

# *The Sandur Manganese & Iron Ores Limited*

(An ISO 9001:2015; ISO 14001:2015 and 45001:2018 certified company)

CIN: L85110KA1954PLC000759; Website: [www.sandurgroup.com](http://www.sandurgroup.com)

## **REGISTERED OFFICE**

'SATYALAYA', No.266  
Ward No.1, Palace Road  
Sandur - 583 119, Ballari District  
Karnataka, India  
Tel: +91 8395 260301/ 283173-199  
Fax: +91 8395 260473



## **CORPORATE OFFICE**

'SANDUR HOUSE', No.9  
Bellary Road, Sadashivanagar  
Bengaluru - 560 080  
Karnataka, India  
Tel: +91 80 4152 0176 - 79 / 4547 3000  
Fax: +91 80 4152 0182

SMIORE/SEC/2023-24/35

4 August 2023

The Secretary  
BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai - 400 001

Dear Sir/Madam,

***Sub: Investor Presentation in connection with Unaudited Financial Results for quarter ended 30 June 2023***

***Ref: Company Code: 504918***

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the copy of Investor Presentation in connection with Unaudited Financial Results for quarter ended 30 June 2023.

The Exchange is requested to take the same on record.

Thanking you.

***for The Sandur Manganese & Iron Ores Limited***

***Bijan Kumar Dash***  
***Company Secretary & Chief Compliance Officer***

**MINES OFFICE:** Deogiri - 583112, Sandur Taluk, Ballari District  
Tel: +91 8395 271025 / 28 / 29 / 40; Fax: +91 8395 271066

**PLANT OFFICE:** Metal & Ferroalloy Plant, Vyasankere, Mariyammanahalli - 583 222, Hosapete Taluk, Ballari District  
Tel: +91 8394 244450 / 244335



THE SANDUR MANGANESE &  
IRON ORES LIMITED

# Q1FY24

## Towards an integrated future

---

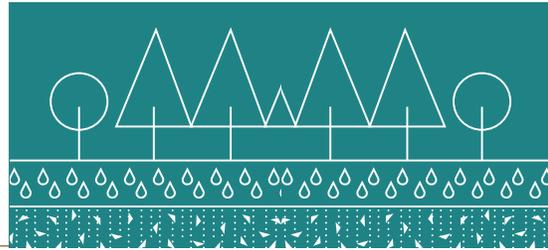
**Earnings Presentation**

AUGUST 2023

# SANDUR at a Glance

## 6+ decades

As one of the most respected private sector merchant miners of manganese and iron ores



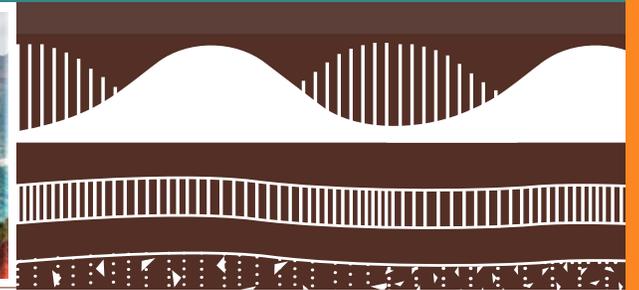
VAST MINING RESERVES WITH LEASES UP TO 2033

17 MT  
Manganese Ore

105 MT  
Iron Ore

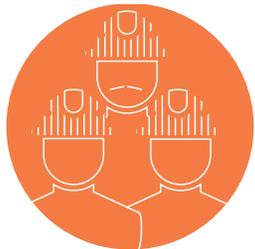
## 3<sup>rd</sup> Largest

Manganese ore miner in India



## A/Stable

CRISIL & ICRA RATED  
Robust credit rating



2,294\*

SANDUR family members

### CAPACITIES



0.28 MTPA

Manganese Ore



1.60 MTPA

Iron Ore



0.50 MTPA

Coke



32 MW

WHRB-based Power



95,000/

1,25,000 TPA

Ferroalloys (SiMn/ FeMn)

