

# *The Sandur Manganese & Iron Ores Limited*

(An ISO 9001:2015; ISO 14001:2015 and 45001:2018 certified company)  
CIN:L85110KA1954PLC000759; Website: 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 / 2024-25 / 83

13 November 2024

BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai - 400 001  
Scrip Codes: 504918 & 976135  
Symbol: SANDUMA

National Stock Exchange of India Limited  
Exchange Plaza, C-1, Block G  
Bandra-Kurla Complex  
Mumbai - 400 051  
Symbol: SANDUMA

Dear Sir/ Madam,

***Sub: Investor Presentation for the quarter and half year ended 30 September 2024***

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 for the quarter and half year ended ended 30 September 2024.

Stock Exchanges are requested to take the same on record.

Thank you

*for The Sandur Manganese & Iron Ores Limited*

***Neha Thomas***  
***Company Secretary & Compliance Officer***  
***ICSI Membership No. A60853***

*Encl: A/a*

**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, Vijayanagara District  
Tel: +91 8394 244450 / 244335



THE SANDUR MANGANESE & IRON ORES LIMITED

NSE: SANDUMA | BSE: 504918

BLOOMBERG: SANDUMA:IN

**FORGING**  
**A** **new**  
**path:**  
**FROM MINES TO METALS**

**Q2FY25**  
**Earnings Presentation**  
NOVEMBER 2024

# SMIORE at a Glance

**7** DECADES

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

**3<sup>rd</sup>** LARGEST

Manganese ore miner in India

**3<sup>rd</sup>** LARGEST

Iron ore miner in Karnataka

**A+** (STABLE)

ICRA RATING & CRISIL A/POSITIVE RATED

Robust credit rating for term loans, cash credit and debentures



**2,499\***

SMIORE family members

## Vast Mining Reserves with Leases up to 2033

**17 MT**

Manganese Ore

**117 MT**

Iron Ore

## Current Capacities



**0.582 MTPA**

Manganese Ore



**3.81 MTPA**

Iron Ore



**0.50 MTPA**

Coke



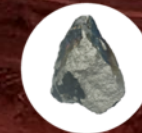
**32 MW**

WHRB-based Power



**42.9 MW**

Solar-Wind Renewable Energy



**95,000/1,25,000 TPA**

Ferroalloys (SiMn/ FeMn)

