLP, Chartered Accountants, as its internal auditor, which reports on a quarterly basis to the Audit Committee.

6. FINANCIAL PERFORMANCE

Information provided in the Directors' Report.

7. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS

As on 1 April 2019, the Company's employee strength was 2019. During the year, 343 employees were recruited while 113 employees separated. This resulted in the strength going up to 2339 by end of FY20. Right from its inception, the Company has a record of cordial relations with its employees.

for and on behalf of the Board of Directors

T. R. Raghunandan,
Chairman
(DIN:03637265)

Place : Bengaluru
Date : 29 June 2020



The Sandur Manganese & Iron Ores Limited

Independent Auditor's Report

To the Members of
The Sandur Manganese and Iron Ores Limited
Report on the audit of Financial Statements

Opinion

We have audited the financial statements of **The Sandur Manganese and Iron Ores Limited** ("the Company"), which comprise the balance sheet as at 31st March 2020, and the statement of Profit and Loss, including the statement of Other Comprehensive Income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information .

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act ,2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit including Other Comprehensive Income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the financial statements, as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Key Audit Matter (KAM) | Response to Key Audit Matter and Conclusion |
|--|---|
| <p>Evaluation of uncertain tax positions</p> <p>The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p> | <p>Principal Audit Procedures</p> <p>Obtained details of completed tax assessments and demands for the year ended March 31, 2020 from management. We involved our internal experts to analysis the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. We also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as of April 1, 2019 to evaluate whether any change was required to management's position on these uncertainties.</p> |
| <p>Inventory Measurement</p> <p>In respect of Inventory held as on March 31, 2020, the currently prevailing Covid-19 pandemic situation has posed challenges for obtaining sufficient and appropriate audit evidence</p> | <p>Principal Audit Procedures</p> <p>Due to Covid-19 pandemic related lockdown, we were not able to observe the physical verification of inventory that was carried out by the management at the year end.</p> <p>As per the Covid-19 Related guidance issued by the Institute of Chartered accountants of India, we have performed alternate procedures to audit the existence and condition of inventory as per the guidelines provided in SA 501 "Audit evidence - Specific consideration for stipulated items", which includes inspection of supporting documentation relating to purchases, production, sales, statutory returns to Government departments and physical verification performed by the management. We have also performed analytical procedures, including quantity and cost variances for each component and grade of inventory.</p> <p>Consequently, we have obtained sufficient and appropriate audit evidence to issue our unmodified opinion on the financial statements.</p> |



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| | | | |
|--|---|---|---|
| <p>Capitalization of Property, Plant and Equipment, Capital Work-in-process and related Depreciation and Amortization</p> <p>As on March 31, 2020, the company carries Property, Plant, and Equipment (PPE), Capital Work-in-process balances of ₹ 80,438.3624 lakh. We considered the amount of PPE and Capital Work-in-process balance as a key audit matter given the relative size of the balance in the financial statements</p> | <p>Principal Audit Procedures</p> <p>Our audit procedures included and were not limited to the following:</p> <ul style="list-style-type: none"> Assessing the nature of the costs incurred to substantially modify the New Coke plant and Ferro alloy plant to test whether such costs are incurred specifically for trial runs and meet the recognition criteria as set out in para 16 to 22 of Ind AS 16. Evaluating the assessment provided by third party vendors involved in the construction and testing process to determine whether capitalization ceased when the asset is in the location and condition necessary for it to be capable of operating in the manner intended by the management. Testing the design, implementation, and operating effectiveness of controls in respect of review of Capital Work-in-process, particularly in respect of timing of the capitalization. <p>Substantive testing procedures including, testing necessary authorizations for capitalization of items of PPE, testing supporting documentation for consumption of capital goods inventory, comparison of actual pattern of consumption of benefits for current year with the budget and testing the mathematical accuracy of computation of amortization / depreciation charge for the year.</p> | <p>Scheme of Amalgamation between the Company and its Subsidiary.</p> <p>The scheme of amalgamation of Star Metallics and Power Private Limited (SMPPL) a subsidiary, with the Company has been approved by the Bengaluru bench of National Company Law Tribunal (NCLT), vide its order dated March 4, 2020, and on completion of the required formalities the Scheme has become effective from April 1, 2019.</p> <p>This is a special one-time event affecting the financials statement of the company.</p> | <p>Principal Audit Procedures</p> <p>Our audit procedures included and were not limited to the verification of following accounting process:</p> <ul style="list-style-type: none"> The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. Accordingly, business combination is accounted with effect from April 1, 2018 The Company has recorded the assets and liabilities of the Merged Undertaking vested in it pursuant to this Scheme at the respective book values appearing in the books of the Merged Undertaking. <p>The difference between the net assets of the Merged Undertaking transferred to Company, after making adjustments, and the cost of investment are adjusted in 'Other Equity' of the Company</p> |
| <p>Cash and cash equivalents, Other Bank Balances, Long-term and Short-Term Borrowings</p> <p>In respect of Cash and Bank balances held as on March 31, 2020, the currently prevailing Covid-19 pandemic situation has posed challenges for obtaining sufficient and appropriate audit evidence</p> | <p>Principal Audit Procedures</p> <p>Due to Covid-19 pandemic related lockdown, we were not able to physically observe the physical verification of Cash that was carried out by the management at the year-end. We have obtained the cash balance certificate from the management.</p> <p>With respect to balances held with banks and Long-term and Short-Term Borrowings, we have obtained direct confirmation from the banks. However, in certain instances of non-availability of such direct confirmation, we have obtained sufficient and appropriate audit evidence though bank statements and confirmation obtained by the company.</p> | <p>Information Other Than the Financial Statements and Auditor's Report Thereon</p> <ul style="list-style-type: none"> The Company's Board of Directors is responsible for the other information. The other information comprises the Director's report and its annexures, but does not include the consolidated financial statements, financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that if there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard. <p>Emphasis of Matter</p> <p>We draw attention to note no 40 of the financial statement with regard to "The Company has considered the possible effects that may arise out of the still unfolding COVID-19 pandemic on the carrying amounts of Property, Plant &</p> | |



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Equipment including Capital Work-in-process, intangible assets, investments, inventories, trade receivables, Other Financials assets, Other Assets etc. For this purpose, the Company has considered internal and external sources of information up to the date of approval of the Financial Results including credit reports and related information, economic forecasts, and market value of certain investments. Based on the current estimates, the Company does not expect any significant impact on such carrying values. The Company will continue to closely monitor for any material changes to future economic conditions.”

Our opinion on the Financial Statements is not modified in respect of the above matters.

Other Information

The scheme of amalgamation of Star Metallics and Power Private Limited ('Transferor') a subsidiary, with the Company has been approved by the Bengaluru bench of National Company Law Tribunal (NCLT), vide its order dated March 4, 2020, and on completion of the required formalities the Scheme has become effective from April 1, 2019. The merger has been accounted under the 'pooling of interests' method in accordance with Appendix C of Ind AS 103 'Business Combinations', and comparative financial information have been restated for merger from the beginning of the previous year April 1, 2018. Transferor's Ind AS financial statements of the Company for the year ended March 31, 2019, were audited by the predecessor auditor who expressed an unmodified opinion on such financial information on May 25, 2019

Our opinion on the financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of

adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies



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used and the reasonableness of accounting estimates and related disclosures made by the management

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would

reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our



The Sandur Manganese & Iron Ores Limited

information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 29 to the financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company {or, following are the instances of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company or there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

for R Subramanian and Company LLP
Chartered Accountants
Firm Regn.No004137S/S200041

Gokul Dixit
Partner
M. No. 209464
UDIN: 20209464AAAAAF3805

Place: Chennai
Date: June 29, 2020

ANNEXURE-A to the Independent Auditors' Report

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory requirements' section of our report of even date to the Ind AS financial statements of the company for the year ended March 31, 2020.)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to the Ind AS financial statements of **The Sandur Manganese and Iron Ores Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is primarily responsible for establishing and maintaining internal financial controls with reference to the Ind AS financial statements. These responsibilities include the design, implementation and maintenance of internal financial controls with reference to the Ind AS financial statements that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's existence and operating efficiency of internal financial controls systems with reference to the Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls With Reference to Ind AS Financial Statements (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to the Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.



The Sandur Manganese & Iron Ores Limited

Our audit involves performing procedures to obtain audit evidence about existence of the internal financial controls with reference to the Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of the internal financial controls with reference to the Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to the Ind AS financial statements.

Meaning of Internal Financial Controls With Reference To Ind AS Financial Statements

A Company's internal financial controls with reference to the Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles including the Ind AS. A company's internal financial controls with reference to the Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of un authorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to the Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the Ind AS financial statements to future periods are subject to the risk that the internal financial controls with reference to the Ind AS financial statements may become inadequate because of changes

in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanation given to us, the Company has, in all material respects, there exists an adequate internal financial controls with reference to the Ind AS financial statements and such internal financial controls with reference to the Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal financial controls with reference to the Ind AS financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

for R Subramanian and Company LLP

Chartered Accountants

Firm Regn.No004137S/S200041

Gokul Dixit

Partner

M. No. 209464

UDIN: 20209464AAAAAF3805

Place: Chennai

Date: June 29, 2020



The Sandur Manganese & Iron Ores Limited

ANNEXURE-B to the Independent Auditors' Report

Referred to in paragraph (2) under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the Ind AS financial statements of the company for the year ended March 31, 2020.

1. a) The Company has maintained proper records showing full particulars, including quantitative details and Situation of fixed assets.
- b) The fixed assets were physically verified during the year by the Management in accordance with a regular program of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed/transfer deed/conveyance deed provided to us, we report that, the title deeds, comprising all immovable properties of land and building, which are freehold, are held in the name of the Company as at the balance sheet date. The Company does not have any immovable properties of land and buildings that have been taken on lease and disclosed as fixed asst in the financial statements.
2. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
3. As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under Section 189 of the Act. Accordingly, reporting under clause 3(iii)(a) to (c) of the Order are not applicable to the Company.
4. The Company has not granted any loans, made investments, or provided guarantees and hence reporting under clause 3(iv) of the order is not applicable.
- c) Details of dues of Sales Tax, Income Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax and Goods and Service Tax which have not been deposited as on 31st March 2020 on account of disputes are given below:
5. According to the information and explanations given to us, the Company has not accepted any deposits from the public and does not have any unclaimed deposits. Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.
6. The Maintenance of cost records have been specified by the central government under section 148(1) of The Companies Act 2013. We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under Section 148(1) of the Companies Act 2013, and are of the opinion that prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. According to the information and explanations given to us and based on examination of the records of the Company, in respect of statutory dues:
 - a) The company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Sales Tax, Income Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Goods and Service Tax, cess and other material statutory dues with the appropriate authorities.
 - b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Sales Tax, Income Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Goods and Service Tax, cess and other material statutory dues in arrears as at 31st March 2020 for a period of more than six months from the date they became payable.

| Name of Statute | Nature of Dues | Amount (₹ Lakhs) | Period to which the amounts relates | Forum where dispute is pending |
|------------------------------|---------------------------------|-----------------------|--|---|
| Income Tax Act, 1961 | Income tax including Interest | 427.79* 2,159.35** | 2010-11 to 2011-12 2012-13, 2013-14 2015-16, 2016-17 | Income Tax Appellate Tribunal Commissioner of Income Tax (Appeals) |
| Customs Act, 1952 | Customs duty Including Interest | 345.11*** | 1986-2020 | Hon'ble High Court of Andhra Pradesh |
| The Central Excise Act, 1944 | Service Tax Including Interest | 293.34 | April 2005 to September 2007 | Hon'ble Supreme Court of India |
| Service Tax | Service Tax on Royalty | 670.16# | April 2016 to June 2017 | Hon'ble High Court of Karnataka |

*Net of ₹182 lakhs Paid under protest. ** Net of ₹186.50 lakhs Paid under protest. *** Net of ₹42.22 lakhs Paid under protest # excluding Interest



The Sandur Manganese & Iron Ores Limited

8. In our opinion and according to the information and explanations given to us, the company has no outstanding dues to any financial institutions or banks or any government or any debenture holders during the year. Hence reporting under clause 3(viii) of the Order are not applicable to the Company. Accordingly, paragraph 3 (viii) of the order is not applicable.
9. To the best of our knowledge and according to the information and explanations given to us, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans during the year and hence, the provisions of clause 3(ix) of the Order are not applicable to the Company.
10. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.
11. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act 2013;
12. The Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
13. In our opinion and according to the information and explanations given to us and based on our examination of the record of the company, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and details of such transactions have been disclosed in the Financial Statements as required by the applicable Indian Accounting Standards.
14. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
15. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with its directors or directors of its holding or subsidiary company or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
16. In our opinion, the company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

for R Subramanian and Company LLP

Chartered Accountants

Firm Regn.No004137S/S200041

Gokul Dixit

Partner

M. No. 209464

UDIN: 20209464AAAAAF3805

Place: Chennai

Date: June 29, 2020



The Sandur Manganese & Iron Ores Limited

Balance sheet as at 31 March 2020

₹ lakh

| Particulars | Note No. | As at 31 March | |
|---|----------|-------------------|------------------|
| | | 2020 | 2019 |
| I ASSETS | | | |
| 1 NON-CURRENT ASSETS | | | |
| (a) Property, plant and equipment | 2 | 24,719.63 | 20,803.88 |
| (b) Capital work-in-progress | | 55,718.73 | 20,205.54 |
| (c) Investment property | 3 | 4,895.32 | 4,920.62 |
| (d) Other intangible assets | 4 | 110.59 | 144.84 |
| (e) Goodwill | | - | 149.99 |
| (f) Right to use asset | 5 | 914.78 | - |
| (g) Financial assets | | | |
| (i) Investments | 6 | 43.65 | 58.05 |
| (ii) Other financial assets | 7 | 976.52 | 1,123.52 |
| (h) Deferred tax assets (net) | 8 | 3,549.37 | 2,497.37 |
| (i) Other non-current assets | 9 | 7,465.70 | 10,787.30 |
| SUB-TOTAL | | 98,394.29 | 60,691.11 |
| 2 CURRENT ASSETS | | | |
| (a) Inventories | 10 | 16,162.90 | 6,479.28 |
| (b) Financial assets | | | |
| (i) Investments | 6 | 5,670.34 | 6,432.67 |
| (ii) Trade receivables | 11 | 3,080.14 | 2,091.55 |
| (iii) Cash and cash equivalents | 12 | 3,422.90 | 4,022.01 |
| (iv) Other bank balances | 12 | 9,337.57 | 2,871.24 |
| (v) Other financial assets | 7 | 238.13 | 367.33 |
| (c) Other current assets | 9 | 9,890.32 | 3,285.39 |
| SUB-TOTAL | | 47,802.30 | 25,549.47 |
| TOTAL ASSETS | | 146,196.59 | 86,240.58 |
| II EQUITY AND LIABILITIES | | | |
| 1 EQUITY | | | |
| (a) Equity share capital | 13 | 900.19 | 875.00 |
| (b) Share pending issuance | 13 | - | 25.00 |
| (c) Other equity | 13 (b) | 83,969.63 | 69,504.93 |
| SUB-TOTAL | | 83,969.63 | 70,404.93 |
| LIABILITIES | | | |
| 2 NON-CURRENT LIABILITIES | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 14 | 33,122.41 | - |
| (ii) Other financial liabilities | 15 | 576.10 | 28.50 |
| (b) Provisions | 16 | 797.13 | 596.38 |
| SUB-TOTAL | | 34,495.64 | 624.88 |
| 3 CURRENT LIABILITIES | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 14 | 6,864.82 | - |
| (ii) Trade payables | | | |
| (a) Dues to micro small and medium enterprises | | | |
| (b) Dues to other than micro small and medium enterprises | 17 | 8,040.84 | 7,452.58 |
| (ii) Other financial liabilities | 15 | 6,525.71 | 582.26 |
| (b) Provisions | 16 | 47.37 | 58.94 |
| (c) Current tax liabilities (Net) | 18 | - | 968.38 |
| (d) Other current liabilities | 19 | 6,252.58 | 6,148.61 |
| SUB-TOTAL | | 27,731.32 | 15,210.77 |
| TOTAL EQUITY AND LIABILITIES | | 146,196.59 | 86,240.58 |

