

# *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 / 17

15 May 2024

BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai - 400 001  
Scrip Code: 504918 / 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 year ended 31 March 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 year ended 31 March 2024.

The Exchanges are requested to kindly take the same on record.

Thank you

*for The Sandur Manganese & Iron Ores Limited*

***Mohammed Abdul Saleem***  
***Whole Time Director, Company Secretary &***  
***Compliance Officer***  
***ICSI Membership No. F5218***

**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

FY24  
**TOWARDS AN  
INTEGRATED AND  
SUSTAINABLE  
FUTURE**

**Earnings Presentation**

MAY 2024

NSE: SANDUMA | BSE: 504918  
BLOOMBERG: SANDUMA:IN

# Sandur 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

## A+ (Stable)

ICRA RATING & CRISIL A/POSITIVE RATED  
Robust credit rating

## 2,541\*

SANDUR family members

### VAST MINING RESERVES WITH LEASES UP TO 2033

## 17 MT

Manganese Ore

## 110 MT

Iron Ore

### CURRENT CAPACITIES



### 0.46 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 31 March 2024

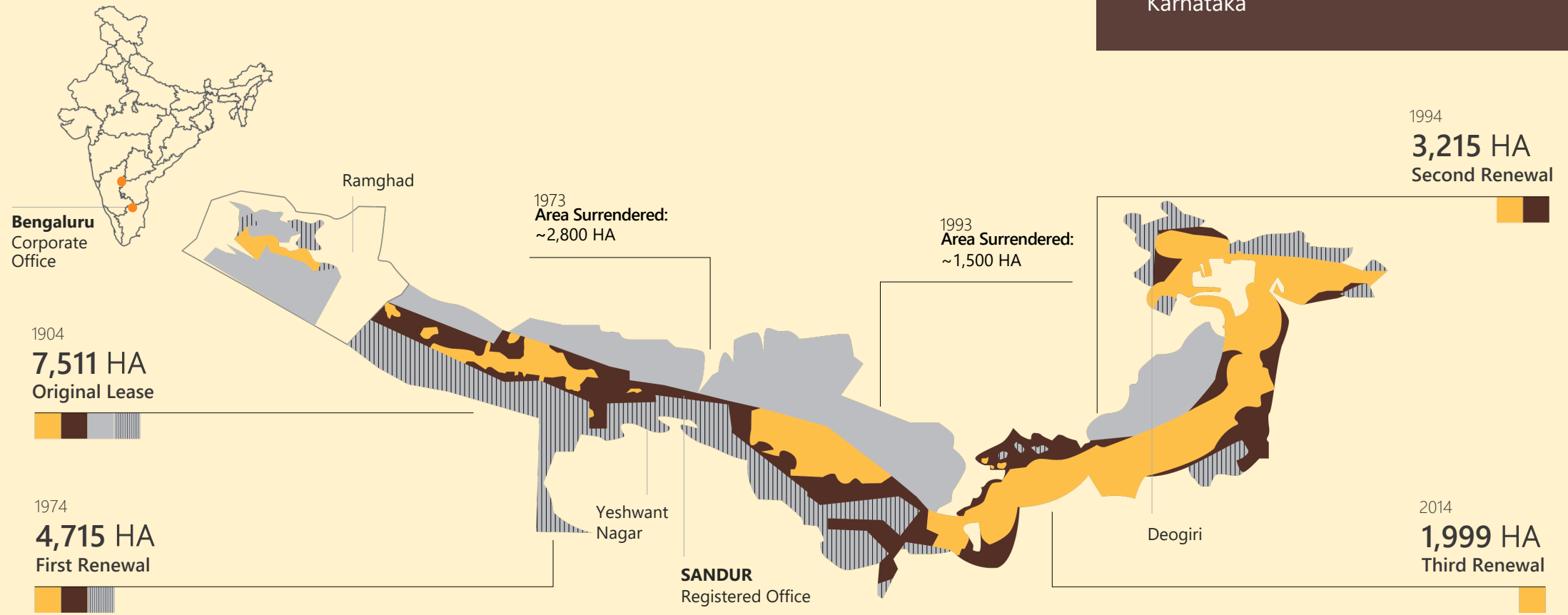
# Operational Units

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

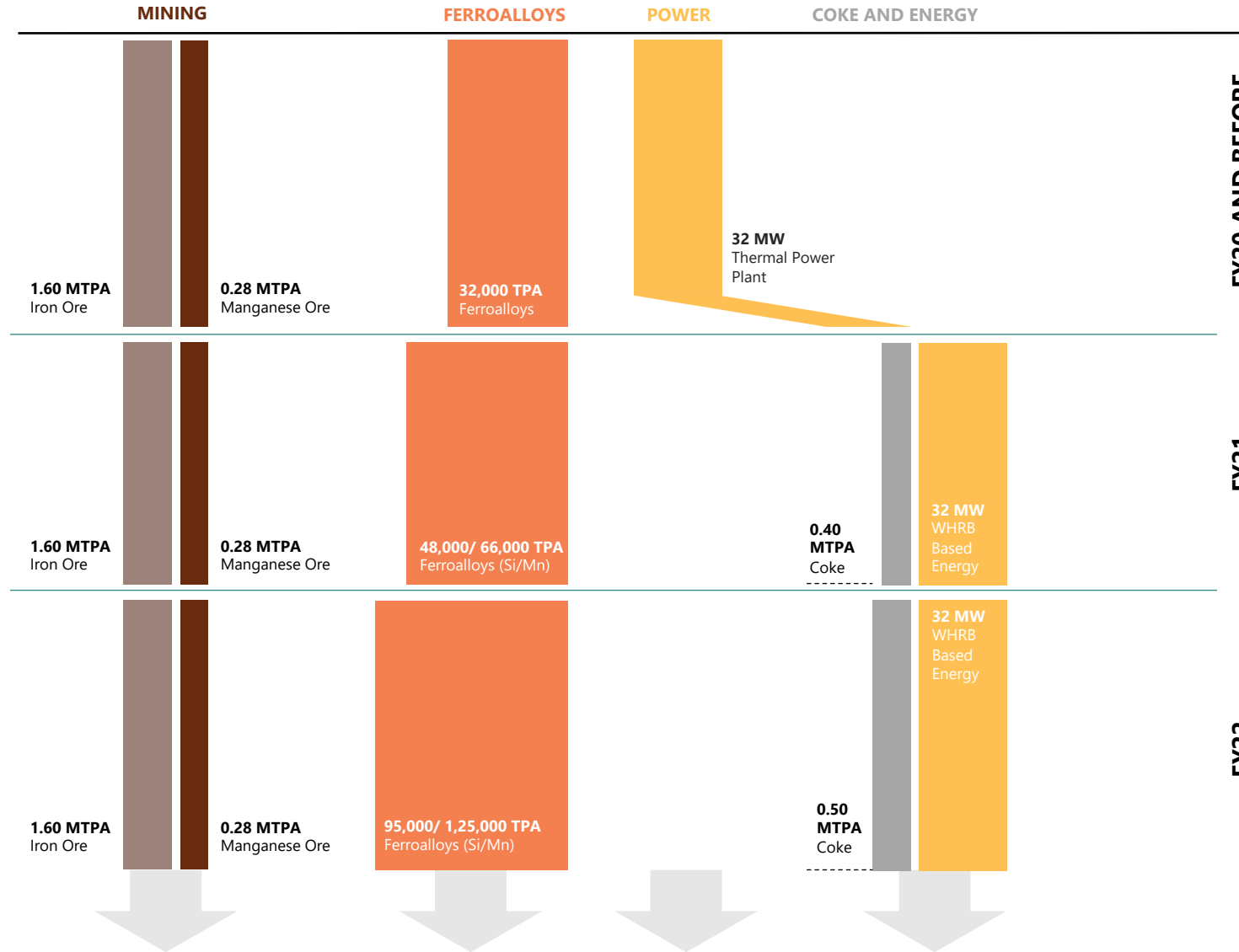
**Ferroalloy Plant, Power Plant,  
Coke Oven Plant (Vyasankere)**

Ballari and Vijayanagara Districts,  
Karnataka

## EVOLUTION OF THE LEASE AREA OVER TIME



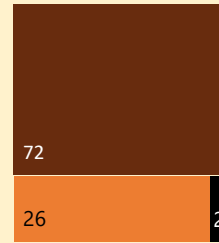
# Transforming Business Canvas



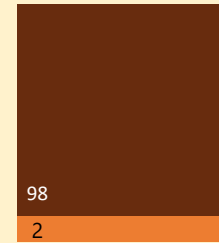
■ Mining ■ Ferroalloys ■ Coke and Energy ■ Others

## TRAITS

REVENUE CONTRIBUTION FY18-20 (%)