\*As on 30 June 2023

# Operational Units



Bengaluru  
Corporate  
Office

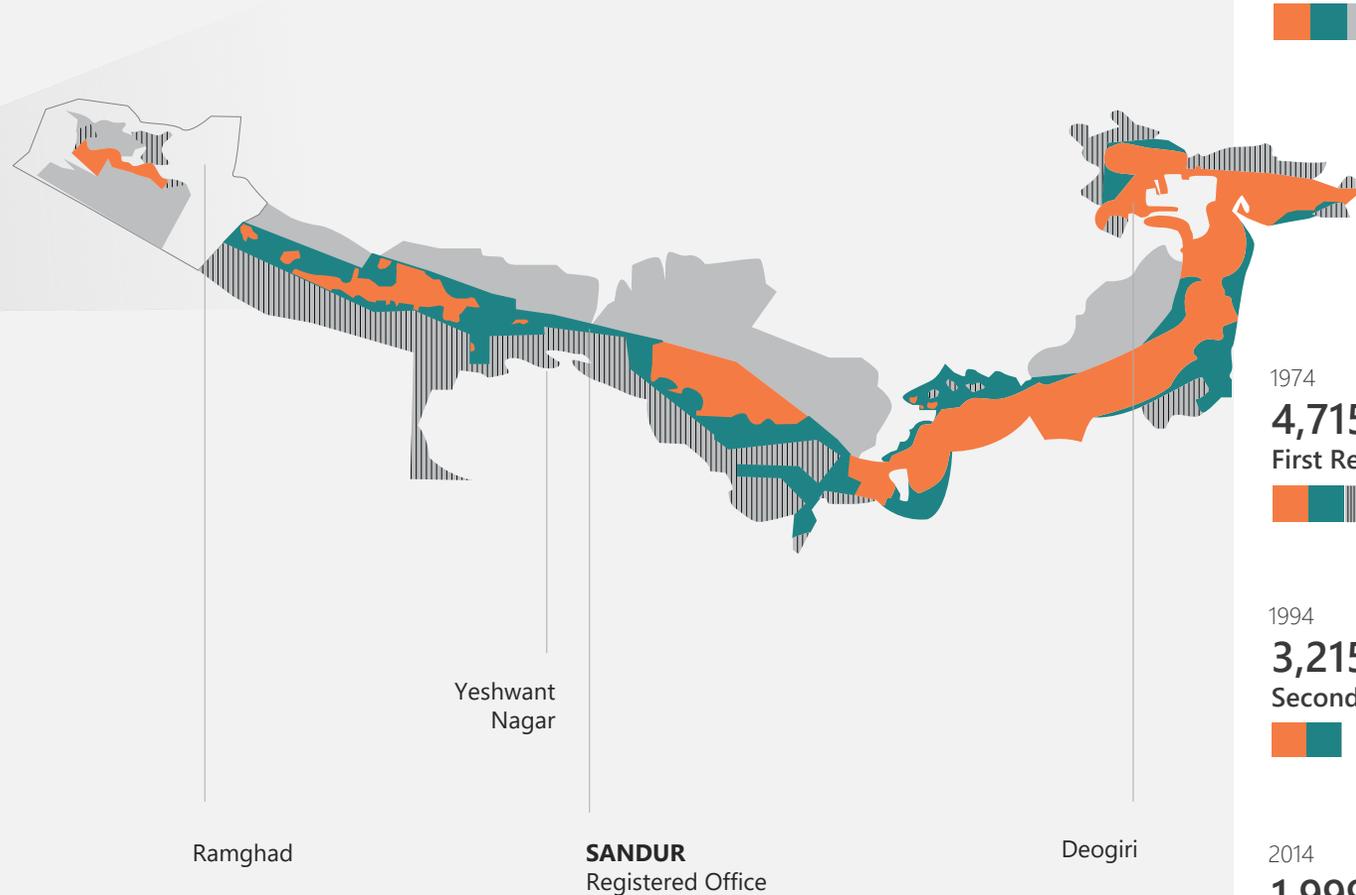
## Mining Leases

(Deogiri, Kammathuru,  
Subbarayanahalli and Ramghad)

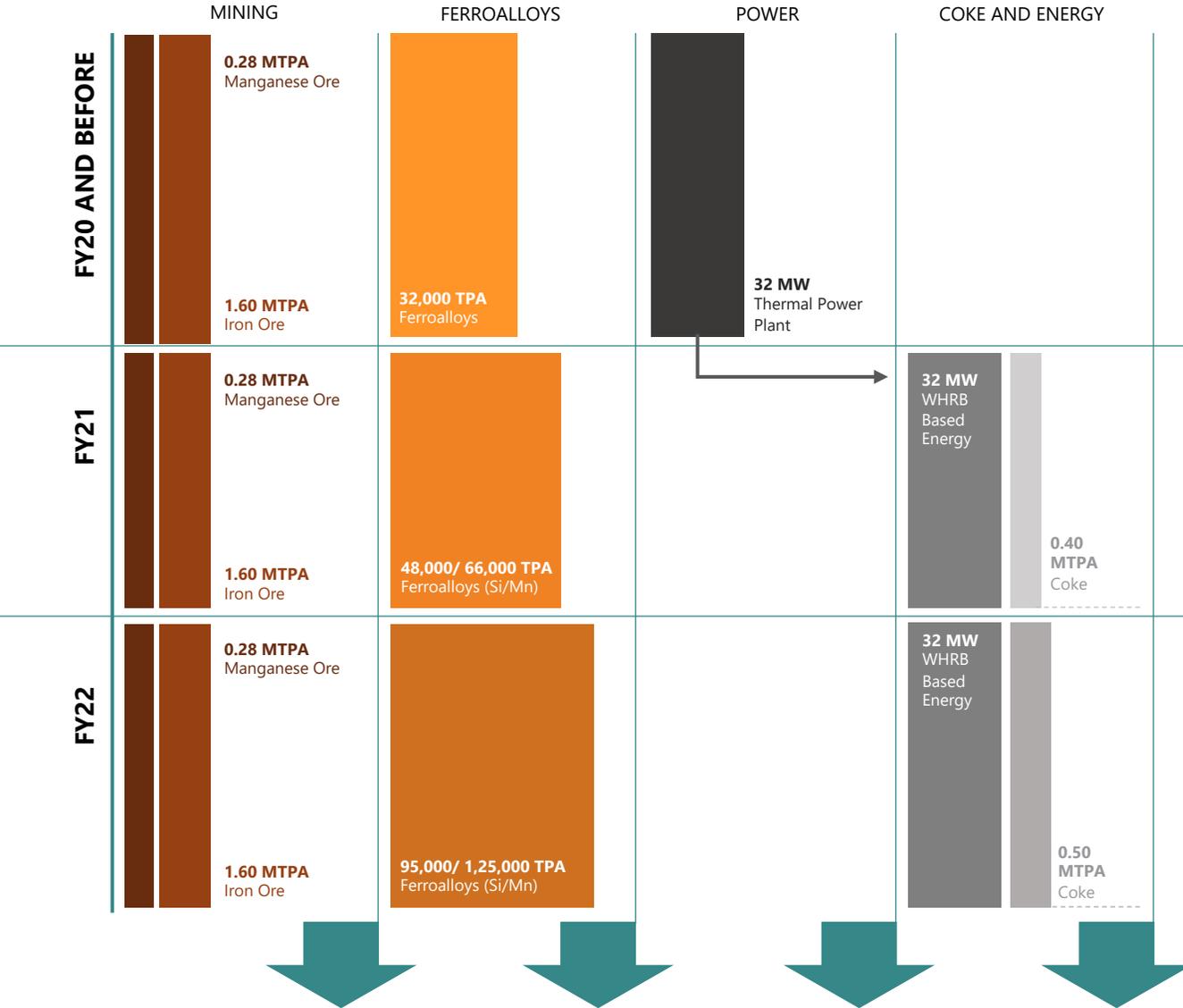
## Ferroalloy Plant, Power Plant, Coke Oven Plant (Vyasankere)

Ballari and Vijayanagara Districts,  
Karnataka

## SANDUR

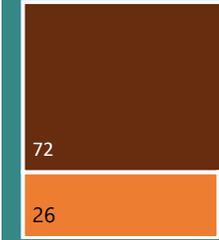


# Transforming Business Canvas

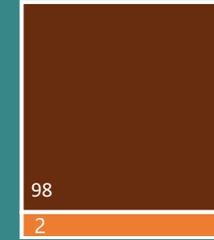


## TRAITS

REVENUE CONTRIBUTION FY18-20 (%)