The accompanying notes 1 to 42 are an integral part of the financial statements

In terms of our report attached
For R. Subramanian & Co., LLP
Chartered Accountants
FRN: 004137S/ S200041

Gokul S. Dixit
Partner
Membership No. 209464
UDIN:20209464AAAAAF3805

Place: Chennai
Date: 29 June 2020

For and on behalf of the Board of Directors

T.R. Raghunandan
Chairman

Bahirji Ajai Ghorpade
Managing Director

Divya Ajith
Company Secretary

Sachin Sanu
Chief Financial Officer

Place: Bangalore
Date: 29 June 2020



The Sandur Manganese & Iron Ores Limited

Statement of profit and loss for the year ended 31 March 2020

| Particulars | Note No. | ₹ lakh | |
|--|----------|-------------------------------------|-------------------------------------|
| | | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
| I Revenue from operations | 20 | 59,160.69 | 70,215.26 |
| II Other Income | 21 | 566.13 | 1,939.73 |
| III Total revenue (I + II) | | 59,726.82 | 72,154.99 |
| IV Expenses | | | |
| (a) Cost of materials consumed | 22(a) | 6,858.46 | 12,446.30 |
| (b) Changes in stock of finished goods, work-in-progress and stock-in-trade | 22(b) | (1,849.09) | 674.38 |
| (c) Employee benefit expense | 23 | 9,176.88 | 8,240.78 |
| (d) Finance costs | 24 | 672.60 | 639.00 |
| (e) Other expenses | 25 | 1,946.65 | 1,262.93 |
| (f) Depreciation and amortisation expense | 26 | 25,441.44 | 26,484.27 |
| V Total expenses | | 42,246.94 | 49,747.66 |
| VI Profit before tax (III - IV) | | 17,479.88 | 22,407.33 |
| VII Tax expense | | | |
| (1) Current tax | 27 | 3,793.35 | 8,088.99 |
| (2) Deferred tax | 27 | (552.00) | (417.99) |
| (3) MAT credit (Deferred tax) | 27 | (500.00) | - |
| Total tax expense | | 2,741.35 | 7,671.00 |
| VIII Profit after tax for the year (VI-VII) | | 14,738.53 | 14,736.33 |
| IX Other comprehensive income | | | |
| Items that will not be reclassified to the statement of profit and loss | | | |
| (i) Remeasurement of post-employment benefit obligations | | (89.10) | 0.96 |
| (ii) Income tax relating to these items | | 30.65 | (3.00) |
| Items that may be reclassified to the statement of profit and loss | | | |
| (i) Cost of hedging - Fair value change | | - | (70.08) |
| (ii) Cost of hedging - Reclassification | | 70.08 | - |
| (iii) Income tax relating to these items | | (24.00) | 24.00 |
| X Total comprehensive income (net of tax) for the year | | 14,726.16 | 14,688.21 |
| XI Earnings per equity share of ₹ 10: | | | |
| (1) Basic | 28 | 163.73 | 168.41 |
| (2) Diluted | 28 | 163.73 | 168.41 |

The accompanying notes 1 to 42 are an integral part of the financial statements

In terms of our report attached
For R. Subramanian & Co., LLP
 Chartered Accountants
 FRN: 004137S/ S200041

For and on behalf of the Board of Directors

Gokul S. Dixit
 Partner
 Membership No. 209464
 UDIN:20209464AAAAAF3805

T.R. Raghunandan
 Chairman

Bahirji Ajai Ghorpade
 Managing Director

Place: Chennai
Date: 29 June 2020

Divya Ajith
 Company Secretary

Sachin Sanu
 Chief Financial Officer

Place: Bangalore
Date: 29 June 2020



The Sandur Manganese & Iron Ores Limited

Statement of changes in equity for the year ended 31 March 2020

A. Equity share capital

₹ lakh

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|--|---------------------|---------------------|
| Opening Balance | 875.00 | 875.00 |
| Shares issued pursuant to business combination | 25.19 | - |
| Closing Balance | 900.19 | 875.00 |

(b) Other equity

₹ lakh

| Particulars | Reserves and surplus | | | | | Items of other comprehensive income | | Total other equity |
|--|----------------------------|----------------------------|-----------------|---|-------------------|---|------------------------------|--------------------|
| | Capital redemption reserve | Securities premium reserve | General reserve | Amalgamation adjustment deficit account | Retained earnings | Remeasurement of post-employment benefit obligations (net of tax) | Cost of hedging (net of tax) | |
| Balance As at 1 April 2018 | 100.65 | 967.23 | 3,788.11 | - | 47,379.91 | (140.00) | - | 52,095.90 |
| Adjustment due to Business Combination | - | 9,305.04 | - | (3,488.91) | (2,515.14) | - | - | 3,300.98 |
| Profit / (loss) for the year | - | - | - | - | 14,736.33 | (2.04) | (46.08) | 14,688.21 |
| Dividend paid on equity shares (refer note 13(b)) | - | - | - | - | (481.25) | - | - | (481.25) |
| Dividend distribution tax (refer note 13 (b)) | - | - | - | - | (98.92) | - | - | (98.92) |
| As at 31 March 2019 | 100.65 | 10,272.27 | 3,788.11 | (3,488.91) | 59,020.93 | (142.04) | (46.08) | 69,504.93 |
| Ind As 116 Transitional Adjustment | - | - | - | - | (54.06) | - | - | (54.06) |
| Profit / (loss) for the year | - | - | - | - | 14,738.53 | (58.45) | 46.08 | 14,726.15 |
| Dividend paid on equity shares (refer note 13 (b)) | - | - | - | - | (918.75) | - | - | (918.75) |
| Dividend distribution tax (refer note 13(b)) | - | - | - | - | (188.85) | - | - | (188.85) |
| As at 31 March 2020 | 100.65 | 10,272.27 | 3,788.11 | (3,488.91) | 72,597.80 | (200.49) | 0.00 | 83,069.43 |

The accompanying notes 1 to 42 are an integral part of the financial statements

In terms of our report attached
For R. Subramanian & Co., LLP
 Chartered Accountants
 FRN: 004137S/ S200041

For and on behalf of the Board of Directors

Gokul S. Dixit
 Partner
 Membership No. 209464
 UDIN:20209464AAAAAF3805

T.R. Raghunandan
 Chairman

Bahirji Ajai Ghorpade
 Managing Director

Place: Chennai
Date: 29 June 2020

Divya Ajith
 Company Secretary

Sachin Sanu
 Chief Financial Officer

Place: Bangalore
Date: 29 June 2020



The Sandur Manganese & Iron Ores Limited

Statement of cash flows for the year ended 31 March 2020

| Particulars | Year ended 31 Mar 2020 | Year ended 31 Mar 2019 |
|---|---------------------------|---------------------------|
| Cash flows from operating activities | | |
| Profit before tax for the year | 17,479.88 | 22,407.33 |
| Adjustments for: | | |
| Depreciation and amortisation expense | 1,946.65 | 1,262.93 |
| Provision for current assets | - | 20.15 |
| Liabilities no longer required written back | - | (89.38) |
| Gain on disposal of property, plant and equipment | (0.82) | (516.94) |
| Capital work in progress written off/Asset Discard | 41.25 | 1.80 |
| Finance costs | 672.60 | 639.00 |
| Interest income | (620.60) | (216.40) |
| Dividend income | (151.57) | (322.31) |
| Gain on investments carried at fair value | 335.91 | (525.29) |
| Rental income from investment properties | (59.05) | (59.62) |
| Impairment of goodwill | 149.99 | - |
| Profit on sale of non-current investments(net of loss on non current investment sold) | - | (9.45) |
| Reclassification of hedge reserve | 70.08 | - |
| Net foreign exchange (gain)/loss | 490.34 | - |
| Operating profit before working capital changes | 20,354.66 | 22,591.82 |
| Adjustments for (increase)/ decrease in operating assets: | | |
| Other non-current financial assets | (126.51) | 393.14 |
| Other non-current assets | - | 0.90 |
| Inventories | (9,683.62) | 2,226.50 |
| Trade receivables | (988.59) | (2,114.34) |
| Other current financial assets | 121.90 | (690.61) |
| Other current assets | (6,604.93) | (1,116.04) |
| Adjustments for (increase)/ decrease in operating liabilities: | | |
| Other non-current financial liabilities | 7.50 | 24.00 |
| Non-current provisions | 200.75 | 136.14 |
| Trade payables | 97.92 | 3,323.90 |
| Other current financial liabilities | 443.14 | 0.41 |
| Current provisions | (11.57) | (20.78) |
| Other current liabilities | 14.87 | (13.03) |
| Cash generated from operations | 3,825.52 | 24,742.01 |
| Income taxes paid | (5,155.57) | (7,848.04) |
| Net cash generated by operating activities | 1,330.05 | 16,893.97 |



The Sandur Manganese & Iron Ores Limited

Cash flows from investing activities

| | | |
|---|------------------|------------------|
| Additions to property, plant and equipment, intangible assets (including capital work-in-progress and capital advances) | 32,124.74 | 25,269.71 |
| Proceeds from sale of property, plant and equipment | 0.84 | 1,241.01 |
| Bank balances not considered as cash and cash equivalents | (6,192.42) | (2,716.44) |
| (Purchase)/ sale of investments (net) | 440.82 | 11,553.72 |
| Interest received | 627.90 | 132.27 |
| Rental income from investment properties | 59.05 | 59.62 |
| Dividends received | 151.57 | 322.31 |
| Net cash (used in)/generated by investing activities | <u>37,036.98</u> | <u>14,677.22</u> |

Cash flows from financing activities

| | | |
|---------------------------------------|------------------|-------------------|
| Proceeds from long term borrowings | 33,122.41 | - |
| Proceeds from short term borrowings | 6,864.82 | - |
| Finance costs | (672.60) | (639.00) |
| Dividends paid | (918.75) | (481.25) |
| Lease liability paid | (439.11) | - |
| Tax on dividends | (188.85) | (98.92) |
| Net cash used in financing activities | <u>37,767.92</u> | <u>(1,219.17)</u> |

| | | |
|--|----------|----------|
| Net increase in cash and cash equivalents | (599.11) | 997.58 |
| Cash and cash equivalents at the beginning of the year | 4,022.01 | 3,024.43 |
| Cash and cash equivalents at the end of the year | 3,422.90 | 4,022.01 |

The accompanying notes 1 to 42 are an integral part of the financial statements

In terms of our report attached
For R. Subramanian & Co., LLP
Chartered Accountants
FRN: 004137S/ S200041

For and on behalf of the Board of Directors

Gokul S. Dixit
Partner
Membership No. 209464
UDIN:20209464AAAAAF3805

T.R. Raghunandan
Chairman

Bahirji Ajai Ghorpade
Managing Director

Place: Chennai
Date: 29 June 2020

Divya Ajith
Company Secretary

Sachin Sanu
Chief Financial Officer

Place: Bangalore
Date: 29 June 2020



The Sandur Manganese & Iron Ores Limited

Notes to the financial statements for the year ended March 31, 2020

All amounts are in ₹ lakh unless otherwise stated

1. Corporate information

The Company is engaged in mining of manganese and iron ores in Deogiri village of Sandur taluk, Bellary District, Karnataka. The Company is also engaged in the manufacture of ferroalloys at the Metal & Ferroalloy Plant located at Vyasanakere, Hospet. The Company is a public limited company incorporated and domiciled in India. The Company has its Registered Office at 'Satyalaya', Door No. 266 (old No.80), Behind Taluka Office, Ward No.1, Palace Road, Sandur 583 119, Bellary District, Karnataka and its Corporate Office at No. 9, Sandur House, Ballari Road, Sadashivnagar Bangalore 560 080.

The Board of Directors approved the financial statements for the year ended March 31, 2020 and authorised for issue on June 29, 2020.

1.1 Significant accounting policies

(i) Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time

(ii) Basis of preparation of the financial statements

These financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain financial instruments which are measured at fair value or amortised cost at the end of each reporting period, as explained in the accounting policies below. This financial statements comply in all material aspects with Ind AS notified under section 133 of the Companies Act, 2013 (the Act) (to the extent notified) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. All assets and liabilities are classified into current and non current based on the operating cycle of less than twelve months all based on the criteria of realisation / settlement within twelve month period from the balance sheet date.

Accounting policies have been consistently applied except where a new accounting standard is initially adopted or revision to an existing accounting standard, requires a change in the accounting policy hitherto in use.

1.2 Use of estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may diverge from these estimates. Estimates and assumptions are reviewed on a periodic basis. Appropriate changes in estimates are made when the management of the Company becomes aware of the changes in the circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which the changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Ores:

Revenue from sale of ores is recognised on completion of e-auction and receipt of money from the customer. In case of sale of sub-grade ores the revenue from sale of ores is recognised on despatch of goods to customers from plant or stock points as applicable when significant risks and rewards of ownership are considered to be transferred and realisation is reasonably assured.

Ferro alloys:

Revenue from sale of goods is recognised on dispatch of ferro alloys to customers from plant, when significant risks and rewards of ownership are considered to be transferred and realisation is reasonably assured.

Energy:

Revenue from sale of energy is recognised on accrual basis based on the energy generated and supplied as per applicable rates from time to time and includes unbilled revenue accrued up to the end of the accounting year.



The Sandur Manganese & Iron Ores Limited

Notes to the financial statements for the year ended March 31, 2020 **All amounts are in ₹ lakh unless otherwise stated**

1.3.1 Rendering of services:

In case of service income, revenue is recognised when the service is rendered to the customer.

1.4 Dividend and interest income

Dividend income from investments is recognised when the Company's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

1.5 Leases

Policy before April 1, 2019

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Policy applicable after April 1, 2019

The Company has adopted Ind AS 116 effective from April 1 2019 using modified retrospective approach. For the purpose of preparation of Standalone Financial Information, management has evaluated the impact of change in accounting policies required due to adoption of Ind AS 116 for year ended March 31 2020.

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified assets, the Company assesses whether: (i) the contact involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

As a lessee, the Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of- use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in substance fixed payments. The lease liability is measured at amortised cost using the effective interest method.