\*As on 30 September 2024

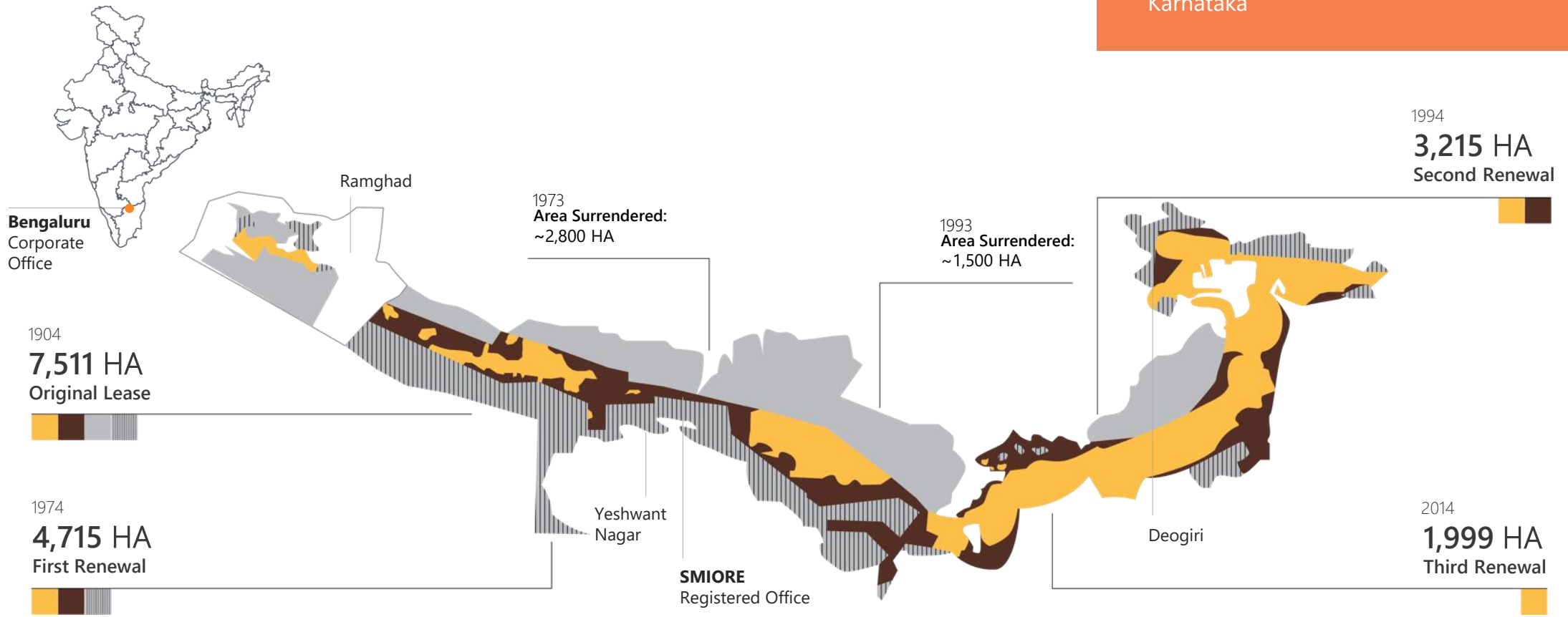
# Operational Units

**Mining Leases**  
(Deogiri, Kammathuru,  
Subbarayanahalli and Ramghad)

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

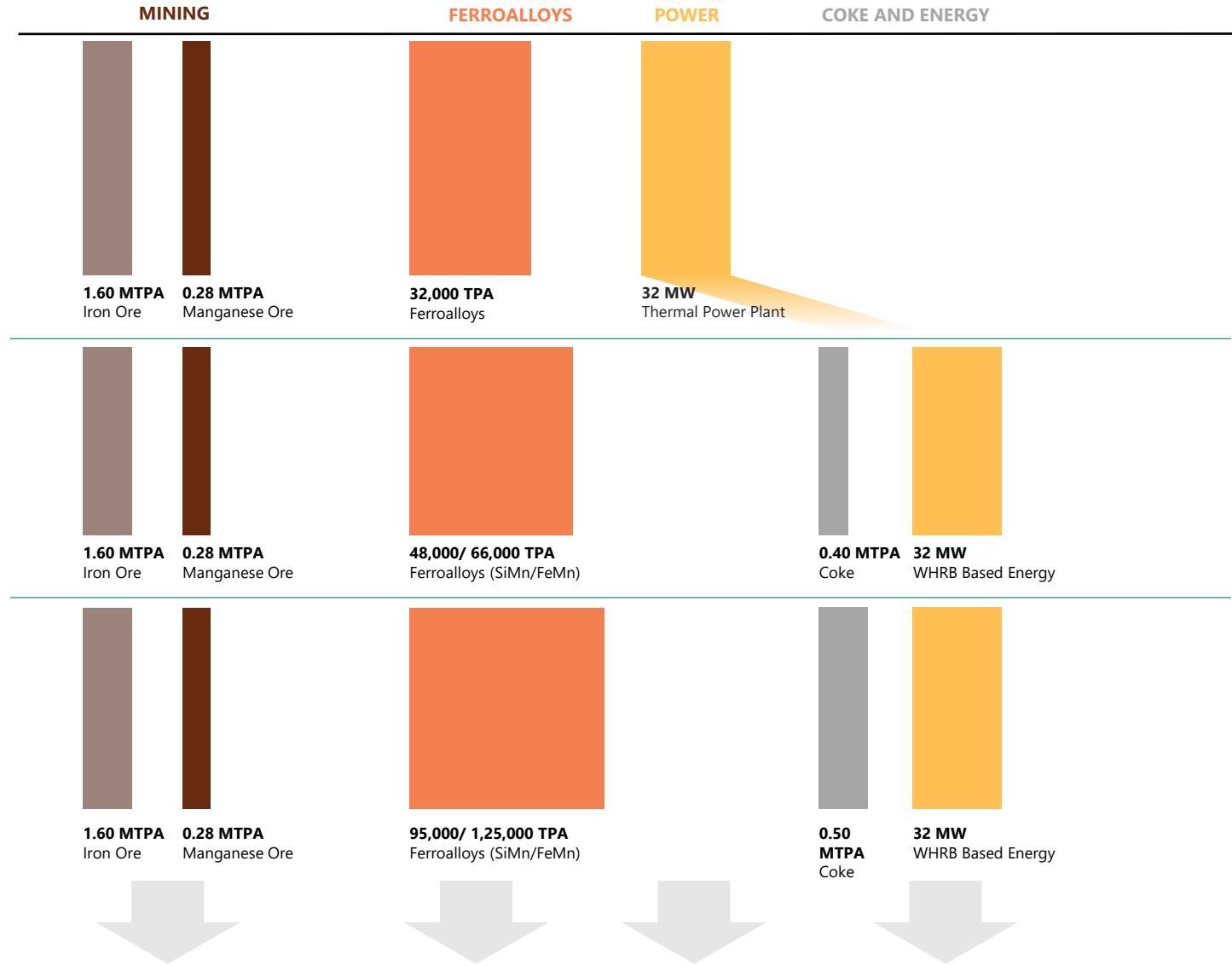
Ballari and Vijayanagara Districts,  
Karnataka

## EVOLUTION OF THE LEASE AREA OVER TIME



ABOUT SMIORE

# Transforming Business Canvas

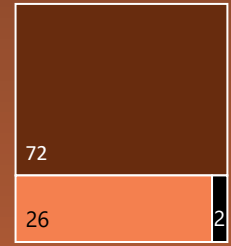


FY20 AND BEFORE  
FY21  
FY22

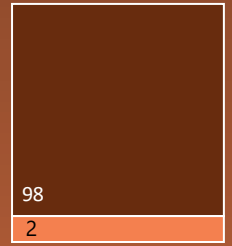
## TRAITS

■ Mining 
 ■ Ferroalloys 
 ■ Coke and Energy 
 ■ Others

### REVENUE CONTRIBUTION FY18-20 (%)

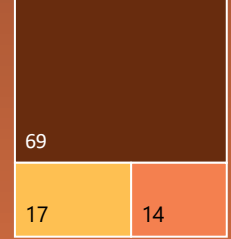


### PBT CONTRIBUTION FY18-20 (%)

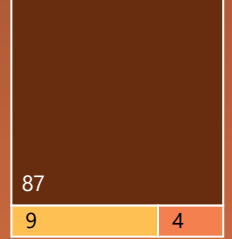


Asset light, cash generating mining operations coupled with marginally-profitable power-intensive ferroalloys operations

### REVENUE CONTRIBUTION (%)

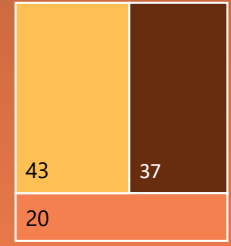


### PBT CONTRIBUTION (%)

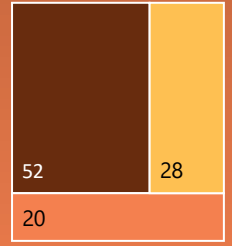


Asset light, cash generating mining operations coupled with self sustainable and profitable ferroalloys operations supported by Coke + WHRB based power generation