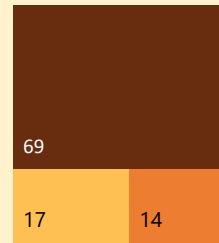


PBT CONTRIBUTION FY18-20 (%)

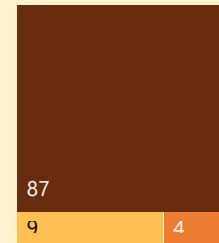


Asset light, cash generating mining operations coupled with marginally-profitable power-intensive ferroalloys operations

REVENUE CONTRIBUTION (%)

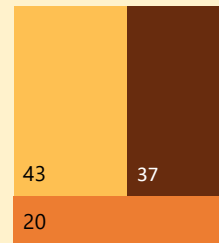


PBT CONTRIBUTION (%)

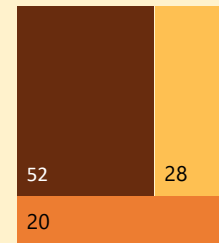


Asset light, cash generating mining operations coupled with self sustainable and profitable ferroalloys operations supported by Coke + WHRB based power generation

REVENUE CONTRIBUTION (%)

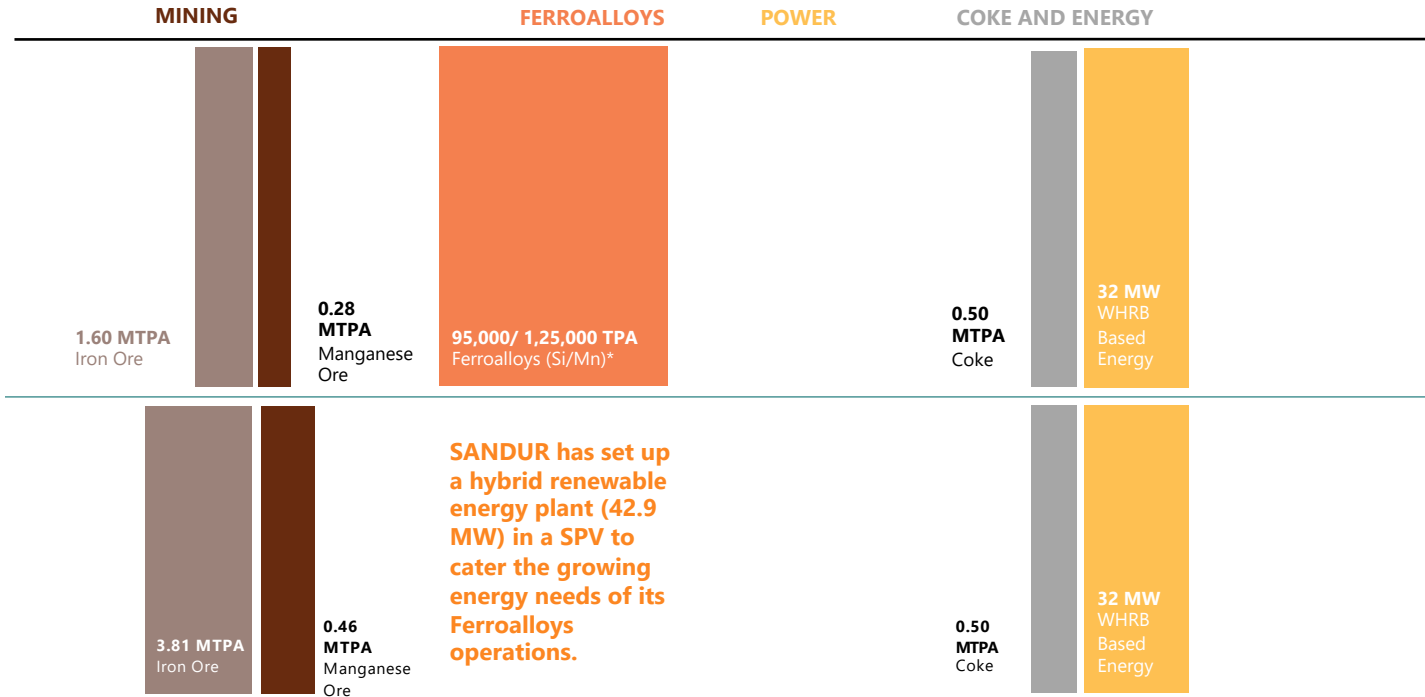


PBT CONTRIBUTION (%)



ABOUT SANDUR

# Transforming Business Canvas



**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.**

- 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.