The Company has used number of practical expedients when applying Ind AS 116: - Short-term leases, leases of low-value assets and single discount rate. The Company has elected not to recognise right-of-use assets and lease liabilities



The Sandur Manganese & Iron Ores Limited

Notes to the financial statements for the year ended March 31, 2020

All amounts are in ₹ lakh unless otherwise stated

for short-term leases that have a lease term of less than 12 months and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straightline basis over the lease term. The Company applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

The Company as lessor

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.6 Foreign currency transactions and balances

Transactions in foreign currency are recorded at exchange rates prevailing on the date of the respective transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains/ (losses).

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

1.6.1 Functional Currency

The financial statements are presented in Indian rupees, the national currency of India, which is the functional currency of the Company. Functional currency of an entity is the currency of the primary economic environment in which the entity operates.

1.7 Employee benefits

1.7.1 Retirement benefit costs and termination benefits

Employee benefits include provident fund, employee state insurance scheme, pension, gratuity, superannuation and compensated absences.

Payments to defined contribution retirement benefit plans are recognised as an expense when

employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

1.7.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.



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Notes to the financial statements for the year ended March 31, 2020 **All amounts are in ₹ lakh unless otherwise stated**

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

1.8 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1.8.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision.

1.8.2 Minimum alternate tax

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

1.8.3 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be

utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

1.8.4 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

1.9 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.



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Notes to the financial statements for the year ended March 31, 2020

All amounts are in ₹ lakh unless otherwise stated

Depreciation is recognised so as to write off the cost of assets at head office and mines (including assets transferred to plant from these locations other than freehold land and properties under construction) less their residual values over their useful lives, using The Company's assets are depreciated on the written down value method and at plant (including assets transferred to other locations from plant) are depreciated on the straight line method over the useful life and in manner prescribed in Schedule II to the 2013 Act. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Items such as spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment when they meet the definition of property, plant and equipment under Ind AS 16. i.e., Property, plant and equipment are tangible items that:

- (a) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
- (b) are expected to be used during more than one period. If the above said definition is not met, they are classified as inventories in accordance with Ind AS 2 Inventories."

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

1.10 Investment property

Investment properties are properties held to earn rentals and/ or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost,

including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

1.11 Intangible assets

1.11.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

1.11.2 Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

1.11.3 Useful lives of intangible assets

Intangible assets are amortised over their estimated useful life on straight line method as follows:
Software Licenses : 5 years

1.12 Inventories

Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including all levies, transit insurance and receiving charges. Work-in-progress



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and finished goods include appropriate proportion of overheads and, where applicable, excise duty. Cost is determined as follows:

| | |
|-----------------------------------|---|
| Stores, spares and consumables | Monthly weighted average rates |
| Raw materials | Monthly weighted average rates |
| Work in progress & finished goods | Full absorption costing method based on annual cost of production |

1.13 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

The financial obligation towards mine closure plans under relevant Acts and Rules are technically estimated, based on total available ore reserves of all the mining leases. The amount so determined is provided in the books of account on the basis of run of mine ore production of the mines of all the mining leases.

1.14 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

1.15. Earnings per share

The basic earnings/ (loss) per share is computed by dividing the net profit/ (loss) attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

1.16. Segment accounting:

Operating segments are reported in the manner consistent with the internal reporting to the chief operating decision maker (CODM). The Company has identified business segment as its primary segment with secondary information reported geographically.

The Company's primary segments consist of Mining, Ferroalloys & energy.

Unallocable represents other income and expenses which relate to the Company as a whole and are not allocated to segments.

1.17 Operating cycle

As mentioned in para 1 above under Corporate information', the Company based on the normal time between acquisition of assets and their realisation in cash or cash equivalents, has determined its operating cycle as one year. The above basis is used for classifying the assets and liabilities into current and non-current as the case may be.

1.18. Cash flow statement

Cash flows are reported using the indirect method, whereby profit/ (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

1.19. Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value.



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Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs

directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue cost.

Hedge accounting

The Company designates currency options and futures contracts as hedge instruments in respect of foreign exchange risks. These hedges are accounted for as cash flow hedges

The Company uses hedging instruments that are governed by the policies of the Company which are approved by the Board of Directors. The policies provide written principles on the use of such financial derivatives consistent with the risk management strategy of the Company.

The hedge instruments are designated and documented as hedges at the inception of the contract. The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at inception and on an ongoing basis. If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified in net foreign exchange gains in the statement of profit and loss.

The effective portion of change in the fair value of the designated hedging instrument is recognised in the other comprehensive income and accumulated under the heading cost of hedging.

The Company separates the intrinsic value and time value of an option and designates as hedging instruments only the change in intrinsic value of the option. The change in fair value of the time value



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and intrinsic value of an option is recognised in the statement of other comprehensive income and accounted as a separate component of equity. Such amounts are reclassified into the statement of profit and loss when the related hedged items affect profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity till that time remains and is recognised in statement of profit and loss when the forecasted transaction ultimately affects the profit or loss.

1.20 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the Statement of Profit and Loss in the year in which they are incurred

The Company determines the amount of borrowing

costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the year less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

Borrowing Cost includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost



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Notes to the financial statements for the year ended March 31, 2020

Note No. 2 - Property, plant and equipment

₹ lakh

| Description of Assets | Land - Freehold | Buildings - Freehold | Plant and Equipment - Freehold | Office Equipment | Furniture and Fixtures | Vehicles | Total |
|--|-----------------|----------------------|--------------------------------|------------------|------------------------|-----------------|------------------|
| I. Owned assets | | | | | | | |
| As at 1 April 2019 | 5,485.68 | 2,863.02 | 13,609.93 | 444.43 | 313.86 | 1,097.77 | 23,814.69 |
| Additions | 2,190.81 | 1,754.52 | 646.26 | 242.77 | 380.61 | 90.57 | 5,305.54 |
| Disposals/ adjustments | - | 61.15 | 55.60 | 72.59 | 6.90 | 7.08 | 203.32 |
| Balance as at 31 March 2020 | 7,676.49 | 4,556.39 | 14,200.59 | 614.62 | 687.57 | 1,181.26 | 28,916.91 |
| II. Accumulated depreciation and impairment | | | | | | | |
| As at 1 April 2019 | - | 243.03 | 1,882.94 | 213.44 | 117.90 | 553.50 | 3,010.81 |
| Depreciation expense for the year | - | 237.08 | 683.30 | 157.78 | 78.81 | 191.45 | 1,348.42 |
| Eliminated on disposal of assets | - | 27.55 | 52.25 | 69.57 | 5.99 | 6.69 | 162.05 |
| Balance as at 31 March 2020 | - | 452.56 | 2,513.99 | 301.66 | 190.72 | 738.25 | 4,197.18 |
| III. Net carrying amount (I-II) | 7,676.49 | 4,103.83 | 11,686.60 | 312.96 | 496.85 | 443.00 | 24,719.63 |
| I. Gross Carrying Amount | | | | | | | |
| Balance as at 1 April 2018 | 4,771.70 | 3,499.21 | 13,282.57 | 267.42 | 175.92 | 1,031.37 | 23,028.19 |
| Additions | 734.32 | 342.63 | 327.36 | 180.99 | 137.94 | 74.07 | 1,797.31 |
| Disposals/ adjustments | 20.34 | 978.82 | - | 3.98 | - | 7.67 | 1,010.81 |
| Balance as at 31 March 2019 | 5,485.68 | 2,863.02 | 13,609.93 | 444.43 | 313.86 | 1,097.77 | 23,814.69 |
| II. Accumulated depreciation and impairment | | | | | | | |
| Balance as at 1 April 2018 | - | 332.68 | 1,270.82 | 135.58 | 75.67 | 332.08 | 2,146.83 |
| Depreciation expense for the year | - | 186.02 | 612.12 | 81.64 | 42.23 | 228.71 | 1,150.72 |
| Eliminated on disposal of assets | - | 275.67 | - | 3.78 | - | 7.29 | 286.74 |
| Balance as at 31 March 2019 | - | 243.03 | 1,882.94 | 213.44 | 117.90 | 553.50 | 3,010.81 |
| III. Net carrying amount (I-II) | 5,485.68 | 2,619.99 | 11,726.99 | 230.99 | 195.96 | 544.27 | 20,803.88 |

Notes:

1. For depreciation methods used and the useful lives or the depreciation refer note 1.9 of financial statement.

Note No. 3 - Investment Property

₹ lakh

| Description of Assets | Land | Buildings | Total |
|--|-----------------|---------------|-----------------|
| I. Gross Carrying Amount | | | |
| Balance as at 1 April 2019 | 4,401.71 | 604.90 | 5,006.61 |
| Addition | - | - | - |
| Disposals | - | - | - |
| Balance as at 31 March 2020 | 4,401.71 | 604.90 | 5,006.61 |
| II. Accumulated depreciation and impairment | | | |
| Balance as at 1 April 2019 | - | 85.99 | 85.99 |
| Addition | - | 25.30 | 25.30 |
| Disposals | - | - | - |
| Balance as at 31 March 2020 | - | 111.29 | 111.29 |
| III. Net carrying amount (I-II) | 4,401.71 | 493.61 | 4,895.32 |
| I. Gross Carrying Amount | | | |
| Balance as at 1 April 2018 | 4,401.71 | 604.90 | 5,006.61 |
| Addition | - | - | - |
| Disposals | - | - | - |
| Balance as at 31 March 2019 | 4,401.71 | 604.90 | 5,006.61 |
| II. Accumulated depreciation and impairment | | | |
| Balance as at 1 April 2018 | - | 59.46 | 59.46 |
| Addition | - | 26.53 | 26.53 |
| Disposals | - | - | - |
| Balance as at 31 March 2019 | - | 85.99 | 85.99 |
| III. Net carrying amount (I-II) | 4,401.71 | 518.91 | 4,920.62 |

- The Company's investment properties consist of one commercial & one residential properties in India. Management determined that the investment properties consist of two classes of assets – commercial and residential– based on the nature, characteristics and risks of each property.
- For depreciation methods used and the useful lives or the depreciation refer note 1.9 of financial statement
- All of the Company's investment property are held free hold interest.
- Fair market value investment property have been arrived at on the basis of valuations carried out by the Company internally on the basis of market value and the details are as below.



The Sandur Manganese & Iron Ores Limited

Notes to the financial statements for the year ended March 31, 2020

Note No. 3 - Investment Property

₹ lakh

| Particulars | 31-Mar-20 | 31-Mar-19 |
|-------------|-----------|-----------|
| Land | 7,131.38 | 7,131.38 |
| Buildings | 740.61 | 763.52 |
| Total | 7,871.99 | 7,894.90 |

- The company has no restrictions on the realis ability of its investment properties and no contractual obligations to either purchase, construct or develop investment properties or for repairs, maintenance and enhancements.
- Amounts recognised in profit or loss for Investment property.

₹ lakh

| Particulars | 31-Mar-20 | 31-Mar-19 |
|--|-----------|-----------|
| Rental income | 59.05 | 59.62 |
| Direct operating expenses from investment property | - | - |
| Depreciation | 25.30 | 26.53 |

Note No. 4 - Other intangible assets

₹ lakh

| Description of Assets | Computer software | Total |
|--|-------------------|---------------|
| I. Gross Carrying Amount | | |
| Balance as at 1 April 2019 | 351.37 | 351.37 |
| Additions | 79.61 | 79.61 |
| Disposals | - | - |
| Balance as at 31 March 2020 | 430.98 | 430.98 |
| II. Accumulated depreciation and impairment | | |
| Balance as at 1 April 2019 | 206.53 | 206.53 |
| Amortisation expense for the year | 113.86 | 113.86 |
| Balance as at 31 March 2020 | 320.39 | 320.39 |
| III. Net carrying amount (I-II) | 110.59 | 110.59 |
| I. Gross Carrying Amount | | |
| Balance as at 1 April 2018 | 342.93 | 342.93 |
| Additions | 8.44 | 8.44 |
| Disposals | - | - |
| Balance as at 31 March 2019 | 351.37 | 351.37 |
| II. Accumulated depreciation and impairment | | |
| Balance as at 1 April 2018 | 120.85 | 120.85 |
| Amortisation expense for the year | 85.68 | 85.68 |
| Eliminated on disposal of assets | - | - |
| Balance as at 31 March 2019 | 206.53 | 206.53 |
| III. Net carrying amount (I-II) | 144.84 | 144.84 |

Notes:

- For depreciation methods used and the useful lives or the depreciation refer note 1.11.3 of financial statement.

Note No. 5 - Right to use asset

₹ lakh

| Description of Assets | Vehicles | Total |
|--|----------------|----------------|
| I. Gross Carrying Amount | | |
| Balance as at 1 April 2019 | - | - |
| Change in accounting Policy | 1,628.86 | 1,628.86 |
| Addition | 182.86 | 182.86 |
| Disposals | - | - |
| Balance as at 31 March 2020 | 1811.71 | 1811.71 |
| II. Accumulated depreciation and impairment | | |
| Balance as at 1 April 2019 | - | - |
| Change in accounting Policy | 437.86 | 437.86 |
| Addition | 459.07 | 459.07 |
| Disposals | - | - |
| Balance as at 31 March 2020 | 896.93 | 896.93 |
| III. Net carrying amount (I-II) | 914.78 | 914.78 |

- The aggregate depreciation expense on right-of-use asset is included under depreciation and amortisation expense in the statement of profit and loss.