### REVENUE CONTRIBUTION (%)

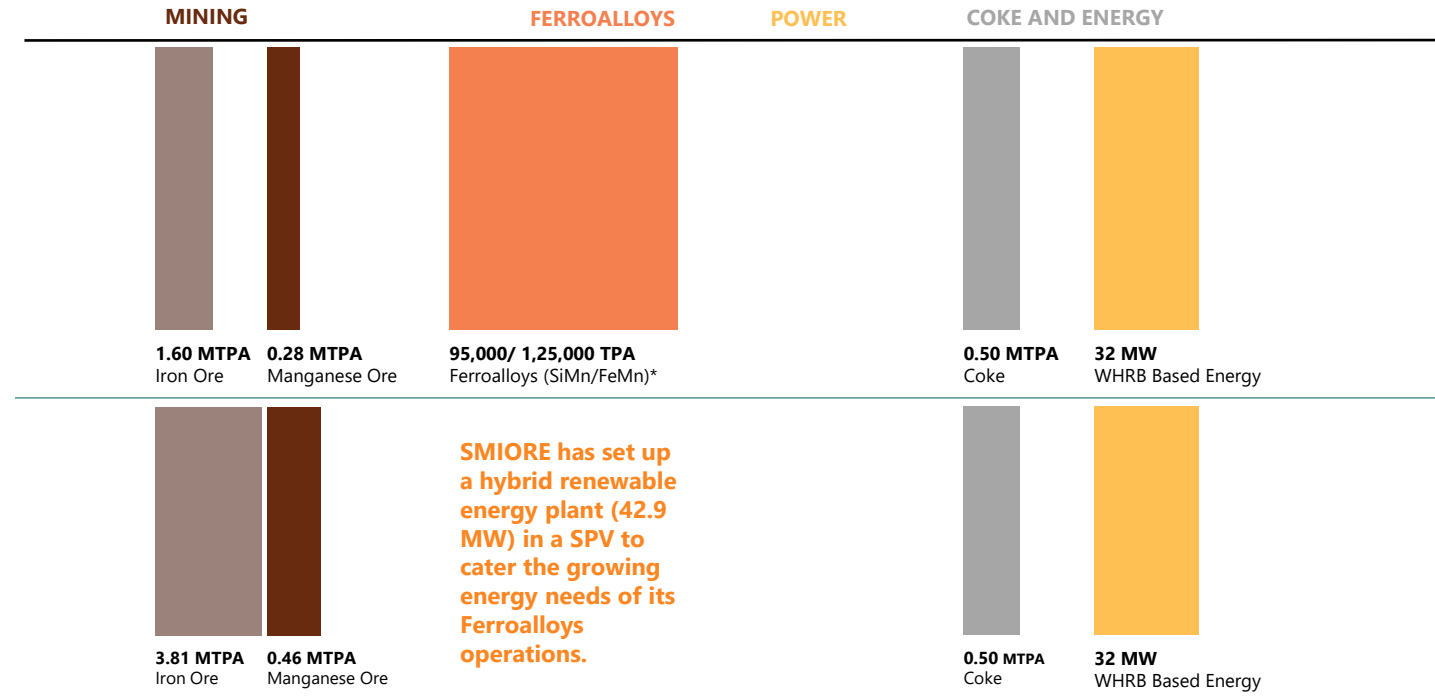


### PBT CONTRIBUTION (%)



ABOUT SMIORE

# Transforming Business Canvas



**SMIORE has set up a hybrid renewable energy plant (42.9 MW) in a SPV to cater the growing energy needs of its Ferroalloys operations.**

- Asset-light and high Return on Capital Employed (ROCE)
- Cost-efficient operations resulting in high Operating Profit Margins (OPM) and significant operating-leverage
- Generating consistent Cash Flows
- Long-term vision of growth
- Mitigates sustainability concerns as a pure-play merchant miner
- Forward integration into value-added end-products

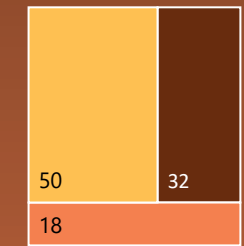
*\*Note: Existing capacities are used primarily to produce SiMn/FeMn, hence capacity calculations are as per SiMn/FeMn. However, the Company plans to add new products, hence actual capacities may differ as per the product-mix.*

FY23  
 FY24  
 TRAITS

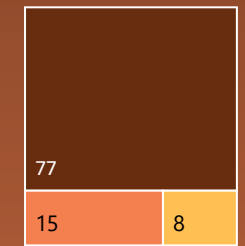
## TRAITS

■ Mining 
 ■ Ferroalloys 
 ■ Coke and Energy

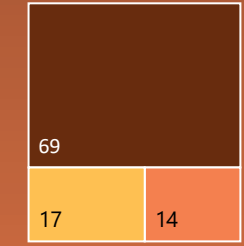
### REVENUE CONTRIBUTION (%)



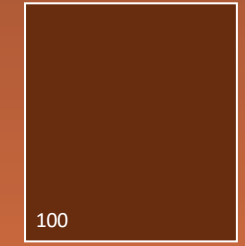
### PBT CONTRIBUTION (%)



### REVENUE CONTRIBUTION (%)



### PBT CONTRIBUTION (%)



Further expansion of mining operations underway



## ABOUT SMIORE

# Values that Drive Us

*SMIORE 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**

## Values

Scientific Mining & Sustainable Operations

Environment Preservation & Community Development

Employee Welfare & Development

Adherence to Highest Corporate Governance Standards

## 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 SMIORE's Successful Employee Welfare Programs

- **Food Security:** A food package for a family of 5 costs ₹ 145 against actual cost of ~₹4,300, balance being absorbed by the Company.
- **Subsidized LPG Cylinder:** SMIORE 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

## MANGANESE ORE



**0.582 MTPA**  
Capacity

### Capacity Enhancement

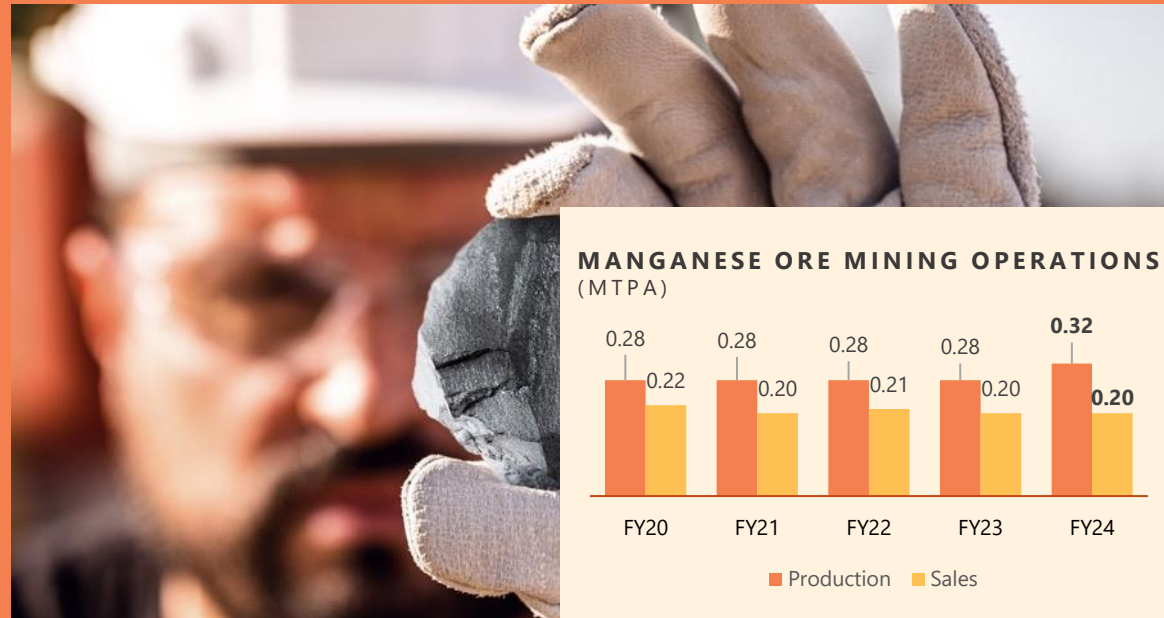
Capacity enhanced for manganese ore production from 0.28 MTPA to 0.46 MTPA, and further to 0.58 MTPA. Similarly, iron ore production capacity has been enhanced from 1.60 MTPA to 3.81 MTPA, and further proposed to increase to 4.36 MTPA. All the proposed expansions are duly complying with the parameters prescribed by the Hon'ble Supreme Court.