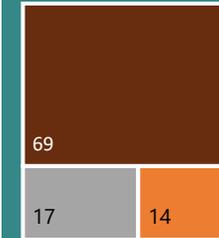


PBT CONTRIBUTION FY18-20 (%)



Asset light, cash generating mining operations coupled with marginally-profitable power-intensive ferroalloys operations

REVENUE CONTRIBUTION (%)

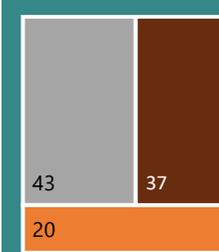


PBT CONTRIBUTION (%)

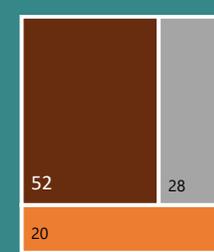


Asset light, cash generating mining operations coupled with self sustainable and profitable ferroalloys operations supported by Coke + WHRB based power generation

REVENUE CONTRIBUTION (%)



PBT CONTRIBUTION (%)



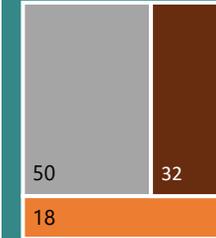
■ Mining 
 ■ Ferroalloys 
 ■ Coke and Energy 
 ■ Others

# Transforming Business Canvas (Going Forward)

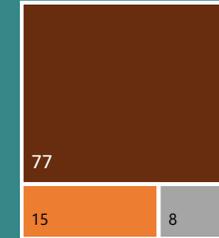
	MINING	FERROALLOYS	POWER	COKE AND ENERGY
FY23	<p>0.28 MTPA Manganese Ore</p> <p>1.60 MTPA Iron Ore</p>	<p>95,000/ 1,25,000 TPA Ferroalloys (Si/Mn)*</p>		<p>0.50 MTPA Coke</p> <p>32 MW WHRB Based Energy</p>
EXPANSION	<p>0.58 MTPA Manganese Ore</p> <p>4.50 MTPA Iron Ore</p> <p>7.00 MTPA Beneficiation Unit</p>	<p><b>SANDUR has set up a hybrid renewable energy plant (42.9 MW) in a SPV to cater the growing energy needs of its Ferroalloys operations.</b></p>		<p>32 MW WHRB Based Energy</p> <p>0.50 MTPA Coke</p>
TRAITS	<ul style="list-style-type: none"> <li>Asset-light and high ROCE</li> <li>Cost-efficient operations resulting in high OPM and significant operating-leverage</li> <li>Generating consistent Cash Flows</li> </ul>	<ul style="list-style-type: none"> <li>Self-sustainable &amp; profitable ferroalloys operations</li> </ul>		<ul style="list-style-type: none"> <li>Long-term vision of growth</li> <li>Mitigates sustainability concerns as a pure-play merchant miner</li> <li>Forward integration into value-added end-products</li> </ul>

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

REVENUE CONTRIBUTION (%)



PBT CONTRIBUTION (%)



Further expansion of mining operations planned

# Improving Profit Profile

Multifold increase

in absolute PBT

Diversification

in profit profile of the Company

## FY18-20 (Average\*)



## FY21



## FY22



## FY23



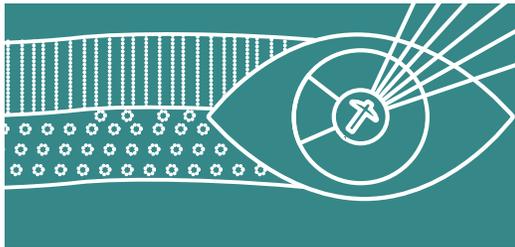
\*Arithmetic Average FY18-20 | Note – PBT excludes finance costs and unallocable expenses/income

# Values that Drive Us

## SANDUR is run by the ethos

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

**M.Y. GHORPADE**



## Awards and Recognitions

Awarded 5-STAR rating by the Government of India every year since the introduction of Sustainable Development Framework (SDF)

Other prestigious awards include **National Safety Award (Mines)** from the Government of India, prizes secured during competitions held by **Mines Safety Association Karnataka**, prizes secured during competitions held by **Mines Environment & Mineral Conservation Association**, among others.



## Some of SANDUR's successful Welfare Programs

### Food Security

A food package for a family of 5 costs ₹ 145 against actual cost of ₹3,950, balance being absorbed by the Company.

### Subsidized LPG Cylinder

SANDUR provides subsidised LPG cylinders to a large subset of its employees with a 90% subsidy to prevent them from cutting trees for fuel.

### Housing Loan Subsidy

Interest subsidy on housing loans availed by employees.

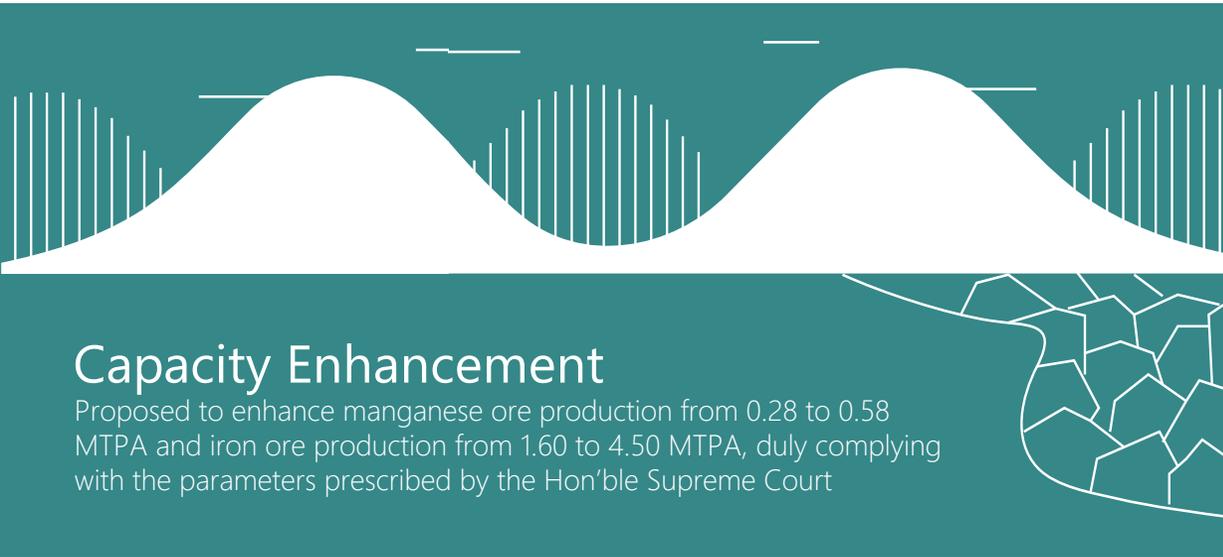
### Pension

Lifetime pension to certain long-standing employees.