The Sandur Manganese & Iron Ores Limited

Notes to the financial statements for the year ended March 31, 2020

Note No. 6 - Investments

₹ lakh

| Particular | As at 31 March 2020 | | | As at 31 March 2019 | | |
|--|---------------------|-----------------|--------------|---------------------|-----------------|--------------|
| | QTY | Amount | | QTY | Amount | |
| | | Current | Non Current | | Current | Non Current |
| I. Quoted investments in equity instruments | | | | | | |
| HDFC Bank Limited | 5,000 | - | 43.65 | 2,500 | - | 58.05 |
| Equity shares of ₹ 2 each fully paid up | | | | | | |
| Total quoted investments | | - | 43.65 | | - | 58.05 |
| Investments in Mutual Funds | | | | | | |
| Quoted | | | | | | |
| Sundaram Hybrid Fund SR H 5 YRS Regular Growth | - | - | - | 1,000,000 | 142.26 | - |
| DHFL Pramerica Credit Risk-Regular Plan-Growth-(Refer note 29 (i)(b)) | 5,382,349 | 749.06 | - | 5,382,349 | 779.71 | - |
| Franklin India Dynamic Accrual Fund-Growth Scheme-(Refer note 29 (i)(b)) | 1,060,086 | 709.84 | - | 1,060,087 | 706.73 | - |
| ICICI Prudential Credit Risk-Regular Plan-Growth-(Refer note 29 (i)(b)) | - | - | - | 2,902,657 | 576.71 | - |
| IDFC Credit Risk - Regular Plan-Growth-(Refer note 29 (i)(b)) | 2,874,720 | 354.70 | - | 5,874,720 | 665.98 | - |
| SBI Credit Risk-Regular Plan-Growth-(Refer note 29 (i)(b)) | 2,274,863 | 721.26 | - | 2,274,863 | 679.45 | - |
| UTI Credit Risk-Regular Plan-Growth-(Refer note 29 (i)(b)) | 3,353,544 | 53.47 | - | 3,353,544 | 560.93 | - |
| Reliance Strategic Debt Fund-Regular Plan-Growth-(Refer note 29 (i)(b)) | 4,413,710 | 467.22 | - | 4,413,710 | 649.27 | - |
| Franklin India Corp BondOpp-(G) | 2,488,147 | 465.21 | - | 1,714,903 | 335.76 | - |
| ICICI Prudential Balanced Advantage-G | 1,383,892 | 423.06 | - | - | - | - |
| Reliance Balanced Advantage-G | 540,604 | 425.04 | - | - | - | - |
| Aditya Birla Mutual Fund | - | - | - | 3,872,637 | 529.37 | - |
| Aditya Birla SL Equity Savings Reg-G | 3,872,637 | 559.98 | - | - | - | - |
| | | 4,928.84 | - | | 5,626.17 | - |
| Unquoted | | | | | | |
| Arthaveda Star Fund - Unit of ₹1,000 each | 23,413 | 268.35 | - | 28,705.00 | 351.04 | - |
| Edelweiss Stressed & Troubled assets revival Fund | 1,000 | 48.14 | - | 1,000 | 52.27 | - |
| Indiabulls High Yield Fund | 4,000,000 | 425.01 | - | 4,000,000 | 403.19 | - |
| | | 741.50 | | | 806.50 | |
| Total aggregate quoted investments | | 4,928.84 | 43.65 | | 5,626.17 | 58.05 |
| Total aggregate un-quoted investments | | 741.50 | - | | 806.50 | - |
| Total investments | | 5,670.34 | 43.65 | | 6,432.67 | 58.05 |
| Total investments carrying value | | 5,670.34 | 43.65 | | 6,432.67 | 58.05 |
| Other disclosures | | | | | | |
| Aggregate amount of quoted investments & market value thereof | | 4,928.84 | 43.65 | | 5,626.17 | 58.05 |
| Aggregate amount of unquoted investments | | 741.50 | - | | 806.50 | - |

Note No. 7 - Other financial assets (Unsecured and considered good)

₹ lakh

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|--|---------------------|---------------|---------------------|-----------------|
| | Current | Non Current | Current | Non Current |
| (i) Security deposits | - | 542.39 | 0.27 | 366.98 |
| ii) Deposits against guarantees with maturity of more than 12 months (Refer Note 12) | - | 434.13 | - | 707.64 |
| iii) Loans and advances to employees | 152.13 | - | 154.61 | - |
| iv) Interest accrued on deposits | 86.00 | - | 93.30 | 9.93 |
| v) Fair value of foreign exchange derivative assets | - | - | 119.15 | 38.97 |
| | 238.13 | 976.52 | 367.33 | 1,123.52 |



The Sandur Manganese & Iron Ores Limited

Notes to the financial statements for the year ended March 31, 2020

8. Deferred tax balances

₹ lakh

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---------------------|---------------------|---------------------|
| Deferred tax assets | 3,549.37 | 2,497.37 |
| Total | 3,549.37 | 2,497.37 |

As at March 31, 2020

₹ lakh

| Particulars | Opening Balance | Recognised in Profit or Loss | Recognised in other comprehensive income | Closing Balance |
|---|-----------------|------------------------------|--|-----------------|
| Deferred tax (liabilities)/assets in relation to: | | | | |
| Property, plant and equipment | 440.00 | 92.90 | - | 532.90 |
| Intangible assets | (6.72) | (362.48) | - | (369.20) |
| Right to use assets | - | 319.66 | - | 319.66 |
| Investments | - | 103.46 | - | 103.46 |
| Provision for employee benefits | 109.00 | 272.94 | - | 381.94 |
| Cash flow hedges | 41.53 | (41.53) | - | - |
| MAT credit entitlement | 47.37 | 500.00 | - | 547.37 |
| Disallowances under section 40(a)(i), 43B of the Income-tax Act, 1961 | 1,866.19 | 167.05 | - | 2,033.24 |
| Total | 2,497.37 | 1,052.00 | - | 3,549.37 |

As at March 31, 2019

₹ lakh

| Particulars | Opening Balance | Recognised in Profit or Loss | Recognised in other comprehensive income | Closing Balance |
|---|-----------------|------------------------------|--|-----------------|
| Deferred tax (liabilities)/assets in relation to: | | | | |
| Property, plant and equipment | 226.35 | 213.65 | - | 440.00 |
| Intangible assets | (32.12) | 25.40 | - | (6.72) |
| Provision for employee benefits | 189.47 | (80.47) | - | 109.00 |
| Cash flow hedges | - | 41.53 | - | 41.53 |
| MAT credit entitlement | 29.38 | 17.99 | - | 47.37 |
| Disallowances under section 40(a)(i), 43B of the Income-tax Act, 1961 | 1,666.30 | 199.89 | - | 1,866.19 |
| Total | 2,079.38 | 417.99 | - | 2,497.37 |

Note No. 9 - Other current assets

₹ lakh

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|--|---------------------|-----------------|---------------------|------------------|
| | Current | Non Current | Current | Non Current |
| Unsecured considered good | | | | |
| (a) Capital advances | | | | |
| Capital advances (Unsecured, considered good) | | | | |
| (i) For capital work in progress | - | 2,109.92 | - | 5,832.01 |
| (b) Advances other than capital advances | | | | |
| (i) Balances with government authorities (other than income taxes) | 7,830.96 | 156.99 | 1,138.03 | 156.99 |
| Less: provision for doubtful receivables | (3.65) | - | (3.65) | - |
| (ii) Other advances | 7,827.31 | | 1,134.38 | 156.99 |
| Unsecured, considered good | 2,043.25 | 2.65 | 2,087.76 | 2.65 |
| Unsecured, considered doubtful | 23.12 | | 23.12 | |
| Less: provision for doubtful receivables | (23.12) | | (23.12) | |
| iii) Prepaid expenses | - | - | 12.68 | - |
| iv) Unbilled revenue | 19.76 | - | 50.57 | - |
| v) Tax payments, net of provisions (Unsecured, considered good) of | - | 5,196.14 | - | 4,795.65 |
| Total | 9,890.32 | 7,465.70 | 3,285.39 | 10,787.30 |



The Sandur Manganese & Iron Ores Limited

Notes to the financial statements for the year ended March 31, 2020

Note No. 10 - Inventories

₹ lakh

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|--|---------------------|---------------------|
| (a) Raw materials | 6,451.29 | 1,532.38 |
| (b) Finished and semi-finished goods | 8,975.31 | 4,277.66 |
| (c) Stores and spares | 736.30 | 669.24 |
| Total Inventories (at lower of cost and net realisable value) | 16,162.90 | 6,479.28 |

Notes:

- Mode of valuation of inventories is stated in Note 1.12.

Note No. 11 - Trade receivables

₹ lakh

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|--|---------------------|-------------|---------------------|-------------|
| | Current | Non Current | Current | Non Current |
| Trade receivables | | | | |
| (a) Trade receivables considered good - Secured | | | | |
| (b) Trade receivables considered good -Unsecured | 3,080.14 | - | 2,091.55 | - |
| (c) Trade receivables which have significant increase in credit risk | - | - | - | - |
| (d) Trade receivables - Credit Impaired | 49.57 | - | 49.57 | - |
| Less: Allowance for credit losses | (49.57) | - | (49.57) | - |
| Total | 3,080.14 | - | 2,091.55 | - |

Note No. 12 - Cash and Bank Balances

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|--|---------------------|---------------------|
| Cash and cash equivalents | | |
| (a) Balances with banks | | ₹ lakh |
| (i) In current accounts | 1,541.84 | 4,014.32 |
| (ii) Fixed deposits with maturity less than 3 months | 1,877.70 | - |
| (b) Cash on hand | 3.36 | 7.69 |
| Total cash and cash equivalent | 3,422.90 | 4,022.01 |
| (a) Earmarked balances with banks - dividend accounts | 459.36 | 16.22 |
| (b) Balances with banks: | | |
| (i) On margin accounts | 9,312.34 | 3,562.66 |
| (ii) Fixed deposits with maturity greater than 3 months disclosed under Note 6 | 434.13 | 707.64 |
| | 8,878.21 | 2,855.02 |
| Total other bank balances | 9,337.57 | 2,871.24 |

Notes:

- Cash and cash equivalents include cash in hand and in banks.
- Refer note 29(b) for lien on fixed deposit.



The Sandur Manganese & Iron Ores Limited

Notes to the financial statements for the year ended March 31, 2020

Note No. 13 - Equity share capital

₹ lakh

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|--|---------------------|---------------|---------------------|---------------|
| | No. of shares | Amount ₹ lakh | No. of shares | Amount ₹ lakh |
| Authorised: | | | | |
| Equity shares of ₹ 10 each with voting rights | 114,000,000 | 11,400.00 | 114,000,000 | 11,400.00 |
| Preference shares of ₹ 100 each | 100,000 | 100.00 | 100,000 | 100.00 |
| Issued, subscribed and fully Paid: | | | | |
| Equity shares of ₹ 10 each with voting rights | 8,750,000 | 875.00 | 8,750,000 | 875.00 |
| Shares pending issuance | - | - | - | - |
| Shares issued pursuant to business combination | 251,941 | 25.19 | - | - |
| Total | 9,001,941 | 900.19 | 8,750,000 | 875.00 |
| Share pending issuance (Refer note No 38) | | | | |
| Share pending issuance for the year | - | - | - | 25.00 |
| Total | - | - | - | 25.00 |

(ii) Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

| Particulars | Opening balance | Fresh issue | Bonus | ESOP | Other changes | Closing balance |
|--------------------------------------|-----------------|-------------|-------|------|---------------|-----------------|
| (a) Equity shares with voting rights | | | | | | |
| Year ended 31 March 2020 | | | | | | |
| No. of shares | 8,750,000 | - | - | - | 251,941 | 9,001,941 |
| Amount ₹ lakh | 875.00 | - | - | - | - | 875.00 |
| Year ended 31 March 2019 | | | | | | |
| No. of shares | 8,750,000 | - | - | - | - | 87,50,000 |
| Amount ₹ lakh | 875.00 | - | - | - | - | 875.00 |

Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors is subject to approval of the shareholders in the ensuing annual general meeting. Further, the Board of Directors may also announce an interim dividend which would need to be confirmed by the shareholders at the forthcoming Annual General Meeting. In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

Issue of shares to shareholders of Star Metallics & Power Private Limited

The scheme of amalgamation of Star Metallics and Power Private Limited ('Transferor') a subsidiary, with the Company has been approved by the Bengaluru bench of National Company Law Tribunal (NCLT), vide its order dated March 4, 2020, and on completion of the required formalities the Scheme has become effective from April 1, 2019. The new shares have been issued to the minority shareholders.

| Particulars | No. of shares | | |
|----------------------------|----------------------------------|---|--------|
| | Equity shares with voting rights | Equity shares with differential voting rights | Others |
| As at 31 March 2020 | | | |
| Skand Private Limited | 4,632,040 | - | - |
| As at 31 March 2019 | | | |
| Skand Private Limited | 4,632,040 | - | - |

(iii) Details of shares held by each shareholder holding more than 5% shares:

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|-----------------------|-----------------------------------|-----------------------|-----------------------------------|
| | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares |
| Equity shares with voting rights | | | | |
| Skand Private Limited | 4,632,040 | 51.46 | 4,632,040 | 52.94 |
| Euro Industrial Enterprises Private Limited | 677,329 | 7.52 | 4,25,805 | 4.85 |



The Sandur Manganese & Iron Ores Limited

Notes to the financial statements for the year ended March 31, 2020

(b) Other equity

₹ lakh

| Particulars | Reserves and surplus | | | | | Items of other comprehensive income | | Total other equity |
|--|----------------------------|----------------------------|-----------------|---|-------------------|---|------------------------------|--------------------|
| | Capital redemption reserve | Securities premium reserve | General reserve | Amalgamation adjustment deficit account | Retained earnings | Remeasurement of post-employment benefit obligations (net of tax) | Cost of hedging (net of tax) | |
| Balance As at 1 April 2018 | 100.65 | 967.23 | 3,788.11 | - | 47,379.91 | (140.00) | - | 52,095.90 |
| Adjustment due to Business Combination | - | 9,305.04 | - | (3,488.91) | (2,515.14) | - | - | 3,300.98 |
| Profit / (loss) for the year | - | - | - | - | 14,736.33 | (2.04) | (46.08) | 14,688.21 |
| Dividend paid on equity shares (refer note 13(b)) | - | - | - | - | (481.25) | - | - | (481.25) |
| Dividend distribution tax (refer note 13 (b)) | - | - | - | - | (98.92) | - | - | (98.92) |
| As at 31 March 2019 | 100.65 | 10,272.27 | 3,788.11 | (3,488.91) | 59,020.93 | (142.04) | (46.08) | 69,504.93 |
| Ind As 116 Transitional Adjustment | - | - | - | - | (54.06) | - | - | (54.06) |
| Profit / (loss) for the year | - | - | - | - | 14,738.53 | (58.45) | 46.08 | 14,726.15 |
| Dividend paid on equity shares (refer note 13 (b)) | - | - | - | - | (918.75) | - | - | (918.75) |
| Dividend distribution tax (refer note 13(b)) | - | - | - | - | (188.85) | - | - | (188.85) |
| As at 31 March 2020 | 100.65 | 10,272.27 | 3,788.11 | (3,488.91) | 72,597.80 | (200.49) | 0.00 | 83,069.43 |

Description of the nature and purpose of Other Equity

(a) Capital redemption reserves: Reserve created on redemption of capital.

| Particulars | 31-Mar-20 | 31-Mar-19 |
|---|-----------|-----------|
| Balance as at the beginning of the year | 100.65 | 100.65 |
| Balance as at the end of the year | 100.65 | 100.65 |

(b) Securities premium reserve: Amounts received on issue of shares in excess of the par value has been classified as securities premium.

| Particulars | 31-Mar-20 | 31-Mar-19 |
|---|-----------|-----------|
| Balance as at the beginning of the year | 10,272.27 | 967.23 |
| Balance as at the end of the year | 10,272.27 | 10,272.27 |

(c) Amalgamation adjustment deficit account: Comprises of excess of the carrying value of the net assets over shares issued and investment made on business combination (Refer Note no 38)

| Particulars | 31-Mar-20 | 31-Mar-19 |
|---|------------|------------|
| Balance as at the beginning of the year | (3,488.91) | - |
| Balance as at the end of the year | (3,488.91) | (3,488.91) |

(d) General reserve: The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. There is no policy of regular transfer. Items included under General Reserve shall not be reclassified back into the profit or loss.

| Particulars | 31-Mar-20 | 31-Mar-19 |
|---|-----------|-----------|
| Balance as at the beginning of the year | 3,788.11 | 3,788.11 |
| Balance as at the end of the year | 3,788.11 | 3,788.11 |

(e) Retained earnings: Retained earnings comprise of the Company's prior years undistributed earnings after taxes.

| Particulars | 31-Mar-20 | 31-Mar-19 |
|---|-----------|-----------|
| Balance as at the beginning of the year | 59,020.93 | 47,379.91 |
| Balance as at the end of the year | 72,597.80 | 59,020.93 |



The Sandur Manganese & Iron Ores Limited

Notes to the financial statements for the year ended March 31, 2020

Distributions made and proposed

| Particulars | 31-Mar-20 | 31-Mar-19 |
|--|-----------------|---------------|
| Cash dividends on equity shares declared and paid | | |
| Final dividend for the year ended on 31 March 2019: ₹ 3.5 per share (₹ 2 per share) | 306.25 | 175.00 |
| Dividend distribution tax on final dividend | 62.95 | 35.97 |
| Interim dividend for the year ended on 31 March 2020: ₹ 7 per share (₹ 3.5 per share) | 612.50 | 306.25 |
| Dividend distribution tax on Interim dividend | 125.90 | 62.95 |
| | 1,107.60 | 580.17 |
| Proposed dividends on Equity shares | | |
| Final dividend for the year ended on 31 March 2020: ₹ Nil per share (₹ 3.50 per share) | - | 306.25 |
| Dividend distribution tax on proposed dividend | - | 62.95 |
| | - | 369.20 |

Proposed dividends on equity shares are subject to approval in annual general meeting and are not recognised as a liability (including dividend distribution tax thereon).