- Mining manganese and iron ores from two mining leases located in Sandur (Karnataka)
- Fully-mechanized iron ore mining contributing to higher margins
- Semi-mechanized, labour-intensive manganese ore mining with relatively lower margins but generating large scale employment opportunities
- Mining operations with one of the **best operating metrics & track record** in the Industry
- Mining operations conducted with utmost respect for environment and adherence to regulatory norms of authorities

## IRON ORE



**3.81 MTPA**  
Capacity





BUSINESS VERTICALS REVIEW

# Ferroalloys – New and Improved

Turnaround of Ferroalloys operations in FY21 through feasible power generation

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

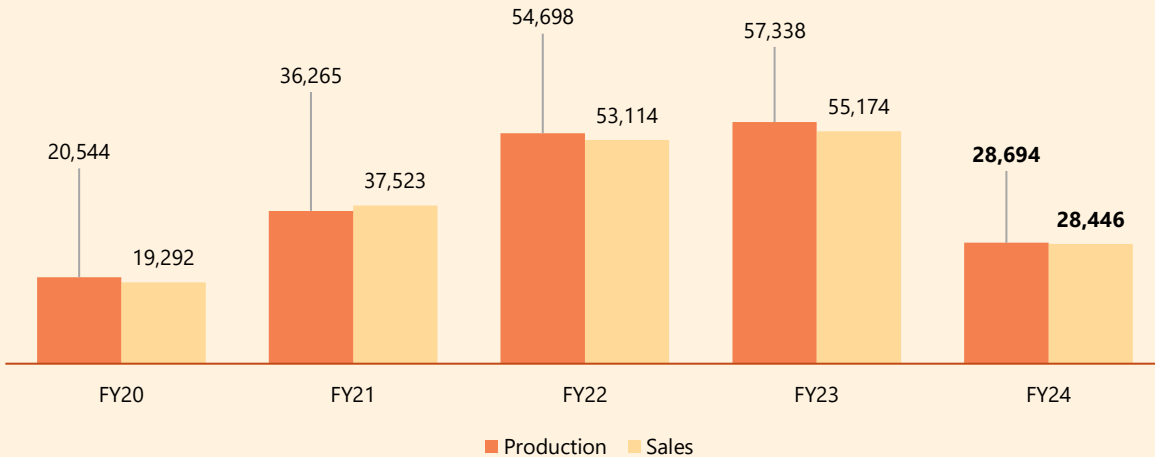
The combination of Coke Oven Plant and WHRB generates power as a by-product, thus leading to substantial savings by eliminating the need for thermal coal

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

**FERROALLOYS OPERATIONS**  
(TPA)

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

**Key products**  
Silicomanganese and Ferromanganese



**CAPACITIES**

FY22 Onwards  
**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.*

# Coke and Energy – Strengthening Operations



**0.5 MTPA**  
Coke Oven Plant

**32 MW**  
Waste Heat Recovery  
Boilers (WHRB)

**0.5 MTPA**

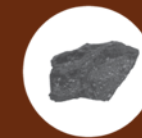
4 Batteries with a cumulative capacity of 0.5 MTPA

**32 MW**

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

**March 2018**

Started expansion work



**18 January 2021**

Fully commissioned Coke Oven

# Strategic Business Acquisition

## Strategic business acquisition of Arjas Steel Private Limited (Arjas) by SMIORE

Announced on 25 April 2024 & transaction closure on 11 November 2024

### ~₹ 3,000 Crore EV

Arjas has been valued at an Enterprise Value (EV) of ~₹ 3,000 Crore, equity value for the transaction is ~2,000 Crore

### Share Purchase Agreement (SPA)

SPA with an entity affiliated with ADV Partners, an Asia-focused private equity firm

### Bought ~99% equity stake

~99% equity capital acquired by SMIORE, making Arjas a material subsidiary

### Consideration

Pure cash consideration paid by SMIORE

### Regulatory approvals

Received all necessary regulatory approvals to complete the transaction

### Transaction closure

Completed on 11 November 2024

### Indirect acquisition of AMSPL

Has resulted in acquisition of Arjas' Wholly-Owned Subsidiary i.e. Arjas Modern Steel Private Limited located in Punjab

ABOUT ARJAS STEEL

# Leading Independent Player in a Specialised Industry

## Snapshot

**~5 LTPA**

Manufacturing capacity, being expanded further

**2**

Production facilities, one each in Andhra Pradesh & Punjab

**~950 acres**

Enough land bank & infrastructure to expand up to 1 MTPA in future

**20 MW**

Captive power capacity (Solar + Waste-Heat)

**~2,500**

Team strength

**CRISIL A**

Rated CRISIL A (Positive outlook)

## Robust financial profile

Revenue & EBITDA growth and a robust balance sheet

## Successful acquisition

Acquired & stabilized Modern Steel (Punjab) into Arjas Modern Steel

A **speciality steel company** focused on high quality auto grade Special Bar Quality (SBQ) steel

**Integrated manufacturer** from coke, sinter, hot metal & billets, to value-add bars & bright bars

Amongst the **top 5 players** in this very specialised industry

Manufacturing over **100+ grades** with varied applications

## Marquee OEM clientele

(direct & via supply-chain partners)