### Other

Includes cloth subsidy, marriage & festival gifts, medical care, sickness benefits, education & training facilities, housing & electricity, and many more.

# Mining - our mainstay

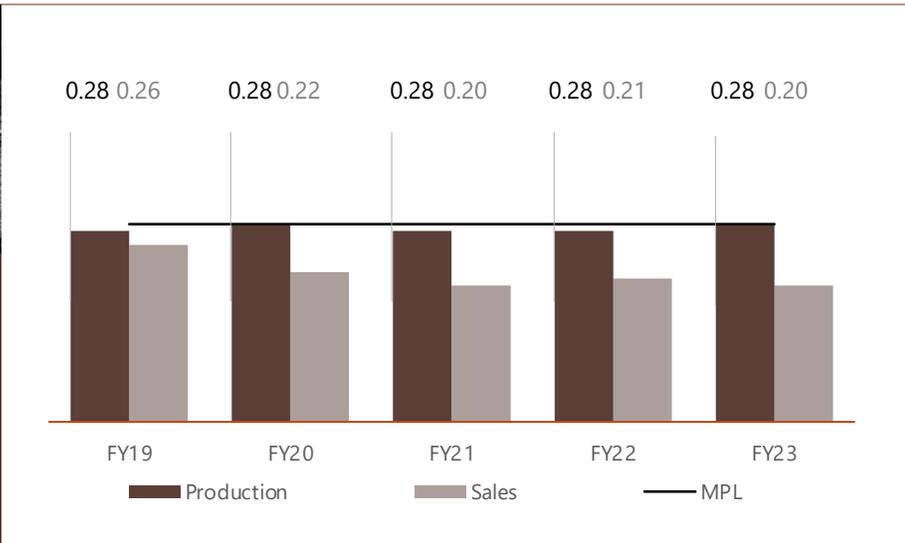


## Capacity Enhancement

Proposed to enhance manganese ore production from 0.28 to 0.58 MTPA and iron ore production from 1.60 to 4.50 MTPA, duly complying with the parameters prescribed by the Hon'ble Supreme Court

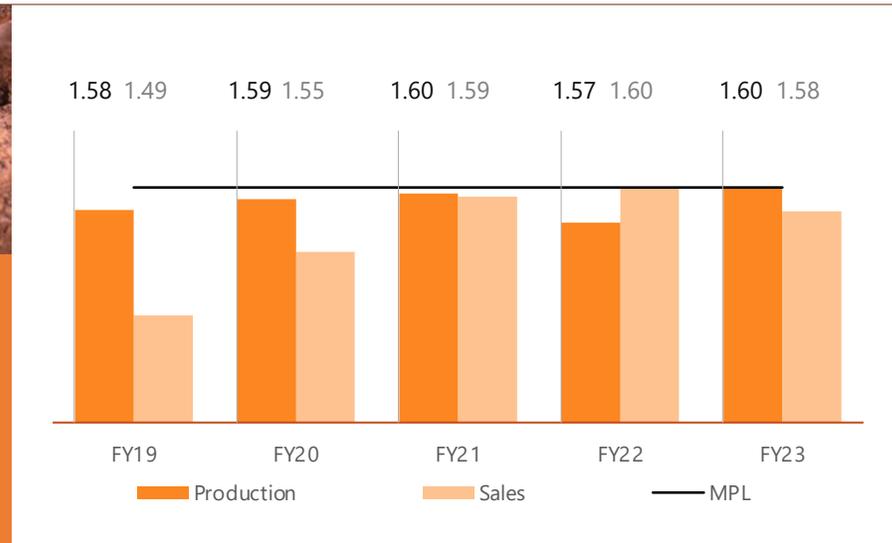
**MANGANESE ORE MINING OPERATIONS**  
(MTPA)

0.28 MTPA



**IRON ORE MINING OPERATIONS**  
(MTPA)

1.60 MTPA



Mining manganese and iron ores from two mining leases located in Sandur (Karnataka)

Mining operations with one of the **best operating metrics & track record** in the Industry

Fully-mechanized iron ore mining contributing to higher margins

Mining operations conducted with utmost respect for environment and adherence to regulatory norms of authorities

Semi-mechanized, labour-intensive manganese ore mining with relatively lower margins but generating large scale employment opportunities

# Ferroalloys - new and improved

Turned around ferroalloys operations in FY21 through feasible power generation

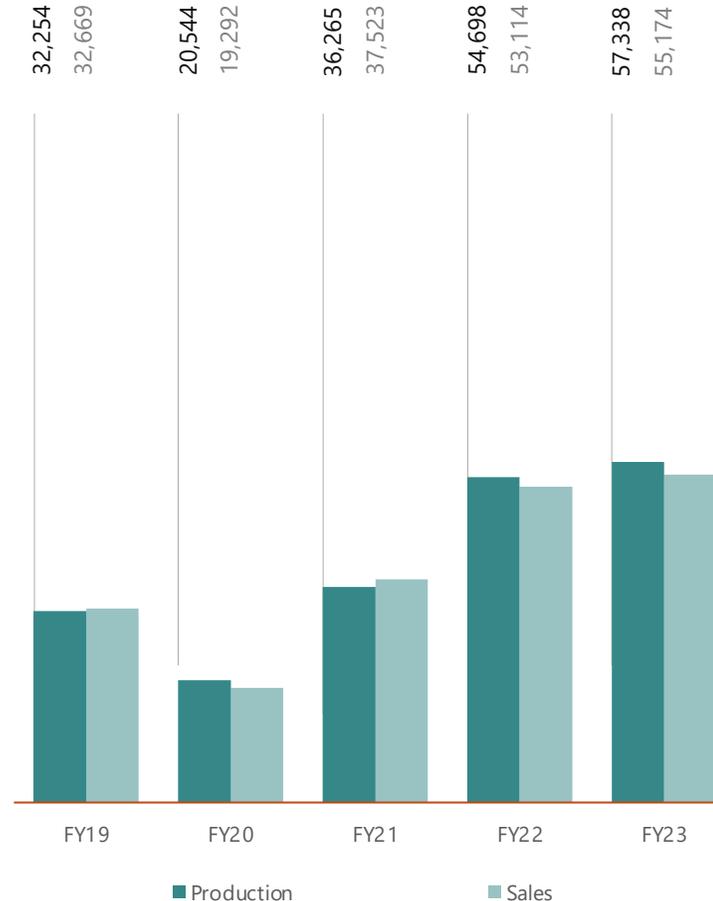
The combination of Coke Oven Plant and WHRB generates power as a by-product, thus leading to substantial savings by eliminating the need for thermal coal