Note No. 14 - Borrowings

₹ lakh

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|--------------|---------------------|------------------|---------------------|-------------|
| | Current | Non Current | Current | Non Current |
| Terms loans | | | | |
| Secured | - | 33,122.41 | - | - |
| Other loans | 6,864.82 | - | - | - |
| Total | 6,864.82 | 33,122.41 | - | - |

| Term loans | 31-Mar-20 | 31-Mar-19 |
|--|------------------|-----------|
| Rupee term loan from the banks (Secured) | 33,122.41 | - |
| Total | 33,122.41 | - |

Weighted average interest cost as on 31 March 2020 is 10.55%

Terms of repayment

84 equal instalments from April 30, 2021

Security

First pari-passu charge on all moveable and immovable fixed assets and current assets of the Company present and future including project assets.

| Other loans | As at 31 March 2020 | As at 31 March 2019 |
|-------------------------|---------------------|---------------------|
| Short-term loans in USD | 6,864.82 | - |
| Total | 6,864.82 | - |

Weighted average interest cost as on 31 March 2020 is 2.23%

Terms of repayment

short term foreign currency loan for a period of 180 days.

Security

Lien on fixed deposits

Note No. 15 - Other financial liabilities

₹ lakh

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|--|---------------------|---------------|---------------------|--------------|
| | Current | Non Current | Current | Non Current |
| a. Security deposits | - | 36.00 | - | 28.50 |
| b. Current maturities of finance lease obligations | 449.51 | 540.10 | - | - |
| c. Payables on purchases of fixed assets | 5,616.84 | - | 566.04 | - |
| d. Unpaid dividends | 459.36 | - | 16.22 | - |
| Total | 6,525.71 | 576.10 | 582.26 | 28.50 |

Notes:

1. Unclaimed dividends do not include any amount credited to Investor Education and Protection Fund.



The Sandur Manganese & Iron Ores Limited

Notes to the financial statements for the year ended March 31, 2020

Note No. 16 - Provisions

₹ lakh

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|------------------------------------|---------------------|---------------|---------------------|---------------|
| | Current | Non Current | Current | Non Current |
| a. Provision for employee benefits | | | | |
| 1. Compensated absences | 47.37 | 264.13 | 58.94 | 214.38 |
| b. Other Provisions | | | | |
| 1. Mine closure | - | 533.00 | - | 382.00 |
| Total | 47.37 | 797.13 | 58.94 | 596.38 |

Details of movement in mine closure provision

| Particulars | 2019-20 | 2018-19 |
|--|---------------|---------------|
| Opening balance | 382.00 | 256.00 |
| Additional provisions recognised | 115.00 | 101.00 |
| Amounts used during the period | - | - |
| Unused amounts reversed during the period | - | - |
| Unwinding of discount and effect of changes in the discount rate | 36.00 | 25.00 |
| Closing balance | 533.00 | 382.00 |

Notes:

- The financial obligation towards mine closure plans under relevant Acts and Rules are technically estimated, based on total available ore reserves of all the mining leases. The amount so determined is provided in the books of account on the basis of run of mine ore production of the mines of all the mining leases.

Note No. 17 - Trade payables

₹ lakh

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|--|---------------------|-------------|---------------------|-------------|
| | Current | Non Current | Current | Non Current |
| Trade payable - Micro and small enterprises | - | - | - | - |
| Trade payable - Other than micro and small enterprises | 8,040.84 | - | 7,452.58 | - |
| Total trade payables | 8,040.84 | - | 7,452.58 | - |

Notes:

- Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.
- Refer Note no. 35 for trade payables if any, to micro and small enterprises.

Note No. 18- Current tax assets and liabilities

₹ lakh

| Other loans | As at 31 March 2020 | As at 31 March 2019 |
|-------------------------|---------------------|---------------------|
| Current tax liabilities | | |
| Tax payable | - | 968.38 |
| Total | - | 968.38 |

Note No. 19 - Other current liabilities

₹ lakh

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---------------------|-------------|---------------------|-------------|
| | Current | Non Current | Current | Non Current |
| a. Advances received from customers | 218.98 | - | 393.26 | - |
| b. Statutory dues | | | | |
| - taxes payable (other than income taxes) | 5,923.68 | - | 5,715.40 | - |
| c. Gratuity payable | 99.06 | - | 29.97 | - |
| d. Other creditors | 10.86 | - | 9.98 | - |
| Total | 6,252.58 | - | 6,148.61 | - |

- Disputed statutory remittances as at March 31, 2020 Rs. ₹ 5,285.23 lakh (As at March 31, 2019 - ₹ 4,968.41 lakh)



The Sandur Manganese & Iron Ores Limited

Notes to the financial statements for the year ended March 31, 2020

Note No. 20 - Revenue from Operations

The following is an analysis of the company's revenue for the year from continuing operations

₹ lakh

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|--------------------------------------|-------------------------------------|-------------------------------------|
| (a) Revenue from sale of products | 58,070.25 | 69,175.84 |
| (b) Other operating revenue | 1,090.44 | 1,039.42 |
| Total revenue from operations | 59,160.69 | 70,215.26 |

| Notes : | | |
|--|------------------|------------------|
| Disaggregated revenue information | | |
| (i) Revenue from sale of products comprises: | | |
| (a) Manganese ore Nil lakh (previous year ₹ 257.59 lakh) from sale of waste dumps | 13,674.91 | 16,548.81 |
| (b) Iron ore (Includes ₹ Nil lakh (previous year ₹ 25.20 lakh) from sale of waste dumps) | 33,547.27 | 31,882.28 |
| (c) Silico-manganese | 10,763.22 | 20,323.36 |
| (d) Energy | 84.85 | 421.39 |
| | 58,070.25 | 69,175.84 |
| (ii) Other operating revenues comprises: | | |
| (a) Handling charges | 766.83 | 777.09 |
| (b) Sale of scrap/ waste | 108.63 | 61.06 |
| (c) Other miscellaneous receipts | 214.98 | 201.27 |
| | 1,090.44 | 1,039.42 |
| (iii) Timing of revenue recognition | | |
| Goods transferred at a point in time | 58,975.57 | 70,044.67 |
| Services transferred over time | 185.12 | 170.59 |
| | 59,160.69 | 70,215.26 |
| (iv) Contract balance | | |
| Trade receivables | 3,080.14 | 2,091.55 |

Note No. 21 - Other Income

₹ lakh

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|--|-------------------------------------|-------------------------------------|
| (a) Interest Income on financial assets carried at amortised cost | | |
| On fixed-deposits with banks | 600.39 | 216.40 |
| On long-term deposits | 20.21 | 1.57 |
| (b) Dividend Income | | |
| On investments carried at fair value through profit & loss account | 151.57 | 322.31 |
| (c) Rental income from Investment property | 59.05 | 59.62 |
| (d) Gain/ (loss) on investments carried at fair value through profit & loss account | (335.91) | 525.29 |
| (e) Profit on sale of capital assets (net of loss on assets sold / scrapped / written off) | 0.82 | 636.73 |
| (f) Profit on sale of non current investments (net of loss on non current investment sold) | - | 9.45 |
| (g) Forex gain/loss | - | 14.86 |
| (h) Provisions/ liabilities no longer required written back | - | 89.38 |
| (i) Sale of petroleum products (net of consumption/ expenses of ₹ 1,603.86 lakh previous year : ₹ 1,507.29 lakh) | 40.61 | 38.33 |
| (j) Others | 29.39 | 25.79 |
| Total Other Income | 566.13 | 1,939.73 |



The Sandur Manganese & Iron Ores Limited

Notes to the financial statements for the year ended March 31, 2020

Note No. 22(a) - Cost of materials consumed

₹ lakh

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|------------------------------|-------------------------------------|-------------------------------------|
| Material consumed comprises: | | |
| - Manganese ore | 615.46 | 927.39 |
| - Coke | 1,330.87 | 1,677.69 |
| - Coal | 5,830.72 | 9,177.37 |
| - Other materials | 346.26 | 663.85 |
| Less: Capitalised | (1,264.85) | - |
| Total | 6,858.46 | 12,446.30 |

Note 22(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade

₹ lakh

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|-------------------------------------|-------------------------------------|
| Inventories at the beginning of the year: | | |
| Finished goods | 4,277.66 | 4,952.04 |
| | 4,277.66 | 4,952.04 |
| Inventories at the end of the year: | | |
| Finished goods | 6,126.75 | 4,277.66 |
| | 6,126.75 | 4,277.66 |
| Net (increase) / decrease | (1,849.09) | 674.38 |

Note No. 23 - Employee benefits expense

₹ lakh

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|-------------------------------------|-------------------------------------|
| (a) Salaries and wages, including bonus | 6,691.71 | 6,003.46 |
| (b) Contribution to provident and other funds | 398.21 | 359.14 |
| (c) Staff welfare expenses | 1,251.87 | 1,306.66 |
| (d) Subsidy on food grains | 835.09 | 571.52 |
| Total | 9,176.88 | 8,240.78 |

Note No. 24 - Finance costs

₹ lakh

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|--|-------------------------------------|-------------------------------------|
| (a) Interest expense | 3,031.18 | 614.00 |
| Less: Amount included in the cost of qualifying assets | (2,383.58) | - |
| | 647.60 | 614.00 |
| (b) Unwinding of discount on provisions | 25.00 | 25.00 |
| Total | 672.60 | 639.00 |

Note No. 25 - Depreciation & amortisation expense

₹ lakh

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|--|-------------------------------------|-------------------------------------|
| (a) Depreciation on property, plant and equipment (Note 2) | 1,348.42 | 1,150.72 |
| (b) Depreciation on investment property (Note 3) | 25.30 | 26.53 |
| (c) Depreciation on other intangible assets (Note 4) | 113.86 | 85.68 |
| (c) Depreciation on right to use assets (Note 5) | 459.07 | - |
| Total | 1,946.65 | 1,262.93 |



The Sandur Manganese & Iron Ores Limited

Notes to the financial statements for the year ended March 31, 2020

Note No. 26 - Other expenses

₹ lakh

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|-------------------------------------|-------------------------------------|
| (a) Stores consumed | 711.75 | 857.02 |
| (b) Operation and maintenance charges | 636.92 | 602.57 |
| (c) Power & fuel | 36.04 | 32.86 |
| (d) Rent including lease rentals (Refer note 30) | 146.20 | 514.78 |
| (e) Rates and taxes | 8,060.05 | 7,995.25 |
| (f) Insurance | 95.01 | 60.69 |
| (g) Repairs and maintenance - Machinery | 230.50 | 162.00 |
| (h) Repairs and maintenance - Building | 320.34 | 237.09 |
| (i) Repairs and maintenance - Others | 440.42 | 319.73 |
| (j) Mine running expenses | 6,093.77 | 6,847.08 |
| (k) Advertisement | 23.16 | 16.68 |
| (l) Freight, loading and siding charges | 3,145.56 | 3,032.89 |
| (m) Selling expenses | 351.18 | 484.03 |
| (n) Travelling and conveyance expenses | 826.14 | 777.20 |
| (o) Expenditure on corporate social responsibility (CSR) under section 135 of the Companies Act, 2013 (Refer Note 36) | 315.39 | 176.89 |
| (p) Donations and contributions | 800.00 | 1,966.69 |
| (q) Auditors remuneration and out-of-pocket expenses | | |
| (i) As auditors | 49.50 | 32.02 |
| (ii) For taxation matters | 7.00 | 4.00 |
| (iii) For Other services | 3.50 | 12.81 |
| (iv) For reimbursement of expenses | 4.18 | 3.01 |
| (r) Legal and other professional costs | 349.47 | 280.92 |
| (s) Assets discarded | 41.25 | 1.80 |
| (t) Impairment of goodwill | 149.99 | - |
| (u) Foreign exchange fluctuation (net) | 490.34 | - |
| (v) Loss on fixed assets | - | 119.79 |
| (w) Net fair value losses on derivatives not designated as hedges | 124.54 | 421.20 |
| (x) Change in the fair value of the hedging instrument | - | 85.75 |
| (y) Security charges | 853.92 | 581.96 |
| (z) Provision for current assets | - | 20.15 |
| (aa) Miscellaneous expenses | 1,135.32 | 837.41 |
| Total | 25,441.44 | 26,484.27 |

Note No. 27 - Current tax and deferred tax

(a) Income-tax recognised in profit or loss

₹ lakh

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|--|-------------------------------------|-------------------------------------|
| Current tax: | | |
| In respect of current year | 3,793.35 | 8,088.99 |
| Deferred tax: | | |
| In respect of current year origination and reversal of temporary differences | (1,052.00) | (417.99) |
| Total income tax expense | 2,741.35 | 7,671.00 |

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

₹ lakh

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|-------------------------------------|-------------------------------------|
| Profit before tax | 17,479.88 | 22,407.33 |
| Income tax expense calculated at 34.94% (Previous year : 34.94%) | 6,107.47 | 7,829.12 |
| Effect of income that is exempt from taxation | (3,335.00) | (285.89) |
| Effect of timing difference in tax calculation | (427.00) | (106.77) |
| Effect of expenses that is non-deductible in determining taxable profit | 79.88 | 313.76 |
| Effect of permanent difference in tax calculation | 316.00 | |
| Effect of capital gain tax at special rate | - | (79.22) |
| Income tax expense recognised In profit or loss | 2,741.35 | 7,671.00 |



The Sandur Manganese & Iron Ores Limited

Notes to the financial statements for the year ended March 31, 2020

Note No. 28 - Earnings per Share

₹ lakh

| Particulars | For the year ended | For the year ended |
|---|--------------------|--------------------|
| | 31 March 2020 | 31 March 2019 |
| | Per Share | Per Share |
| Basic Earnings per share | | |
| From continuing operations | 163.73 | 168.41 |
| Total basic earnings per share | 163.73 | 168.41 |
| Diluted Earnings per share | | |
| From continuing operations | 163.73 | 168.41 |
| Total diluted earnings per share | 163.73 | 168.41 |