### PV



### CV & Off-road



### 2W



# Strengthening an Already Robust Business

## A quality business



**High-quality converter:** SBQ steel has better realisations and margins vis-à-vis commodity steel products



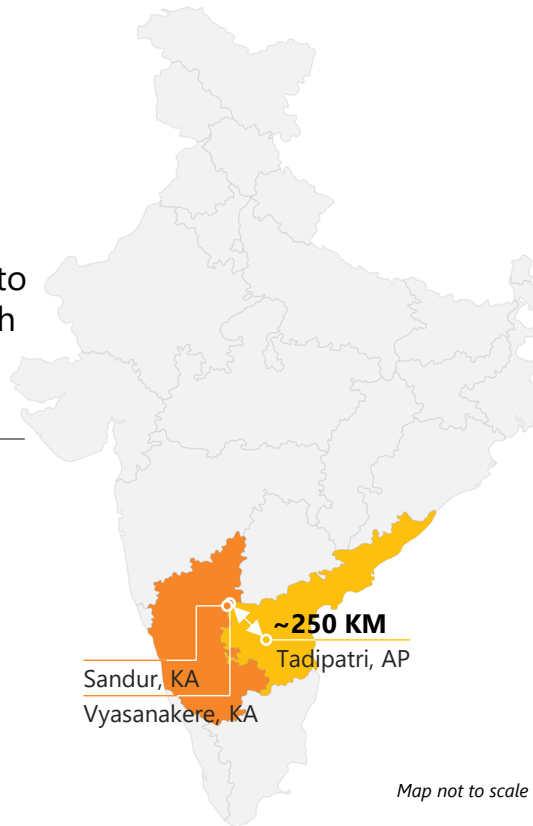
**Strategic locations:** To cater to auto OEM clusters in both South & North India



**Strong entry barriers:** Empaneled vendor, after a stringent process, with numerous auto-Original Equipment Manufacturers (OEM) over many years of operations



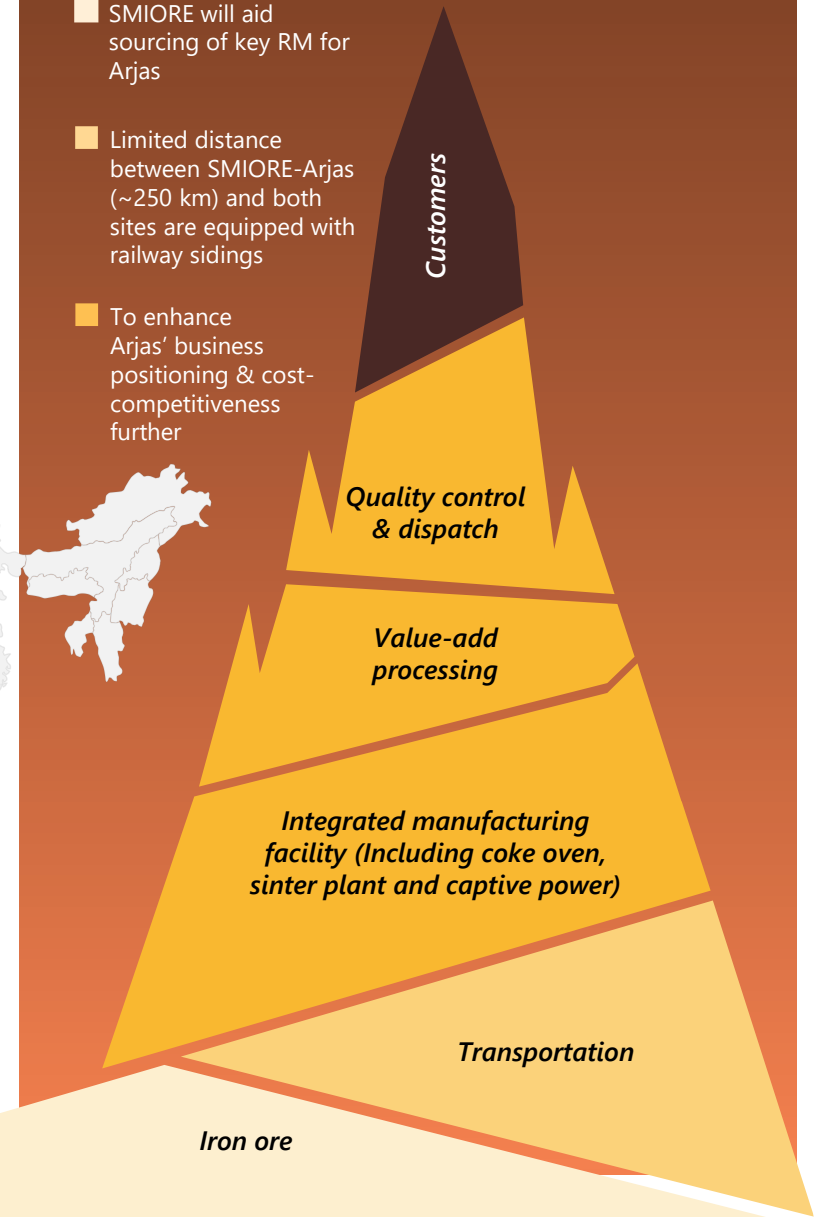
**Focusing on growing non-auto opportunities:** Working on product development for non-auto sectors like Railways (already RDSO approved), Energy, EVs & exports



Map not to scale

**To be strengthened further**  
Highest-possible integration in the industry

- SMIORE will aid sourcing of key RM for Arjas
- Limited distance between SMIORE-Arjas (~250 km) and both sites are equipped with railway sidings
- To enhance Arjas' business positioning & cost-competitiveness further



# Rationale for the Acquisition



## Acquired a business over an asset

Thriving i.e., superior growth & profitability metrics

Well-managed i.e., seasoned management team & CXOs

Quality facility i.e., technically-advanced facility with good SOPs established by a Brazilian steel major



## Accelerates SMIORE's forward-integration to become a steel company

As opposed to a minimum 2-3 years of gestation period for a greenfield project, and further time to get numerous OEM empanelments



## Potential for future brownfield investments

Sizable land bank & infrastructure to expand up to 1 MTPA, add more products to the portfolio

# Recent Milestones



## April 2023

- Received Environmental Clearance for mining expansion from 1.6 to 4.5 MTPA of iron ore

## June 2023

- Commissioned 42.9 MW captive hybrid renewable energy project

## September 2023

- SMIOR was listed on the National Stock Exchange of India Limited (NSE)

## December 2023

- Announced Bonus Issue of equity shares in the ratio of 5:1

## January 2024

- Commenced exports of iron ore after lifting of export restrictions by the Hon'ble Supreme Court in May 2022
- SMIOR crossed \$ 1 billion in market capitalization

## February 2024

- Received enhanced MPAP of 3.81 MT of iron ore and 0.462 MT of manganese ore from the Monitoring Committee
- ICRA upgraded SMIOR's credit rating to A+(Stable)

## April 2024

- Announced strategic business acquisition of Arjas Steel Private Limited

## August 2024

- Appointment of new CEO & COO

## September 2024

- Enhancement in EC for iron ore of 0.216 MTPA at Ramghad mines and received additional Consent for Operation for manganese ore of 0.12 MTPA