Achieved a shift towards a cleaner source of energy such as Waste Heat & Green Energy against previously used coal-based energy

Effective power generation cost was reduced significantly post commissioning of WHRB & further setup of hybrid renewable energy plant



## FERROALLOYS OPERATIONS (MTPA)



## CAPACITIES

FY22  
**95,000/  
 1,25,000 TPA**  
 (SiMn/FeMn)\*

FY21  
**48,000/  
 66,000 TPA**  
 (SiMn/FeMn)

FY20  
**32,000 TPA**

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

**Key products:**  
 Silicomanganese  
 and Ferromanganese

# Coke and Energy - strengthening operations



March 2018  
Started expansion work

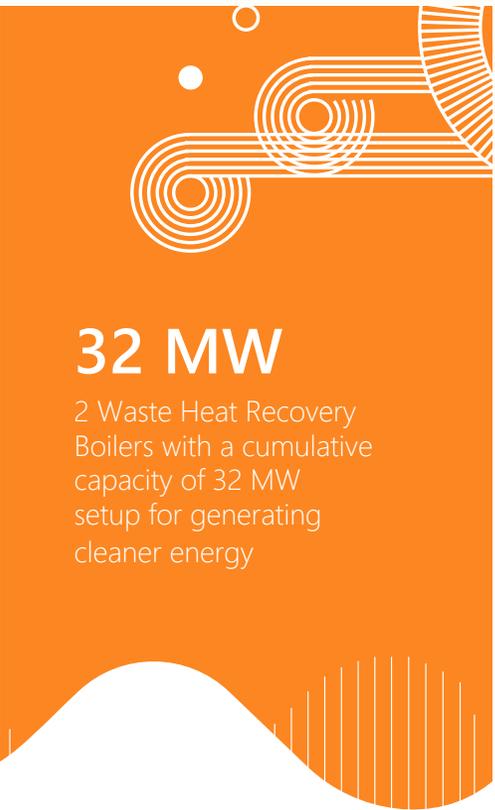
**0.5 MTPA**

4 Batteries with a cumulative capacity of 0.5 MTPA



**18 January 2021**

Fully commissioned Coke Oven



**32 MW**  
2 Waste Heat Recovery Boilers with a cumulative capacity of 32 MW setup for generating cleaner energy



# Investment Rationale

## Stable & Growing Cash Flows

Through long-standing mining operations

## New and Improved Ferroalloys

Operations, contributing meaningfully to financial performance

## Disciplined Capital Allocation

Guided by strong parentage

## Strong Balance Sheet

With net-debt free status, supported by surplus liquidity

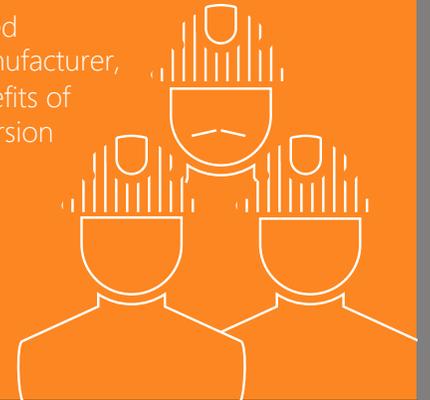


## Company With a Heart,

adhering to the highest standards of corporate governance and sustainability

## Emerging Integrated Player,

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



## Phase 2 CAPEX

It will integrate existing operations further while delivering new growth drivers



# Key Performance Indicators

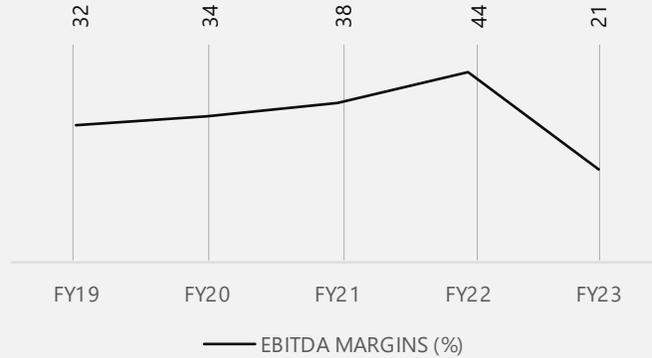
## REVENUE, EBITDA

(₹ IN CRORE)



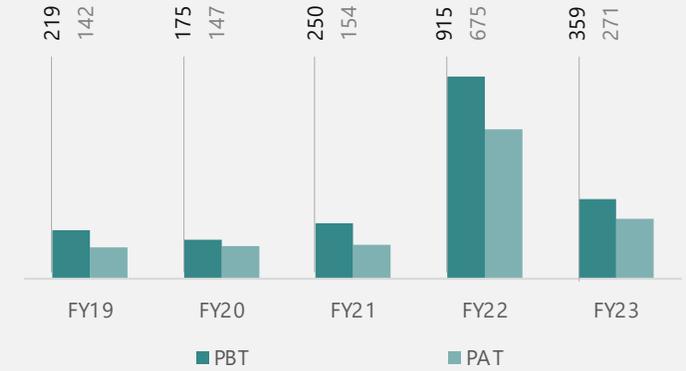
## EBITDA MARGINS

(IN %)



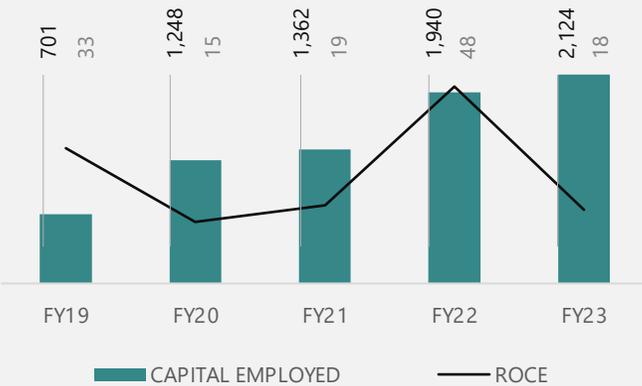
## PBT & PAT

(₹ IN CRORE)