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

| | For the year ended | For the year ended |
|--|--------------------|--------------------|
| | 31 March 2020 | 31 March 2019 |
| Profit / (loss) for the year attributable to owners of the Company | 14,738.53 | 14,736.33 |
| Less: Preference dividend and tax thereon | - | - |
| Profit / (loss) for the year used in the calculation of basic earnings per share | 14,738.53 | 14,736.33 |
| Weighted average number of equity shares | 9,001,941 | 8,750,000 |
| Earnings per share from continuing operations - Basic | 163.73 | 168.41 |
| Earnings per share from continuing operations - Diluted | 163.73 | 168.41 |

| | For the year ended | For the year ended |
|--|--------------------|--------------------|
| | 31 March 2020 | 31 March 2019 |
| Weighted average number of equity shares used in the calculation of Basic EPS | 9,001,941 | 8,750,000 |
| Weighted average number of equity shares used in the calculation of Diluted EPS | 9,001,941 | 8,750,000 |

Note No. 29 - Contingent liabilities and commitments (to the extent not provided for)

(i) Contingent liabilities

a) Claims against the Company not acknowledged as debts:

₹ lakh

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---------------------|---------------------|
| Income tax (relating to disallowance of deduction) | 6,357.51 | 4,857.00 |
| Service tax (relating to applicability of tax) | 293.35 | 293.35 |
| Forest development tax including interest | 6,167.65 | 5,491.24 |
| Differential rate relating to sale of power, including interest | 431.62 | 417.58 |
| Differential royalty including interest | 835.62 | 718.11 |
| Customs duty (relating to demand towards differential duty payable on import of coal) | 375.53 | 355.05 |
| Others (relating to provident fund and other matters) | 22.85 | 22.85 |

The above amounts have been arrived at based on the notice of demand or the Assessment Orders, as the case may be, and the Company is contesting these claims with the respective authorities. Outflows, if any, arising out of these claims would depend on the outcome of the decisions of the appellate authorities and the Company's rights for future appeals before the judiciary. No reimbursements are expected.

b) Guarantees given by the Company:

₹ lakh

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|--|---------------------|---------------------|
| Bank guarantee issued to Indian Bureau of Mines towards progressive mine closure plan - Against working capital limits in the current year and lien on mutual funds at 125% of the value in the previous year. | 3,630.73 | 3,630.73 |
| Bank guarantee issued to vendors against purchase of raw material* | 164.69 | 152.19 |
| Letter of credit opened against import of coal | 5,131.99 | - |
| Bank guarantee issued to vendors against purchase of Capital Items | - | 3,100.72 |

(ii) Commitments:

₹ lakh

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|--|---------------------|---------------------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for | 17,000.83 | 22,602.34 |



The Sandur Manganese & Iron Ores Limited

Notes to the financial statements for the year ended March 31, 2020

Note No. 30 - Leases

₹ lakh

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|-------------------------------------|-------------------------------------|
| Expenses related to short-term leases | | |
| As Lessee | | |
| Expenses recognised in the statement of profit & loss | 146.20 | 514.78 |
| Maturity analysis of lease liabilities | | |
| Less than 1 year | 449.51 | - |
| More than 1 year | 540.10 | - |
| Impact of Change in Accounting Policy (April 1, 2019) | | |
| Right to Use of Asset | 1,191.80 | |
| Lease Liability | 1,245.86 | |
| Impact in other equity(Adjusted in Retained earnings) | (54.06) | |
| Impact on EPS | | |
| Basic earnings per share | (0.62) | |
| Diluted earnings per share | (0.62) | |

Effective April 01, 2019, the Company has adopted Ind AS-116 "Leases" retrospectively with cumulative effect of initially applying the standard, recognised as an adjustment to the Opening balance of retained earnings as on the date of initial application (1 April 2019). Accordingly, the company is not required to restate the comparative information for the year ended March 31, 2019. The major impact of adopting Ind AS 116 on the company's financial statements for the year ended March 2020 are as follows:

- Depreciation expenses for the year ended March 31, 2020 has been increased by ₹ 459.87 lakh.
- Finance costs for the year ended March 31, 2020 has been increased due to interest accrued on outstanding lease liability amounting to ₹ 114.67 lakh.
- Transitional impact of Ind AS 116 as on April 01, 2019, amounting to ₹ 54.06 lakh has been adjusted against opening balance of retained earnings.

Future lease commitments

All leases other than included above are of either low value or cancellable at the option of lessee.

Note No. 31 - Employee benefits

(a) Defined Contribution Plan

The Company's contribution to provident fund and superannuation fund aggregating ₹ 251.67 lakh (previous year : ₹ 252.45 lakh) has been recognised in the Statement of Profit or Loss under the head employee benefits expense.

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The Company makes annual contributions to an Insurance managed fund to fund its gratuity liability. The activity of the Company is administered by SMIOR Gratuity Fund Trust. The scheme provides for lump sum payment to vested employees on retirement, death while in employment or on termination of employment as per the Company's Gratuity Scheme, vesting occurs upon completion of three years of service.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets under perform compared to the government bonds discount rate, this will create or increase a deficit. The defined benefit plans hold a significant proportion of debt type assets, which are expected to outperform government bonds in the long-term.



The Sandur Manganese & Iron Ores Limited

Notes to the financial statements for the year ended March 31, 2020

Note No. 31 - Employee benefits (continued)

Changes in bond yields

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plans' bond holdings and interest rate hedging instruments.

Inflation risk

Some of the Company's retirement obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The plans hold a significant proportion of assets in index linked gilts, together with other inflation hedging instruments and also assets which are more loosely correlated with inflation. However an increase in inflation will also increase the deficit to some degree.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

| Particulars | Valuation as at | |
|-------------------------------------|-----------------|-----------|
| | 31-Mar-20 | 31-Mar-19 |
| Discount rate(s) | 6.75% | 7.50% |
| Expected rate(s) of salary increase | 6.00% | 6.00% |

Defined benefit plans – as per actuarial valuation on 31st March, 2020

₹ lakh

| Particulars | For the year ended | For the year ended | For the year ended |
|--|--------------------|--------------------|--------------------|
| | March 31, 2020 | March 31, 2019 | March 31, 2019 |
| | Funded | Funded | UnFunded |
| Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows: | | | |
| Remeasurements during the period due to | | | |
| Changes in financial assumptions | 106.34 | 18.84 | - |
| Changes in demographic assumptions | - | (0.39) | - |
| Experience adjustments | 0.75 | (51.96) | 7.95 |
| Actual return on plan assets less interest on plan assets | (17.99) | 24.61 | 0.00 |
| Adjustment to recognise the effect of asset ceiling | - | - | - |
| Total | 89.10 | (8.90) | 7.95 |
| Expense recognised in statement of profit and loss under contribution to provident and other funds in note 23 | | | |
| Current Service Cost | 129.24 | 110.76 | 0.27 |
| Past service cost | - | 0.21 | 0.23 |
| Administration expenses | - | - | - |
| Interest on net defined benefit liability/ (asset) | (1.49) | (7.67) | 0.29 |
| (Gains)/ losses on settlement | - | - | - |
| Components of defined benefit costs recognised in profit or loss | 127.75 | 103.30 | 0.79 |
| I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March | | | |
| 1. Present value of defined benefit obligation as at 31st March | 2,020.85 | 1,888.67 | 15.62 |
| 2. Fair value of plan assets as at 31st March | 1,921.79 | 1,874.32 | - |
| 3. Surplus/(Deficit) | 99.06 | 14.35 | 15.62 |
| 4. Current portion of the above | - | - | - |
| 5. Non current portion of the above | 99.06 | 14.35 | 15.62 |



The Sandur Manganese & Iron Ores Limited

Notes to the financial statements for the year ended March 31, 2020

Note No. 31 - Employee benefits (continued)

| | | | |
|--|-----------------|-----------------|--------------|
| II. Change in the obligation during the year ended 31st March | | | |
| 1. Present value of defined benefit obligation at the beginning of the year | 1,904.29 | 1,992.74 | 6.88 |
| 2. Add/(Less) on account of Scheme of Arrangement/Business Transfer | - | - | - |
| 3. Expenses Recognised in Profit and Loss Account | | | |
| - Current Service Cost | 129.24 | 110.76 | 0.27 |
| - Past Service Cost | - | 0.21 | 0.23 |
| - Interest Expense (Income) | 124.32 | 127.35 | 0.29 |
| 4. Recognised in Other Comprehensive Income | | | |
| Remeasurement gains / (losses) | | | |
| - Actuarial Gain (Loss) arising from: | | | |
| i. Demographic Assumptions | - | (0.39) | |
| ii. Financial Assumptions | 106.34 | 18.84 | |
| iii. Experience Adjustments | 0.75 | (51.96) | 7.95 |
| 5. Benefit payments | (244.09) | (308.88) | - |
| 6. Others (Specify) | - | - | - |
| 7. Present value of defined benefit obligation at the end of the year | 2,020.85 | 1,888.67 | 15.62 |
| III. Change in fair value of assets during the year ended 31st March | | | |
| 1. Fair value of plan assets at the beginning of the year | 1,874.32 | 2,042.96 | - |
| 2. Add/(Less) on account of Scheme of Arrangement/Business Transfer | - | - | - |
| 3. Expenses Recognised in Profit and Loss Account | | | |
| - Expected return on plan assets | 125.81 | 135.02 | - |
| 4. Recognised in Other Comprehensive Income | | | |
| Remeasurement gains / (losses) | | | |
| - Actual Return on plan assets in excess of the expected return | 17.99 | (24.61) | - |
| - Others (specify) | | | |
| 5. Contributions by employer (including benefit payments recoverable) | 147.76 | 29.83 | - |
| 6. Benefit payments | (244.09) | (308.88) | - |
| 7. Fair value of plan assets at the end of the year | 1,921.79 | 1,874.32 | - |
| IV. The Major categories of plan assets | | | |
| - List the plan assets by category here | | | |
| Government of India Securities | 41.15% | 42.19% | NA |
| Corporate Bonds | 31.44% | 34.74% | NA |
| Others | 27.41% | 23.08% | NA |
| V. Actuarial assumptions | | | |
| 1. Discount rate | 6.75%pa | 7.50% pa | 7.50% pa |
| 2. Expected rate of return on plan assets | 6.75%pa | 7.50% pa | 7.50% pa |
| 3. Attrition rate | 2.00% pa | 2.00% pa | 2.00% pa |

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

| Principal assumption | | Changes in assumption | Impact on defined benefit obligation | |
|----------------------|------|-----------------------|--------------------------------------|------------------------|
| | | | Increase in assumption | Decrease in assumption |
| Discount rate | 2020 | 0.50% | -3.57% | 3.81% |
| Salary growth rate | 2020 | 0.50% | 3.82% | -3.61% |

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.



The Sandur Manganese & Iron Ores Limited

Notes to the financial statements for the year ended March 31, 2020

Note No. 31 - Employee benefits (continued)

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

The Company expects to contribute ₹ 100 lakh to the gratuity trusts during the next financial year of 2021.

Maturity profile of defined benefit obligation:

| Maturity profile | 2020 Amount (₹ lakh) |
|---|-------------------------|
| Expected benefits for Year 1 | 388.43 |
| Expected benefits for Year 2 | 125.01 |
| Expected benefits for Year 3 | 131.01 |
| Expected benefits for Year 4 | 145.96 |
| Expected benefits for Year 5 | 169.43 |
| Expected benefits for Year 6 | 162.74 |
| Expected benefits for Year 7 | 252.95 |
| Expected benefits for Year 8 | 199.13 |
| Expected benefits for Year 9 | 185.12 |
| Expected benefits for Year 10 and above | 2,002.95 |

Plan Assets

The fair value of Company's pension plan asset as of 31 March 2020 and 31 Mar 2019 by category are as follows:

| Particulars | 2020 | 2019 |
|-----------------------|-----------------|-----------------|
| Asset category: | | |
| Insurer managed funds | 1,845.36 | 1,899.64 |
| Others | 76.43 | 143.32 |
| Total | 1,921.79 | 2,042.96 |

The Company's policy is driven by considerations of maximizing returns while ensuring credit quality of the debt instruments. The asset allocation for plan assets is determined based on investment criteria prescribed under the Indian Income Tax Act, 1961, and is also subject to other exposure limitations. The Company evaluates the risks, transaction costs and liquidity for potential investments. To measure plan asset performance, the Company compares actual returns for each asset category with published benchmarks.

The weighted average duration of the defined benefit obligation as at 31 March 2020 is 7.53 years.

Summary of defined benefit obligation/ plan assets and experience adjustments

₹ lakh

| Particulars | Year Ended | | | | |
|--|------------|------------|------------|------------|------------|
| | 31.03.2020 | 31.03.2019 | 31.03.2018 | 31.03.2017 | 31.03.2016 |
| 1. Defined Benefit Obligation | 2,020.85 | 1,888.67 | 1,992.74 | 1,948.45 | 1,801.28 |
| 2. Fair value of plan assets | 1,921.79 | 1,874.32 | 2,042.96 | 1,971.48 | 1,438.80 |
| 3. Surplus/(Deficit) | (99.06) | (14.35) | 50.22 | 23.03 | (362.48) |
| 4. Experience adjustment on plan liabilities [(Gain)/Loss] | 0.75 | (51.96) | 229.15 | 24.06 | 55.03 |
| 5. Experience adjustment on plan assets [Gain/(Loss)] | 106.34 | 18.84 | (69.61) | 75.98 | 13.05 |

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

29 (c) Other long term benefits - Unfunded

The defined benefit obligations which are provided for but not funded are as under:

₹ lakh

| Particulars | Liability as at 31.03.2020 | Liability as at 31.03.2019 |
|-----------------------------|-------------------------------|-------------------------------|
| Compensated absences | | |
| -Current | 47.37 | 58.94 |
| -Non Current | 264.13 | 214.38 |
| Total | 311.50 | 273.32 |

The actuarial valuation has been carried out using projected unit credit method in respect of compensated absences based on assumptions given in respect of gratuity valuation.