## October 2024

- Concluded maiden NCD allotment & its listing on BSE Limited

## November 2024

- Closure of strategic business acquisition of Arjas Steel Private Limited

# Investment Rationale

## Strong Balance Sheet

Robust balance sheet with moderate leverage

## Company With a Heart

Adhering to the highest standards of corporate governance and sustainability

## Disciplined Capital Allocation

Guided by strong parentage

## Stable & Growing Cash Flows

Through long-standing mining operations

## New and Improved Ferroalloys

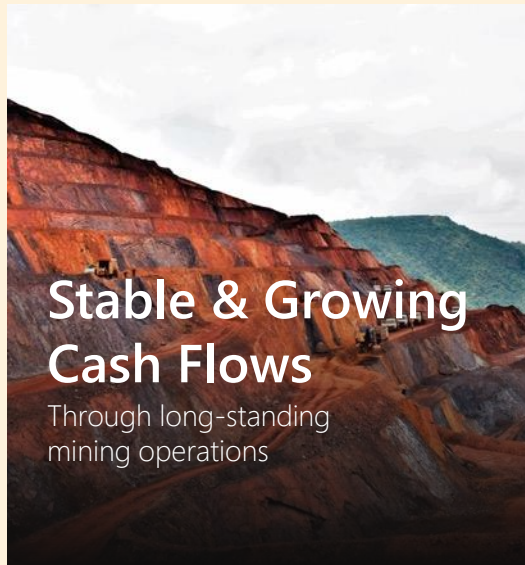
Operations, contributing meaningfully to financial performance

## Emerging Integrated Player

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

## Strategic Inorganic Growth

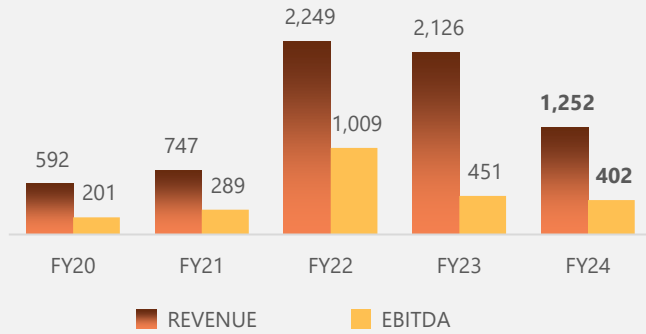
Strategic business acquisition of Arjas Steel to accelerate SMIORE's entry into the steel market, in a niche sub-segment (SBQ steel)



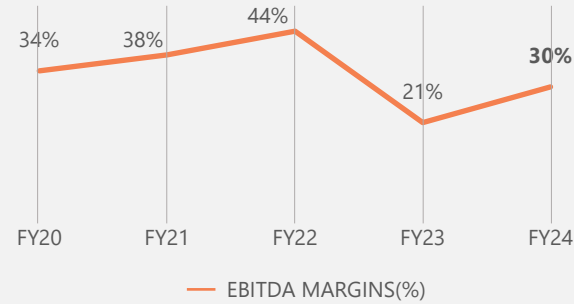


# Key Performance Indicators

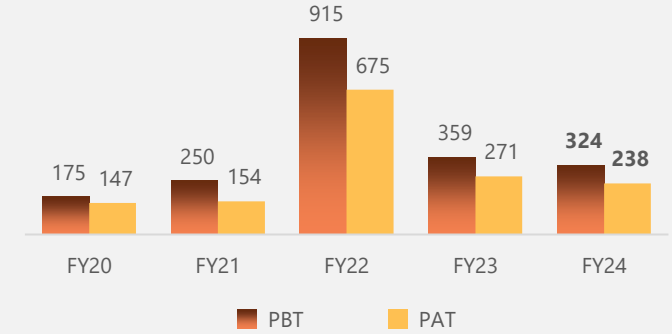
REVENUE, EBITDA  
(₹ IN CRORE)



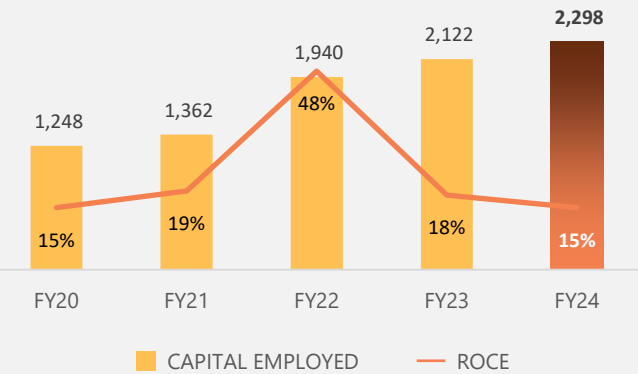
EBITDA MARGINS  
(IN %)



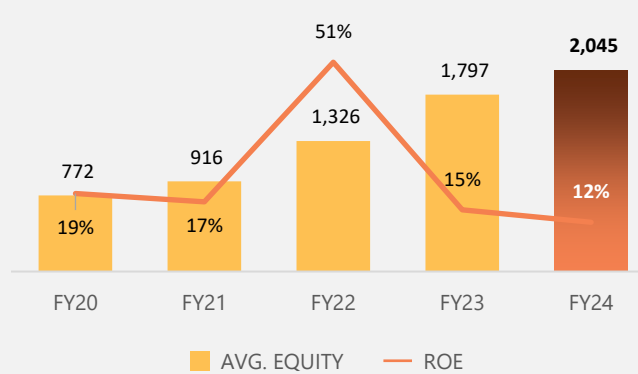
PBT & PAT  
(₹ IN CRORE)



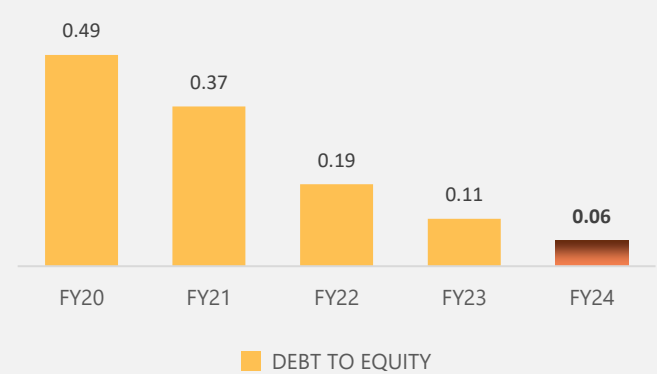
CAPITAL EMPLOYED, ROCE  
(₹ IN CRORE & IN %)