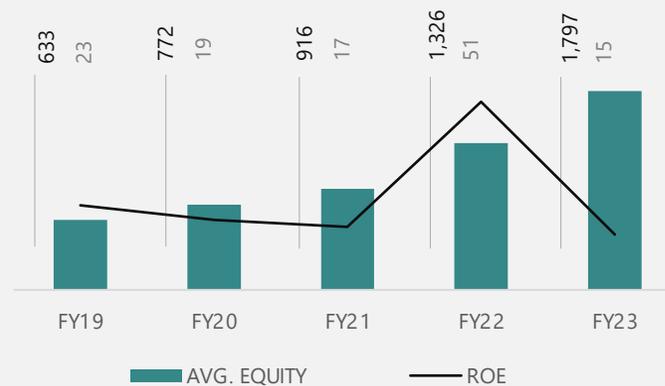
## CAPITAL EMPLOYED, ROCE

(₹ IN CRORE & IN %)



## EQUITY, ROE

(₹ IN CRORE & IN %)



## GROSS DEBT TO EQUITY

(IN TIMES)



# Q1FY24 Operational Highlights

MANGANESE ORE



IRON ORE



FERROALLOYS



COKE



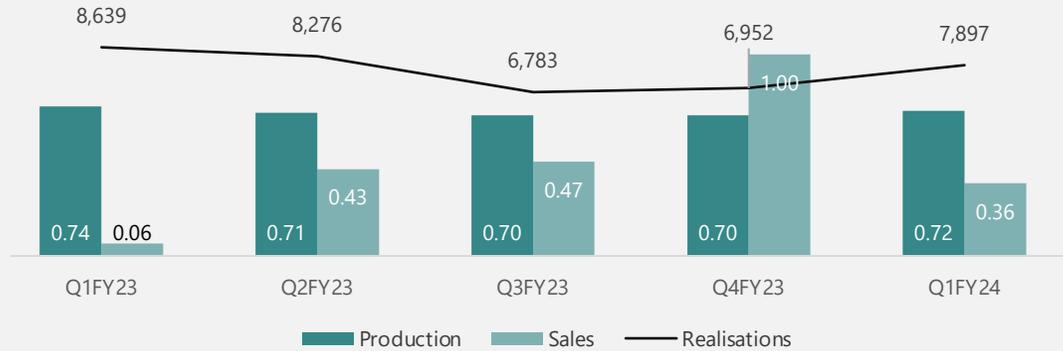
Production	<b>0.72</b> Lakh Tonne	<b>4.05</b> Lakh Tonne	<b>8,196</b> Tonne	<b>0.30</b> Lakh Tonne*
Sales	<b>0.36</b> Lakh Tonne	<b>4.52</b> Lakh Tonne	<b>6,937</b> Tonne	<b>0.34</b> Lakh Tonne
YoY Sales Volume	<b>493%</b>	<b>352%</b>	<b>(34%)</b>	<b>(66%)</b>
QoQ Sales Volume	<b>(64%)</b>	<b>(50%)</b>	<b>(58%)</b>	<b>11%</b>
Average/Tonne Realization	<b>₹7,897/-</b>	<b>₹3,375/-</b>	<b>₹70,362/-</b>	<b>₹35,309/-**</b>
QoQ Change in Realizations	<b>14%</b>	<b>8%</b>	<b>0%</b>	<b>(5%)</b>
Realization Remarks	<b>Increase</b>	<b>Marginal Increase</b>	<b>Flattish</b>	<b>Marginal Decrease</b>
Sales Volumes Remarks	<b>Significant Increase YoY Significant Decrease QoQ</b>	<b>Significant Increase YoY Significant Decrease QoQ</b>	<b>Significant Decrease</b>	<b>Significant Decrease YoY Marginal Increase QoQ</b>

\*Excludes production under contract manufacturing of 0.40 Lakh tonnes during the quarter.  
\*\*Excludes conversion & screening income under contract manufacturing of ₹8.97 Crore during the quarter.

# Q1FY24 Segment Highlights

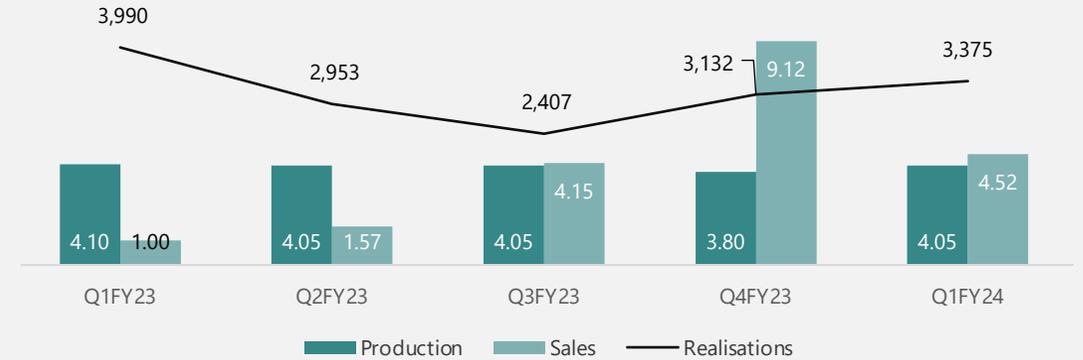
## MANGANESE ORE OPERATIONAL PERFORMANCE

(Lakh Tonne & ₹/Tonne)