The Sandur Manganese & Iron Ores Limited

Notes to the financial statements for the year ended March 31, 2020

Note No. 32 - List of related parties and transactions

(a) List of related parties and relationship

| | |
|--|--|
| 1. Name of the parent Company | Skand Private Limited |
| 2. Key Managerial Personnel (KMP) | 1) Nazim Sheikh, Managing Director, Upto June 16, 2020 2) Rajnish Singh, Director (Corporate) 3) Sachin Sanu, Chief Financial Officer 4) Divya Ajith, Company Secretary |
| | Non - Executive Directors |
| | 1) S. Y. Ghorpade, Upto January 31, 2020 |
| | 2) T R Raghunandan |
| | 3) B.Ananda Kumar, Upto January 31, 2020 |
| | 4) S. S. Rao |
| | 5) Vatsala watsa, Upto January 31, 2020 |
| | 6) K V Ramarathnam, Upto January 31, 2020 |
| | 7) G. P. Kundargi |
| | 8) Lakshmi Venkatachalam, Upto January 31, 2020 |
| | 9) P. Anur Reddy, Upto January 31, 2020 |
| | 10) Latha Pillai |
| | 11) Kote Jagadish Rao, w.e.f May 27, 2019 |
| | 12) Hemendra Shah, w.e.f May 27, 2019 |
| 3. Key Managerial Personnel of Parent Company | 1) K. Raman 2) Suryaprabha A. Ghorpade 3) Bahirji A Ghorpade |
| 4. Relative of KMP | 1) Aditya Shivrao Ghorpade 2) Dhanunjaya Shivarao Ghorpade 3) Mubeen A Sheriff 4) Yashodhara Devi Ghorpade 5) R.P. Singh |
| 5. Relative of KMP of Parent Company | 1) Ajai M. Ghorpade 2) Ekambar A. Ghorpade |
| 6. Entities controlled by Key Managerial Personnel or their relatives | 1) S.Y. Ghorpade (HUF) 2) S S Infra |
| 7. Entity over which Key Managerial Personnel or their relative have significant influence | 1) Shivavilas Trust |
| 8. Post employee benefit plan entities | 1) SMIORE Employee Provident Fund Trust 2) SMIORE Gratuity Fund Trust |

b) Details of related party transactions for the financial year ended 31 March 2020

₹ lakh

| Particulars | Parent Company | KMP | KMP of Parent Company | Relative of KMP | Relative of KMP of Parent Company | Entity controlled by KMP or their relatives | Entities over which KMP or their relatives have significant influence | Post-employment benefit plan entities |
|--|----------------|--------|-----------------------|-----------------|-----------------------------------|---|---|---------------------------------------|
| Purchase of property, plant and equipment | - | - | - | - | - | - | - | - |
| Purchase of services | - | - | 54.00 | 30.00 | - | 880.30 | 6.38 | - |
| Lease rentals | 6.03 | - | - | 31.75 | 9.03 | 33.34 | - | - |
| Lease deposits | - | - | - | - | 2.50 | - | - | - |
| Dividends paid | 486.36 | 32.95 | 0.59 | 0.66 | 2.20 | - | - | - |
| Remuneration to whole-time directors & executive officers | - | 331.53 | 8.54 | 76.34 | - | - | - | - |
| Commission paid to whole-time directors | - | 33.01 | - | - | - | - | - | - |
| Commission & sitting fees paid to Non-Executive/ Independent Directors | - | 263.13 | - | - | - | - | - | - |
| Reimbursement of expenses | 1.59 | - | - | 6.73 | - | - | - | - |
| Contribution | - | - | - | - | - | - | - | 732.48 |



The Sandur Manganese & Iron Ores Limited

Notes to the financial statements for the year ended March 31, 2020

c) Balances Outstanding [receivables / (payables)] as at 31 March 2020

₹ lakh

| Particulars | Parent Company | KMP | KMP of Parent Company | Relative of KMP | Relative of KMP of Parent Company | Entity controlled by KMP or their relatives | Entities over which KMP or their relatives have significant influence | Post-employment benefit plan entities |
|-------------|----------------|---------|-----------------------|-----------------|-----------------------------------|---|---|---------------------------------------|
| Receivables | - | - | - | - | - | - | - | - |
| Payables | (1.59) | (10.61) | (0.49) | (2.76) | (0.78) | (43.00) | (0.55) | (140.96) |

d) Details of related party transactions for the financial year ended 31 March 2019

₹ lakh

| Particulars | Parent Company | KMP | KMP of Parent Company | Relative of KMP | Relative of KMP of Parent Company | Entity controlled by KMP or their relatives | Entities over which KMP or their relatives have significant influence | Post-employment benefit plan entities |
|--|----------------|--------|-----------------------|-----------------|-----------------------------------|---|---|---------------------------------------|
| Purchase of property, plant and equipment | 344.56 | - | - | - | - | - | - | - |
| Purchase of services | - | - | 42.00 | 23.32 | - | 9.05 | - | - |
| Lease rentals | - | - | - | 29.88 | - | 31.37 | 18.02 | - |
| Dividends paid | 254.76 | 17.19 | 0.07 | 0.58 | - | - | - | - |
| Remuneration to whole-time directors & executive officers | - | 257.81 | - | 79.30 | - | - | - | - |
| Commission paid to whole-time directors | - | 54.00 | - | - | - | - | - | - |
| Commission & sitting fees paid to Non-Executive/ Independent Directors | - | 282.70 | - | - | - | - | - | - |
| Reimbursement of expenses | - | - | - | 0.96 | - | - | - | - |
| Contribution | - | - | - | - | - | - | - | 558.81 |

e) Balances Outstanding [receivables / (payables)] as at 31 March 2020

₹ lakh

| Particulars | Parent Company | KMP | KMP of Parent Company | Relative of KMP | Relative of KMP of Parent Company | Entity controlled by KMP or their relatives | Entities over which KMP or their relatives have significant influence | Post-employment benefit plan entities |
|-------------|----------------|---------|-----------------------|-----------------|-----------------------------------|---|---|---------------------------------------|
| Receivables | - | - | - | 1.00 | - | 148.15 | - | - |
| Payables | - | (15.70) | - | (2.83) | - | - | (0.52) | (54.06) |

f) Break-up of remuneration paid to whole-time directors & executive officers

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|------------------------------|-----------------------------------|-----------------------------------|
| Short-term employee benefits | 309.43 | 237.15 |
| Post-employment benefits | 22.10 | 20.66 |
| Total | 331.53 | 257.81 |

Notes:

- The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.
- The above figures do not include provisions for encashable leave & gratuity as separate actuarial valuation is not available.



The Sandur Manganese & Iron Ores Limited

Notes to the financial statements for the year ended March 31, 2020

Note No. 33 - Segment information

The Chief Operating Decision maker has reviewed its business oversight mechanism and has realigned all its operations under four business segment (i.e.) (a) Mining (b) Ferroalloys and energy (c) Steel (d) Unallocable, based on the assessment of the overall risks and rewards.

The Company operates in a single geographical segment and accordingly, secondary segments for geographical segment are not applicable.

Year ended 31 March 2020

₹ lakh

| Particulars | Mining | Ferroalloys & energy | Un-allocable | Adjustment & eliminations | Total |
|--------------------------------------|------------------|----------------------|-------------------|---------------------------|-------------------|
| Revenue | 48,022.57 | 10,950.68 | 187.44 | - | 59,160.69 |
| External customers | - | - | - | - | - |
| Inter-segment | 1,339.92 | - | - | (1,339.92) | - |
| Total revenue | 49,362.49 | 10,950.68 | 187.44 | (1,339.92) | 59,160.69 |
| Income/ (Expenses) | 24,656.33 | 11,393.08 | 4,972.67 | (1,339.92) | 39,682.16 |
| Depreciation and amortisation | 823.28 | 592.24 | 531.13 | - | 1,946.65 |
| Interest income | (1.76) | (108.58) | (510.26) | - | (620.60) |
| Interest expense | - | - | 672.60 | - | 672.60 |
| Total expenses | 25,477.85 | 11,876.74 | 5,666.14 | (1,339.92) | 41,680.81 |
| Segment profit | 23,884.64 | (926.06) | (5,478.70) | - | 17,479.88 |
| Income tax expense or income | - | - | 2,741.35 | - | 2,741.35 |
| Profit after tax for the year | 23,884.64 | (926.06) | (8,220.05) | - | 14,738.53 |
| Total assets | 15,794.79 | 37,676.95 | 92,724.84 | - | 146,196.59 |
| Total liabilities | 10,622.71 | 7,607.68 | 43,996.57 | - | 62,226.96 |

Year ended 31 March 2019

₹ lakh

| Particulars | Mining | Ferroalloys & energy | Un-allocable | Adjustment & eliminations | Total |
|--------------------------------------|------------------|----------------------|--------------------|---------------------------|------------------|
| Revenue | 49,232.47 | 20,811.54 | 171.25 | - | 70,215.26 |
| External customers | - | - | - | - | - |
| Inter-segment | 2,046.71 | - | - | (2,046.71) | - |
| Total revenue | 51,279.18 | 20,811.54 | 171.25 | (2,046.71) | 70,215.26 |
| Income/ (Expenses) | 28,137.90 | 18,159.37 | 1,873.41 | (2,046.71) | 46,123.97 |
| Depreciation and amortisation | 399.03 | 528.81 | 335.09 | - | 1,262.93 |
| Interest income | (2.03) | (108.21) | (107.73) | - | (217.97) |
| Interest expense | - | - | 639.00 | - | 639.00 |
| Total expenses | 28,534.90 | 18,579.97 | 2,739.77 | (2,046.71) | 47,807.93 |
| Segment profit | 22,744.28 | 2,231.57 | (2,568.52) | - | 22,407.33 |
| Income tax expense or income | - | - | 7,671.00 | - | 7,671.00 |
| Profit after tax for the year | 22,744.28 | 2,231.57 | (10,239.52) | - | 14,736.33 |
| Total assets | 6,164.95 | 24,650.01 | 55,425.62 | - | 86,240.58 |
| Total liabilities | 8,685.38 | 4,324.11 | 2,826.16 | - | 15,835.65 |

Revenue from major products and services

The following is an analysis of the Company's revenue from continuing operations from its major products and services:

₹ lakh

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---------------|----------------------------------|----------------------------------|
| Manganese ore | 13,674.91 | 16,548.81 |
| Iron ore | 33,547.27 | 31,882.28 |
| Ferro alloys | 10,763.22 | 20,323.36 |
| Energy | 84.85 | 421.39 |
| Total | 58,070.25 | 69,175.84 |



The Sandur Manganese & Iron Ores Limited

Notes to the financial statements for the year ended March 31, 2020

Geographical Information

| Particulars | India | | Rest of the World | | Total | |
|--------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | Year Ended 31 March 2019 | Year Ended 31 March 2018 | Year Ended 31 March 2019 | Year Ended 31 March 2018 | Year Ended 31 March 2019 | Year Ended 31 March 2018 |
| Revenue from operations | | | | | | |
| Manganese ore | 13,674.91 | 16,548.81 | - | - | 13,674.91 | 16,548.81 |
| Iron ore | 33,547.27 | 31,882.28 | - | - | 33,547.27 | 31,882.28 |
| Ferro alloys | 10,763.22 | 20,323.36 | - | - | 10,763.22 | 20,323.36 |
| Energy | 84.85 | 421.39 | - | - | 84.85 | 421.39 |
| Others | 1,090.44 | 1,039.42 | - | - | 1,090.44 | 1,039.42 |
| Total | 59,160.69 | 70,215.26 | - | - | 59,160.69 | 70,215.26 |

34. Financial instruments

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1.19 to the financial statements.

(a) Financial assets and liabilities

₹ lakh

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| Financial assets | | |
| Measured at fair value through profit or loss (FVTPL) | | |
| (a) Equity investments | 43.65 | 58.05 |
| (b) Mutual fund investments - Quoted | 4,928.84 | 5,626.17 |
| (c) Mutual fund investments - Unquoted | 741.50 | 806.50 |
| Total financial assets measured at FVTPL (a) | 5,713.99 | 6,490.72 |
| Measured at amortised cost | | |
| Other financial assets+ | 1,214.65 | 1,490.85 |
| Trade receivables | 3,080.14 | 2,091.55 |
| Cash and cash equivalents | 3,422.90 | 4,022.01 |
| Other bank balances | 9,337.57 | 2,871.24 |
| Total financial assets measured at amortised cost (b) | 17,055.26 | 10,475.65 |
| Derivative instruments in designated hedge accounting relationships (c) | - | 158.12 |
| Total financial assets (a)+(b)+(c) | 22,769.25 | 17,124.49 |
| Financial liabilities | | |
| Measured at fair value through profit or loss (FVTPL) | | |
| Provisions | 576.10 | 28.50 |
| Total financial liabilities measured at FVTPL (a) | 844.50 | 655.32 |
| Measured at amortised cost | | |
| Trade payables | 8,040.84 | 7,452.58 |
| Other financial liabilities | 6,525.71 | 582.26 |
| Total financial liabilities measured at amortised cost (b) | 14,566.55 | 8,034.84 |
| Total financial liabilities (a) + (b) | 15,411.05 | 8,690.16 |

Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Fair value of the financial assets that are measured at fair value on a recurring basis

Fair valuation techniques and inputs used



The Sandur Manganese & Iron Ores Limited

Notes to the financial statements for the year ended March 31, 2020

34. Financial instruments (continued)

| Financial assets measured at Fair value | Fair value as at (₹ lakh) | | Fair value hierarchy | Basis for valuation |
|---|---------------------------|-----------------|----------------------|---------------------|
| | 31-Mar-20 | 31-Mar-19 | | |
| (a) Equity investments | 43.65 | 58.05 | Level - 1 | Quoted price |
| (c) Mutual fund investments - Quoted | 4,928.84 | 5,626.17 | Level - 1 | Quoted price |
| (d) Mutual fund investments - Unquoted | 741.50 | 806.50 | Level - 2 | NAV of Mutual Funds |
| (d) Foreign currency option contract | - | 158.12 | Level - 2 | Margin Money |
| Total financial assets | 5,713.99 | 6,648.84 | | |

The management considers that the carrying amount of financial assets and financial liabilities recognised in these financial statements at amortised cost approximate their fair values.

Financial risk management objectives

The Board of Directors of the Company have the overall responsibility for the establishment and oversight of the their risk management framework. The Company has constituted a Risk Management Committee. The Company has in place a Risk management framework to identify, evaluate business risks and challenges across the Company. The risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit which regularly reviews risk management controls and procedures, the results of which are reported to the Audit Committee. These risks include credit risk and liquidity risk.

Foreign currency risk management

The company is generally exposed to foreign exchange risk arising through its sales and purchases denominated in various foreign currencies.

During the current year there is no exports of ores and alloys, however the company has imported ores and is subjected to foreign exchange risk. Also the Company is in the process of executing coke oven project which involves import of plant and machineries. The Company has entered into option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. These contracts are measured at fair value through profit and loss.

The Company's exposure to option contracts at the end of the reporting year are as follows:

Foreign currency risk exposure as at balance sheet date

₹ lakh

| Particulars | As at | As at |
|--------------------------------------|----------------|----------------|
| | March 31, 2020 | March 31, 2019 |
| | USD | USD |
| Borrowings | | |
| Short-term loan from banks | 9,113,657 | |
| Derivative asset | | |
| Foreign currency option buy contract | - | 8,229,160 |
| Number of contracts | - | 6 Nos |

Derivative contract

The fair value of the Company 's derivative positions recorded under derivative financial asset are as follows

₹ lakh

| Particulars | As at | As at |
|----------------------------------|----------------|----------------|
| | March 31, 2020 | March 31, 2019 |
| Financial asset | | |
| Cash flow hedge reserve | | |
| Current | | |
| Foreign currency option contract | - | 119.15 |
| Non - Current | | |
| Foreign currency option contract | - | 38.97 |



The Sandur Manganese & Iron Ores Limited

Notes to the financial statements for the year ended March 31, 2020

Commodity price risk

The Company doesn't enter into any long term contract with its suppliers for hedging its commodity price risk.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The company is exposed to credit risk from its operating activities mainly Trade receivables. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. Credit risk is managed by the Company through approved credit norms, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Cash and bank balances

The cash and bank balances as at the balance sheet date is as follows:

₹ lakh

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|------------------------|-------------------------|-------------------------|
| Cash and bank balances | 3,422.90 | 4,022.01 |

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Ultimate responsibility for liquidity risk management rests with the management, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual short term and long term cash flows, and by matching the maturity profiles of financial assets and liabilities. The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

March 31, 2020

₹ lakh

| Financial liabilities | Due within (years) | | | Total | Carrying amount |
|-----------------------------|--------------------|---------------|------------------|------------------|-----------------|
| | Less than 1 year | 1 - 3 years | 3+ years | | |
| Long-term borrowings | - | - | 33,122.41 | 33,122.41 | |
| Short-term borrowings | 6,864.82 | - | - | 6,864.82 | |
| Trade payables | 8,040.84 | - | - | 8,040.84 | |
| Other financial liabilities | 6,525.71 | 576.10 | - | 7,101.81 | |
| Total | 21,431.37 | 576.10 | 33,122.41 | 55,129.88 | - |

March 31, 2019

₹ lakh

| Financial liabilities | Due within (years) | | | Total | Carrying amount |
|-----------------------------|--------------------|--------------|----------|-----------------|-----------------|
| | Less than 1 year | 1 - 3 years | 3+ years | | |
| Trade payables | 7,452.58 | - | - | 7,452.58 | |
| Other financial liabilities | 582.26 | 28.50 | - | 610.76 | |
| Total | 8,034.84 | 28.50 | - | 8,063.34 | - |



The Sandur Manganese & Iron Ores Limited

Notes to the financial statements for the year ended March 31, 2020

Capital management

The Company's objective for capital management is to maximize shareholder wealth, safeguard business continuity and support the growth of the Company. The Company determines the capital management requirement based on annual operating plans and long term and other strategic investment plans. The funding requirement are met through equity, borrowings and operating cash flows required.