EQUITY, ROE  
(₹ IN CRORE & IN %)



GROSS DEBT TO EQUITY  
(IN TIMES)



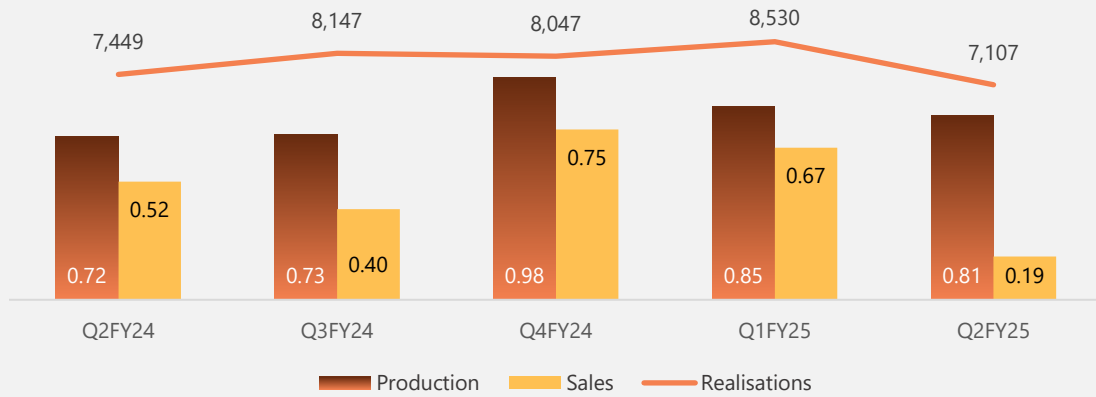
# Q2FY25 Operational Highlights

	MANGANESE ORE	IRON ORE	FERROALLOYS	COKE
<i>Production</i>	<b>0.81</b> Lakh Tonne	<b>10.91</b> Lakh Tonne	<b>7,055</b> Tonne	<b>27,544</b> Tonne
<i>Sales</i>	<b>0.19</b> Lakh Tonne	<b>6.06</b> Lakh Tonne	<b>5,944</b> Tonne	<b>6,794</b> Tonne
<i>YoY Sales Volume</i>	<b>(64%)</b>	<b>78%</b>	<b>876%</b>	<b>85%</b>
<i>QoQ Sales Volume</i>	<b>(72%)</b>	<b>(44%)</b>	<b>(37%)</b>	<b>(74%)</b>
<i>Average/Tonne Realization</i>	<b>₹7,107/-</b>	<b>₹2,997/-</b>	<b>₹66,380/-</b>	<b>₹29,947/-</b>
<i>QoQ Change in Realizations</i>	<b>(17%)</b>	<b>(19%)</b>	<b>(5%)</b>	<b>0%</b>
<i>Realization Remarks</i>	<b>Decrease</b>	<b>Decrease</b>	<b>Decrease</b>	<b>Flat</b>
<i>Sales Volumes Remarks</i>	<b>Significant Decrease in YoY &amp; QoQ</b> 	<b>Significant Increase in YoY &amp; Decrease in QoQ</b> 	<b>Significant Increase in YoY &amp; Decrease in QoQ</b> 	<b>Significant Increase in YoY &amp; Decrease in QoQ</b> 

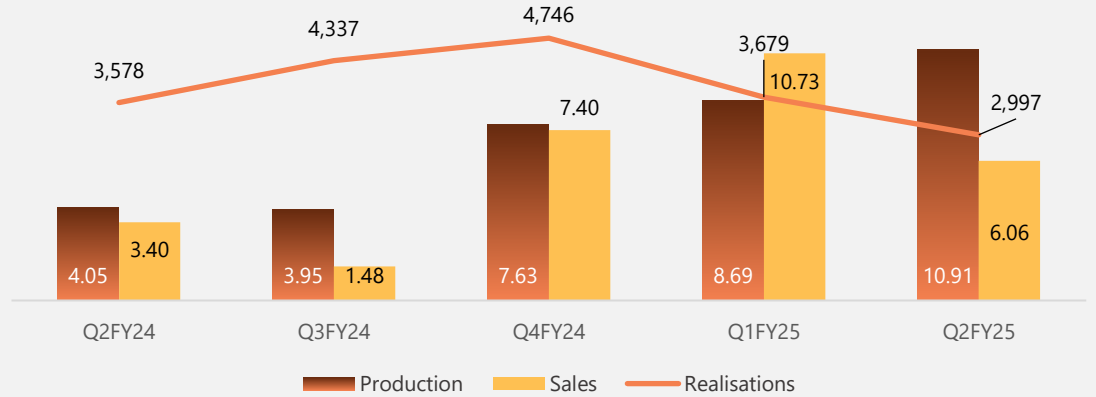
Q2FY25 PERFORMANCE HIGHLIGHTS

# Q2FY25 Segment Highlights

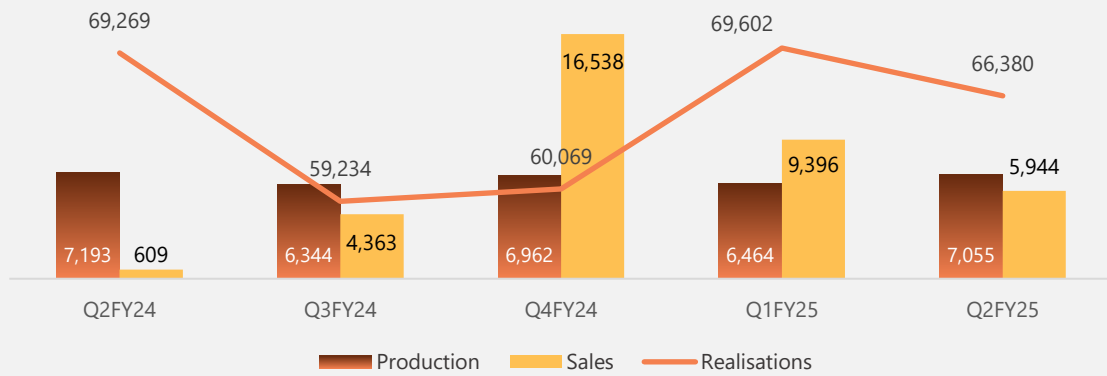
MANGANESE ORE OPERATIONAL PERFORMANCE  
(Lakh Tonne & ₹/Tonne)