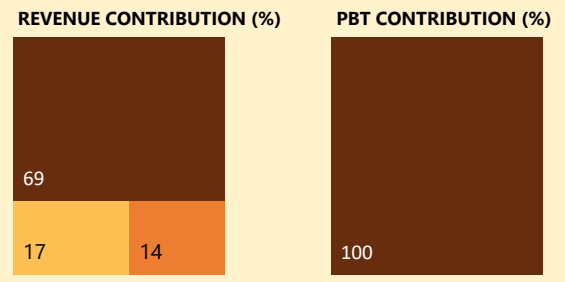
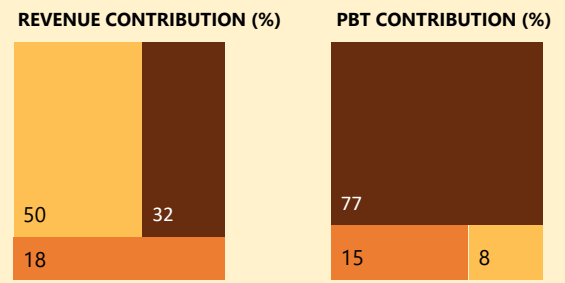
FY23

FY24

TRAITS

■ Mining ■ Ferroalloys ■ Coke and Energy

## TRAITS



Further expansion of mining operations underway



## ABOUT SANDUR

# 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

### 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.



Sandur Kushala Kala Kendra supported by the Company has created a Guinness World Record for the 'Largest Display of Lambani Items' on 10 July 2023 at Hampi during the G20 Summit

## Some of SANDUR's successful Employee Welfare Programs

### Food Security

A food package for a family of 5 costs ₹ 145 against actual cost of ~₹4,200, 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.

**BUSINESS VERTICALS REVIEW**

# Mining – our mainstay

- Mining manganese and iron ores from two mining leases located in Sandur (Karnataka)
- Fully-mechanized iron ore mining contributing to higher margins
- Semi-mechanized, labour-intensive manganese ore mining with relatively lower margins but generating large scale employment opportunities
- 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

## Capacity Enhancement

Capacity already enhanced for manganese ore production from 0.28 MTPA to 0.46 MTPA, and further proposed to increase 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.

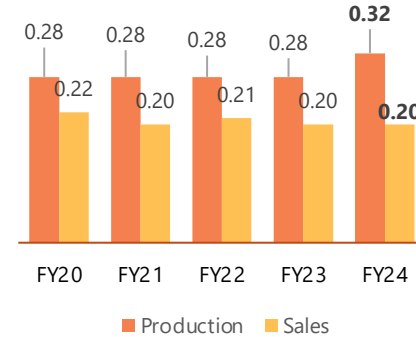


Mn

**0.46 MTPA**  
Capacity

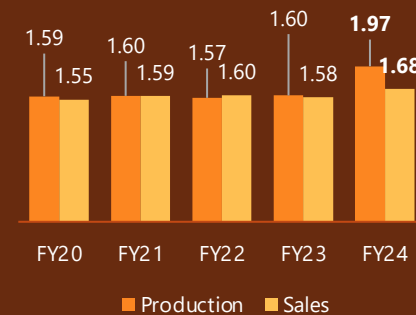
### MANGANESE ORE MINING OPERATIONS

(MTPA)



### IRON ORE MINING OPERATIONS

(MTPA)



Fe

**3.81 MTPA**  
Capacity





**BUSINESS VERTICALS REVIEW**

# Ferroalloys – new and improved

Turnaround of ferroalloys operations in FY21 through feasible power generation

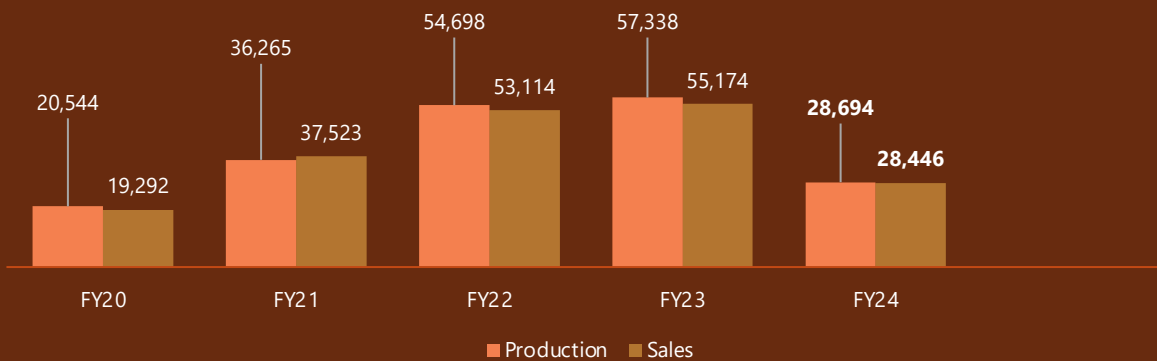
The combination of Coke Oven Plant and WHRB generates power as a by-product, thus leading to substantial savings by eliminating the need for thermal coal