The details of borrowings as at the balance sheet date is as follows:

₹ lakh

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|------------------------|-------------------------|-------------------------|
| Current borrowings | 6,864.82 | - |
| Non-current borrowings | 33,122.41 | - |
| Total | 39,987.23 | - |

The capital structure of the Company represents total equity which is as follows:

₹ lakh

| Particulars | 31 March, 2020 | 31 March, 2019 |
|--------------|----------------|----------------|
| Total equity | 83,969.63 | 70,404.93 |

Note 35. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

₹ lakh

| Particulars | 31 March, 2020 | 31 March, 2019 |
|---|----------------|----------------|
| (i) Principal amount remaining unpaid to MSME suppliers as on | - | - |
| (ii) Interest due on unpaid principal amount to MSME suppliers as on | - | - |
| (iii) The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day | - | - |
| (iv) The amount of interest due and payable for the year (without adding the interest under MSME Development Act) | - | - |
| (v) The amount of interest accrued and remaining unpaid as on | - | - |
| (vi) The amount of interest due and payable to be disallowed under Income Tax Act, 1961 | - | - |

There are no Micro and Small Enterprises, to whom the company owes dues, which are outstanding for more than 45 days at the Balance Sheet date. The above information regarding Micro Enterprises and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the Auditors.

Note 36 - Expenditure on corporate social responsibility (as per section 135 of the 2013 Act)

(a) Gross amount required to be spent by the company during the year ₹ 308.32 lakh (previous year ₹ 166.99 lakh).

(b) Amount spent during the year on:

₹ lakh

| | In Cash | Yet to be paid in cash | Total |
|--|----------|------------------------|----------|
| 1. Construction / acquisition of any asset | - | - | - |
| | (-) | (-) | (-) |
| 2. On purposes other than (1) above | 315.39 | - | 315.39 |
| | (176.89) | | (176.89) |

Previous year figures are in brackets



The Sandur Manganese & Iron Ores Limited

Notes to the financial statements for the year ended March 31, 2020

37. Production / purchase, sales, opening and closing stock of finished goods

| Particulars | Opening stock | Production/ Purchase/ Generation | Internal consumption | Sales | Closing stock | [Excess] / Shortage |
|--------------------------|-----------------------------|--|----------------------------|---------------------------------|-----------------------------|---------------------------|
| Manganese ore (Tonnes) | 120,132 (140,401) | 285,001 (284,785) | 31,825 (46,092) | 222,264 (262,641) | 151,044 (120,132) | - (3,679) |
| Iron ore (Tonnes) | 507,581 (417,597) | 1,590,002 (1,581,000) | - - | 1,545,000 (1,491,016) | 552,583 (507,581) | - - |
| Silicomanganese (Tonnes) | 578 (993) | 20,544 (32,254) | - - | 19,292 (32,669) | 1,829 (578) | - - |
| Energy (Mega watt) | - (-) | 117,657 (173,853) | 87,509 (132,713) | 12,116 (16,158) | - (-) | 18,035 (24,982) |
| Coke (Tonnes) | - (-) | 25,375 (-) | 1,926 (-) | 10,230 (-) | 13,199 (-) | 20 (-) |

Notes:

- Manganese ore production & sales excludes Nil tonnes (previous year: 43,344 tonnes) salvaged from waste dumps.
- Iron ore production & sales excludes Nil tonnes (previous year: 4,000 tonnes) salvaged from waste dumps.
- Silicomanganese production includes 2,565 tonnes of trial production.
- Silicomanganese sales includes, sale of 735 tonnes of trial production.
- Coke production of 25,375 tonnes pertains to trial production from Battery 1 and 2.
- Coke sale of 10,230 tonnes pertains to sales out of trial production from Battery 1 and 2.
- Previous year figures are in brackets.

38. Scheme of Arrangement ('The Scheme')

Merger of Star Metallics & Power Private Limited ('SMPPL') with The Sandur Manganese and Iron Ores Limited ('the Company')

Pursuant to the Scheme of Arrangement ('The Scheme') approved by the National Company Law Tribunal ('the NCLT'), Bengaluru Bench vide its order number "C.P. (CAA) NO.53/BB/2019" dated 4th March 2020., Star Metallics & Power Private Limited (the Merged undertaking) subsidiary of the Company, merged with the Company with effect from April 1, 2019 ('the appointed date'). As per appendix C of Ind AS 103 – "Business Combinations", the financial information in the standalone financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the date of actual combination. Accordingly, business combination is accounted with effect from April 1, 2018.

The Merged undertaking is a subsidiary of the Company in which the Company held 80.58% of the issued and paid up capital.

Accounting treatment of the arrangement:

Business combination is accounted for using the 'pooling of interests' method as per Appendix C of Ind AS 103 - Business Combinations as notified under Section 230 to 232 of the Companies Act, 2013 which involves the following:

- The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. Accordingly, business combinations are accounted with effect from April 1 2018.
- The Company has recorded the asset and liabilities of the Merged Undertaking vested in it pursuant to this Scheme at the respective book values appearing in the books of the Merged Undertaking.
- The value of investment in the Merged Undertaking in the books of the Company shall be cancelled. Accordingly 75,240,000 equity shares constituting 80.58% of the issued, subscribed and paid up share capital of SMPPL held by the Transferee Company stand cancelled;
- No adjustments are made to reflect fair values, or recognise any new assets or liabilities
- As per clarification in Ind AS Transition Facilitation Group (ITFG) Clarification Bulletin 9, goodwill has been recognised in the books of the Company and the good will has been impaired subsequently.



The Sandur Manganese & Iron Ores Limited

Notes to the financial statements for the year ended March 31, 2020

Scheme of Arrangement ('The Scheme') (continued)

- f) The difference between the net assets of the Merged Undertaking transferred to Company, after making adjustment specified in (c) and (d) shall be adjusted in 'Other Equity' of the Company.
- g) The Company has, on 30 March 2020, allotted 251,941 equity shares of the Company to the minority shareholders constituting 19.42% of the issued, subscribed and paid up share capital of SMPPL, in the ratio of 1 equity share of ₹ 10/- each of the Company for every 72 equity shares of ₹ 10/- each held by such shareholder in SMPPL.

Book value of assets and liabilities taken over are as follows

₹ lakh

| Particulars | 31 March, 2020 | 31 March, 2019 |
|---|------------------|------------------|
| Assets | | |
| Non-current assets | | |
| (a) Property, plant and equipment | 13,358.87 | 13,773.47 |
| (b) Capital work-in-progress | - | 24.71 |
| (c) Financial assets - other financial assets | 34.19 | 34.19 |
| (d) Deferred tax assets | 47.37 | 29.38 |
| (e) Other non-current assets | 206.04 | 154.39 |
| Total non-current assets | 13,646.47 | 14,016.14 |
| Current assets | | |
| (a) Financial assets | | |
| (i) Investments | 529.37 | - |
| (ii) Trade receivables | 638.04 | 817.08 |
| (iii) Cash and bank balances | 1,900.16 | 1,484.43 |
| (iv) Other financial assets | 23.61 | 62.38 |
| (b) Other current assets | 55.38 | 14.25 |
| Total current assets | 3,146.56 | 2,378.14 |
| Total assets (A) | 16,793.03 | 16,394.28 |
| Equity and liabilities | | |
| Liabilities | | |
| Non-current liabilities | | |
| (a) Provisions | 2.2 | 1.87 |
| Total non-current liabilities | 2.2 | 1.87 |
| Current liabilities | | |
| (a) Financial liabilities | | |
| (i) Trade payables | 203.28 | 294.33 |
| (b) Other current liabilities | 160.55 | 165.56 |
| (c) Provisions | 16.40 | 7.91 |
| Total current liabilities | 380.23 | 467.80 |
| Total equity and liabilities (B) | 382.43 | 469.67 |
| Total net identifiable assets (C) = (A) - (B) | 16,410.60 | 15,924.59 |
| Recognition of goodwill (D) | 149.99 | 149.99 |
| Cost of investment (E) | 12,748.00 | 12,748.00 |
| Impact on non-controlling interest (F) | 25.19 | 25.6 |
| Net impact transferred to other equity (G) = (C) + (D) - (E) - (F) | 3,787.40 | 3,300.98 |
| Balance in securities premium reserve | | 9,305.04 |
| Retained earnings | | (2,515.14) |
| Capital reserve on amalgamation | | (3,488.91) |
| Total | | 3,300.98 |

Other adjustments/matters arising out of merger

As per Appendix C of Ind AS 103 'Business Combination' for all the business combinations under common controls the financial information in the financial statements in respect of prior period should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of accrual date of the combination. Hence financial statements of the Merged Undertaking are merged with effect from April 1, 2018. Accordingly figures for the year ended March 31, 2019 reinstated are after giving effect to the merger.



The Sandur Manganese & Iron Ores Limited

Notes to the financial statements for the year ended March 31, 2020

39. There are no material events occurred after the balance sheet date but before the approval of financial statements by board of directors.
40. The Company has considered the possible effects that may arise out of the still unfolding COVID-19 pandemic on the carrying amounts of property, plant & equipment including capital work in progress, intangible assets, investments, inventories, trade receivables, other financials assets, other assets etc. For this purpose, the Company has considered internal and external sources of information up to the date of approval of the Standalone Financial statements including credit reports and related information, economic forecasts, market value of certain investments etc. Based on the current estimates, the Company does not expect any significant impact on such carrying values. The Company will continue to closely monitor for any material changes to future economic conditions.
41. The financial statements of The Sandur Manganese & Iron Ores Limited were approved by the Board of Directors and authorised for issue on 29 June 2020.
42. The figures of the previous year have been regrouped/recasted, wherever necessary to conform with the current year classification.

Signatures to notes 1 to 42
For and on behalf of the Board of Directors

T.R. Raghunandan
Chairman

Bahirji Ajai Ghorpade
Managing Director

Place: Bengaluru
Date: 29 June 2020

Divya Ajith
Company Secretary

Sachin Sanu
Chief Financial Officer



The Sandur Manganese & Iron Ores Limited

Nomination Form

Form No. SH-15

(Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014)

The Sandur Manganese & Iron Ores Limited

'SATYALAYA', DOOR No. 266 (Old No.80), Ward No.1,
Behind Taluka Office Sandur - 583 119,
Ballari District, Karnataka, India

I/We the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my/our death.

(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)

| Name of Securities | Folio No. | No. of Securities | Certificate No. | Distinctive No. |
|--------------------|-----------|-------------------|-----------------|-----------------|
| | | | | |
| | | | | |
| | | | | |

(2) PARTICULARS OF NOMINEE/S

- (a) Name:
- (b) Date of Birth:
- (c) Father's Mother's/Spouse's Name:
- (d) Occupation:
- (e) Nationality:
- (f) Address:
- (g) E-mail id:
- (h) Relationship with the security holder:

(3) IN CASE NOMINEE IS A MINOR

- (a) Date of birth:
- (b) Date of attaining majority:
- (c) Name of guardian:
- (d) Address of guardian:

Name of Security

Holder (s) _____

Signature _____

Witness Name:

and signature: _____

Witness Address: _____



The Sandur Manganese & Iron Ores Limited

Cancellation or Variation Nomination Form Form No. SH-14

(Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies
(Share Capital and Debentures) Rules, 2014)

The Sandur Manganese & Iron Ores Limited

'SATYALAYA', DOOR No. 266 (Old No.80), Ward No.1,
Behind Taluka Office Sandur - 583 119,
Ballari District, Karnataka, India

I/We hereby cancel the nomination(s) made by me/us in favor of _____

(name and address of the nominee) in respect of the below mentioned securities.

I/We hereby nominate the following person in place of _____ as nominee in
respect of below mentioned securities in whom shall vest all rights in respect of such securities in the event of my/our death.

(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)

| Name of Securities | Folio No. | No. of Securities | Certificate No. | Distinctive No. |
|--------------------|-----------|-------------------|-----------------|-----------------|
| _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |

(2) PARTICULARS OF NOMINEE/S

- (a) Name:
- (b) Date of Birth:
- (c) Father's Mother's/Spouse's Name:
- (d) Occupation:
- (e) Nationality:
- (f) Address:
- (g) E-mail id:
- (h) Relationship with the security holder:

(3) IN CASE NOMINEE IS A MINOR

- (a) Date of birth:
- (b) Date of attaining majority:
- (c) Name of guardian:
- (d) Address of guardian:

Name of Security
Holder (s) _____
Signature _____

Witness Name:
and signature: _____
Witness Address: _____



The Sandur Manganese & Iron Ores Limited

To,
Venture Capital and Corporate Investments Private Limited
Unit : The Sandur Manganese & Iron Ores Limited
12-10-167 Bharatnagar, Hyderabad - 500 018, Telangana.
Tel. No. : 040-23818475 / 76
Email : info@vccilindia.com

Updation of Shareholder(s) Information

I/We furnish below our folio details along with PAN and bank mandate details for updation and doing the needful. I /we are enclosing the self-attested copies of PAN cards of all the holders, original cancelled cheque leaf.

General Information :

| | |
|----------------------------------|--|
| Folio No.: | |
| Name of the Sole / First Holder: | |
| Father Name : | |
| Sole Holder Address : | |
| Aadhar Number: | |
| Mobile No.: | |
| Email Id: | |

Bank Account Details of the Sole / First Holder :

| | |
|--|--|
| Name of the Bank : | |
| Bank Branch Address : | |
| Bank A/C No.(as appearing in the cheque book) : | |
| Bank A/C type : | |
| MICR (9 digit as appearing in the cheque) : | |
| IFSC (11 digit as appearing in the cheque book): | |

| | Name | PAN No | Signature |
|--------------------------|------|--------|-----------|
| Sole/First Holder | | | |
| Joint Holder1 | | | |
| Joint Holder2 | | | |

Note: if any change in your address please enclose the address proof. Please enclose original cancelled cheque leaf.