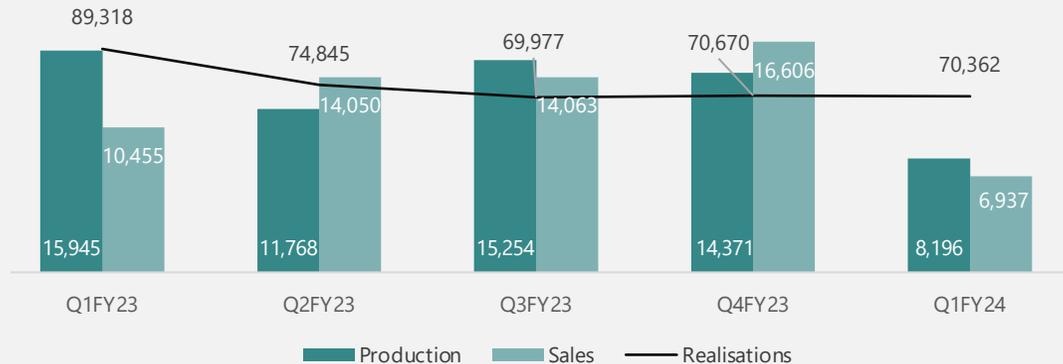
## IRON ORE OPERATIONAL PERFORMANCE

(Lakh Tonne & ₹/Tonne)



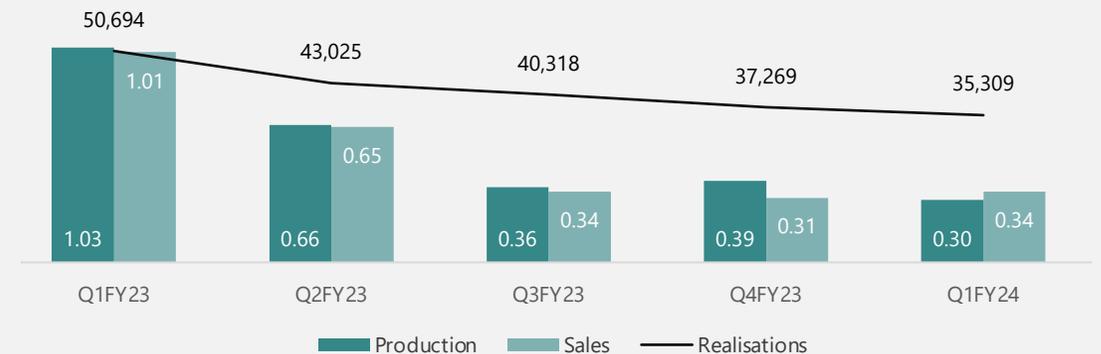
## FERROALLOYS OPERATIONAL PERFORMANCE

(Tonne & ₹/Tonne)



## COKE OPERATIONAL PERFORMANCE

(Lakh Tonne & ₹/Tonne)



Coke production excludes production under contract manufacturing of 0.40 Lakh tonnes during the quarter.  
Coke realizations excludes conversion & screening income under contract manufacturing of ₹8.97 Crore during the quarter.

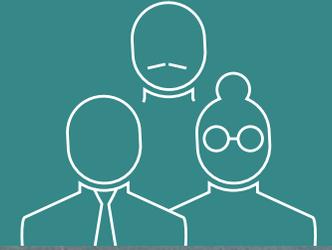
# Q1FY24 Financial Highlights

(₹ in Crore)

	Total Income	EBITDA	PAT	Capital Structure
Growth (YoY)	(43%)	12%	12%	
Growth (QoQ)	(39%)	(70%)	(78%)	
Margin		20%	10%	
Margins Expansion/ (Contraction) (YoY)		974 bps	487 bps	
Gross Debt/Equity				0.10

**381**

Total Income



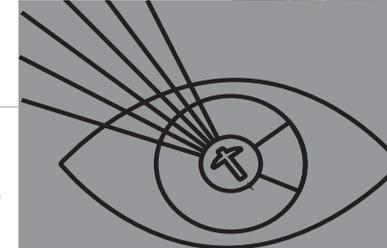
**76**

EBITDA



**38**

PAT



**1,972**

Shareholders Funds

# Management Commentary



We are fully geared to expand our mining operations.

**BAHIRJI A. GHORPADE**  
MANAGING DIRECTOR

## Mining

The production of both manganese ore and iron ore has remained in line with our quarterly production trends. On the iron ore front, we have sold slightly higher volumes during the quarter, while we are carrying some stock of manganese ore.

We witnessed an increase in realisations of both manganese ore & iron ore, 14% and 8% respectively on a QoQ basis.

## Mining Expansion

As communicated in our last update, the Company has been granted Environmental Clearance (EC) for expanding iron ore production from 1.60 MTPA to 4.50 MTPA along with 7.0 MTPA Beneficiation Plant and a Downhill Conveyor System. Based on the progress of the remaining regulatory approvals after receiving the EC, we expect to ramp up production according to the new maximum permissible limits for manganese ore starting in September, and for iron ore starting in October. After production ramps up, our focus will shift to downstream operations, namely beneficiation and pellets.

Additionally, work on the Downhill Conveyor System (DCS) for environmental friendly ore transportation has been restarted. The commissioning of the DCS is planned for Q3FY24.

## Ferroalloys

The ferroalloy industry continues to experience a tepid demand environment combined with subdued realizations. Specifically, in our operations, we observed a decrease in production of 43% QoQ and 49% YoY during the quarter. Realisations in this segment remain flattish on a QoQ basis.

On a positive note, we successfully commissioned our renewable energy project in collaboration with Renew in June 2023. The power generated from this asset will aid in scaling our ferroalloys operations once the market demand scenario becomes more conducive.

## Coke and Energy

Coking coal prices continue to remain volatile along with decent fluctuations in the exchange rates. We have maintained caution regarding our exposure in this aspect, and as a result, optimized volumes, as evidenced by our lower production for the quarter. Currently, our focus lies on the contract manufacturing agreements, which helps limit our overall exposure to such volatility.

On the NSE Listing front, following the Board's approval for listing the Company's equity shares on the National Stock Exchange, we have submitted all the necessary applications and have also responded to the queries raised by NSE. We anticipate receiving the approval from them shortly.