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**

(TPA)



## 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**

SiMn FeMn

**95,000/1,25,000 TPA**  
 (Silicomanganese/  
 Ferromanganese) Capacity

*\*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**

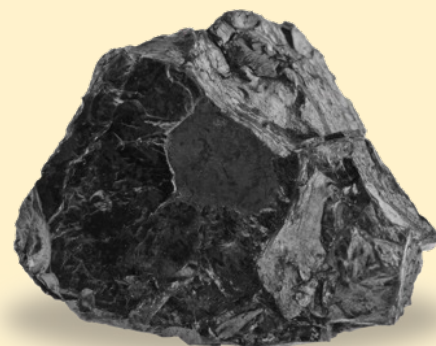
4 Batteries with a cumulative capacity of 0.5 MTPA

**32 MW**

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

**March 2018**

Started expansion work



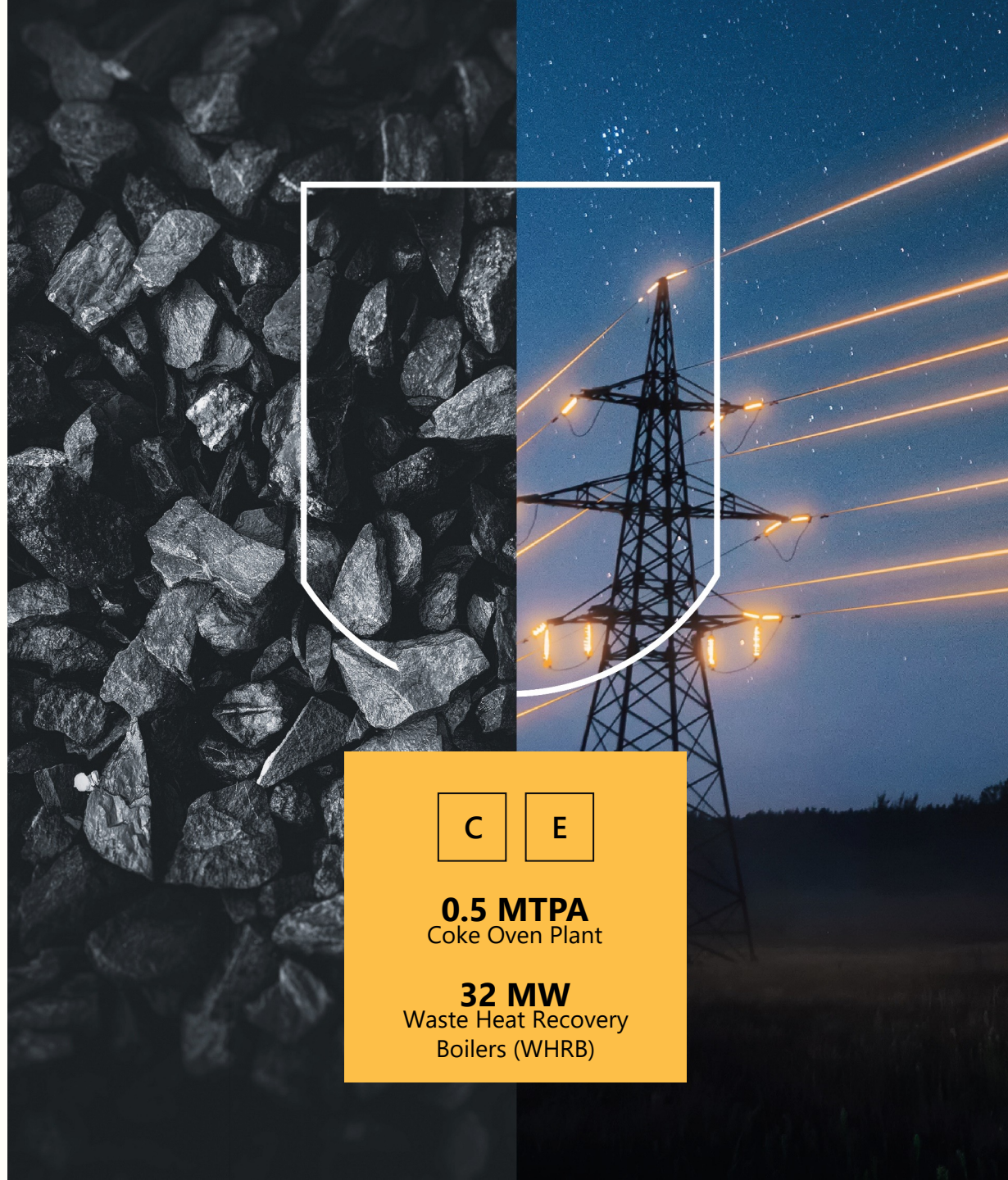
**18 January 2021**

Fully commissioned Coke Oven



**0.5 MTPA**  
Coke Oven Plant

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



# Strategic Business Acquisition

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

Announced on 25 April 2024

### ~₹ 3,000 Crore EV

Arjas has been valued at an Enterprise Value (EV) of ~₹ 3,000 Crore, equity value to be decided basis customary and agreed adjustments to the EV at the closing date

### Share Purchase Agreement (SPA)

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

### Bought controlling stake

80% equity capital to be acquired by SANDUR

### Consideration

Pure cash consideration to be paid by SANDUR

### Regulatory approvals

Only from Competition Commission of India (CCI)