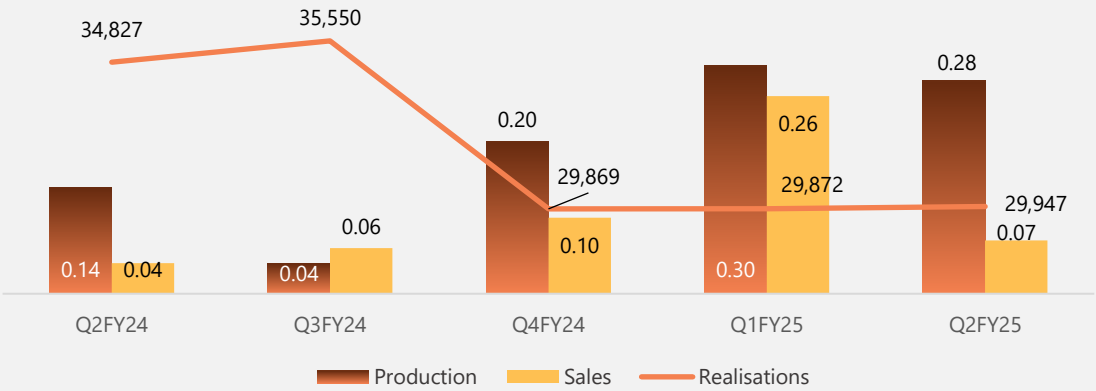
IRON ORE OPERATIONAL PERFORMANCE  
(Lakh Tonne & ₹/Tonne)



FERROALLOYS OPERATIONAL PERFORMANCE  
(Tonne & ₹/Tonne)



COKE OPERATIONAL PERFORMANCE  
(Lakh Tonne & ₹/Tonne)



# Q2FY25 Financial Highlights

**₹285** CRORE  
Total Income

**₹62** CRORE  
EBITDA

**₹32** CRORE  
PAT

**₹2,319** CRORE  
Shareholders' Funds

	Total Income	EBITDA	PAT	Capital Structure
Growth (YoY)	41%	13%	22%	
Growth (QoQ)	(54%)	(71%)	(78%)	
Margin		22%	11%	
Margins Expansion/ (Contraction) (YoY)		(532 bps)	(176 bps)	
Gross Debt/Equity				0.12

# H1FY25 Financial Highlights

**₹910** CRORE  
Total Income

**₹276** CRORE  
EBITDA

**₹178** CRORE  
PAT

**₹2,319** CRORE  
Shareholders' Funds

	Total Income	EBITDA	PAT	Capital Structure
Growth (YoY)	56%	110%	170%	
Margin		30%	20%	
Margins Expansion/ (Contraction) (YoY)		785 bps	828 bps	
Gross Debt/Equity				0.12

# Management Commentary



## Mining

The second quarter of mining operations under the new Maximum Permissible Annual Production (MPAP) limits was impacted by excessive rainfall in August and September, affecting both manganese ore and iron ore segments. While second quarter is typically slow for the industry due to rainfall, this year's unusually heavy rains prevented the sale of much excavated ore. The Company expects this situation to normalize in the coming quarters and remains confident of meeting its annual MPAP targets.

On the production front, while iron ore production has been ramped up, progress on the manganese ore production is a little slow given the labor-intensive nature of the operations. A lot of preliminary work has been done on ground and we are expecting better production volumes for manganese ore in coming quarters.

Realizations for both ores experienced a notable correction in Q2, aligning with global trends. This, combined with lower volumes, impacted mining profitability during the quarter. However, realization trends in recent weeks have been encouraging.

## Mining Expansion

Following the MPAP expansion for iron ore in February 2024, the company received an enhancement in Consent for Operation for its mine No.2678 in September 2024, increasing manganese ore production capacity from 0.43 MTPA to 0.55 MTPA. Consequently, the cumulative expanded capacity for manganese ore production now stands at 0.582 MTPA.

Additionally, the Company has also received incremental Environmental Clearance for the Company's Ramghad mines for iron ore production of 0.216 MTPA.

## Coke and Energy

Performance in the Coke and Energy segment remains unchanged, with volatility in coking coal prices being the major impediment.

## Ferroalloys

The Ferroalloys segment continues to underperform due to its interdependence on the Coke and Energy segment. While there are expectations of improving demand dynamics as new steel capacities near the Ferroalloys unit are commissioned, the industry continues to face headwinds from lower realizations in this segment.

## Strategic Business Acquisition

Based on the recent announcements, the Company is pleased to announce the successful closure of the strategic business acquisition of Arjas Steel Private Limited on 11 November 2024. As per the amended Share Purchase Agreement (SPA), SMIORE has acquired ~99% equity capital of Arjas, making it a material subsidiary. The financial results of Arjas will now be consolidated into the financial results of SMIORE w.e.f. 11 November 2024. Efforts are now being channeled towards integrating operations of Arjas and leveraging the expected synergies out of this acquisition.

It is important to note that due to the relentless efforts of our team, this transaction was completed within the originally communicated 7 months' timeline from the date of announcement.

Looking ahead, the Company has a lot to look forward to in the second-half of the current financial year, with plans to ramp up operations in the mining segment and accelerate integration efforts with Arjas. This positions us for potential growth in the coming year.

"I am pleased to share that the acquisition of Arjas has been completed within the originally stipulated timeline, all thanks to the relentless efforts of our team."

# Corporate Information

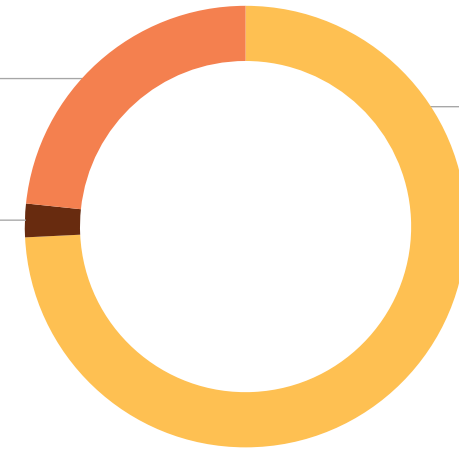
SHAREHOLDING SUMMARY  
(IN %)

23.33

Public

2.45

FII + DII



74.22

Promoters

Shareholding Data as on 30 September 2024.  
Data rounded-off where necessary.

₹435

Current Market Price

₹635/243

52 Week High/Low

₹7,049 CRORE

Market Capitalization

16.20 CRORE

Shares Outstanding

504918

BSE Scrip Code

SANDUMA

NSE Scrip Code

# Safe Harbor

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THE SANDUR MANGANESE &  
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