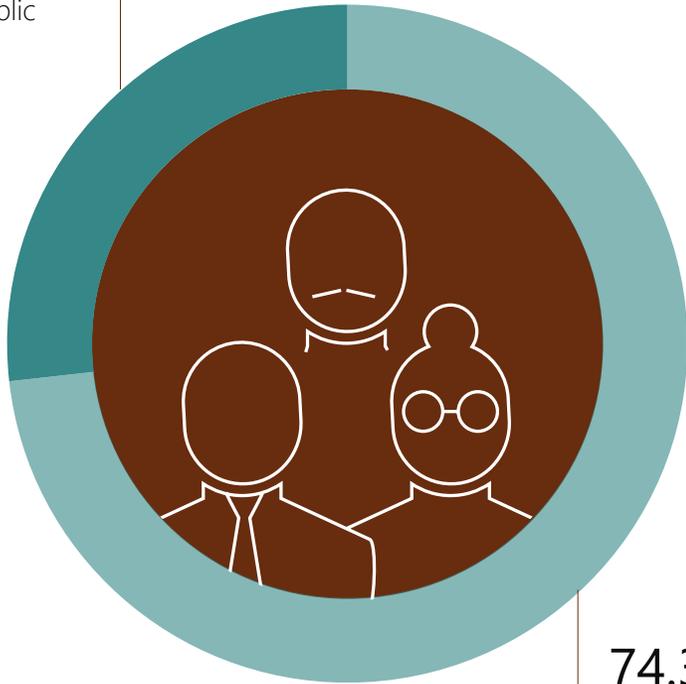
# Corporate Information

## SHAREHOLDING SUMMARY

(IN %)

25.69

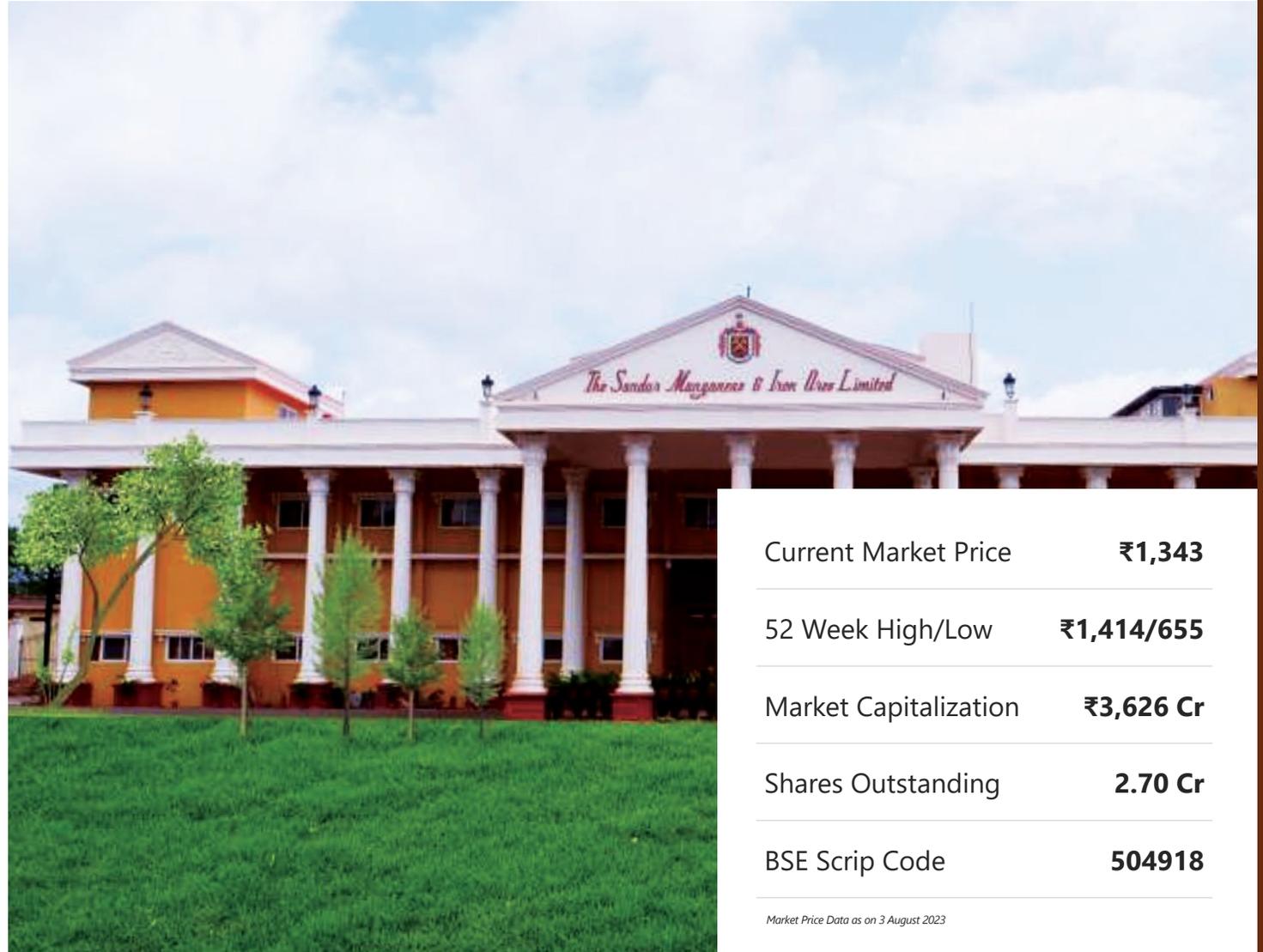
Public



74.31

Promoters

Shareholding Data as on 30 June 2023



Current Market Price **₹1,343**

52 Week High/Low **₹1,414/655**

Market Capitalization **₹3,626 Cr**

Shares Outstanding **2.70 Cr**

BSE Scrip Code **504918**

Market Price Data as on 3 August 2023

# Safe Harbor

This document which has been prepared by The Sandur Manganese & Iron Ores Limited (the "Company", "SANDUR"), solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This document has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Document. This Document may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Document is expressly excluded.

Certain matters discussed in this Document may contain statements regarding the Company's market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, the Company's ability to successfully implement its strategy, the Company's future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company's market preferences and its exposure to market risks, as well as other risks. The Company's actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Document. The Company assumes no obligation to update any forward-looking information contained in this Document. Any forward-looking statements and projections made by third parties included in this Document are not adopted by the Company and the Company is not responsible for such third-party statements and projections.



THE SANDUR MANGANESE &  
IRON ORES LIMITED

## Get in touch

### BIJAN KUMAR DASH

COMPANY SECRETARY & COMPLIANCE OFFICER  
bijan.dash@sandurgroup.com / investors@sandurgroup.com

### SAYAM POKHARNA

INVESTOR RELATIONS ADVISOR  
TIL ADVISORS PRIVATE LIMITED  
sayam@theinvestmentlab.in  
+91 94266 60791

### DIWAKAR PINGLE

INVESTOR RELATIONS ADVISOR  
ERNST & YOUNG LLP  
Diwakar.Pingle@in.ey.com