### Timelines

Expect to complete the transaction within 7 months, subject to customary closing conditions as per the SPA

### Indirect acquisition of AMSPL

Will also result in acquisition of Arjas' Wholly-Owned Subsidiary i.e. Arjas Modern Steel Private Limited located in Punjab

# Leading Independent Player in a Specialised Industry

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



## Snapshot

**~5 LTPA**

Manufacturing capacity, being expanded further

**2**

Production facilities, one each in Andhra Pradesh & Punjab

**Robust financial profile**

Revenue & EBITDA growth and a robust balance sheet

**CRISIL A**

Rated CRISIL A (Positive outlook)

**20 MW**

Captive power capacity (Solar + Waste-Heat)

**~950 acres**

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

**Successful acquisition**

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

**~2,500**

Team strength

# Strengthening an Already Robust Business

## A quality business

### High-quality convertor:

SBQ steel has better realisations and margins vis-à-vis commodity steel products

### Strong entry barriers:

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

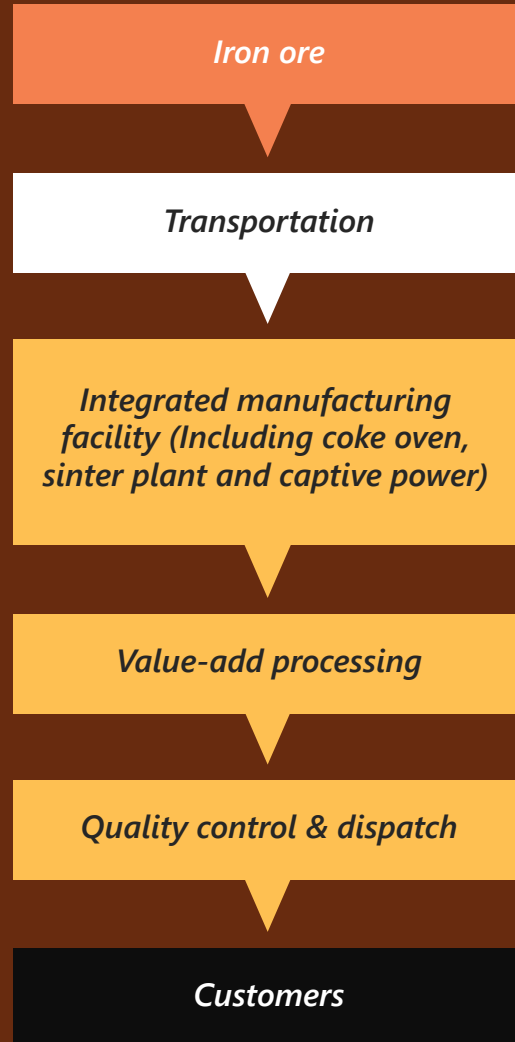
### Strategic locations:

To cater to auto OEM clusters in both South & North India

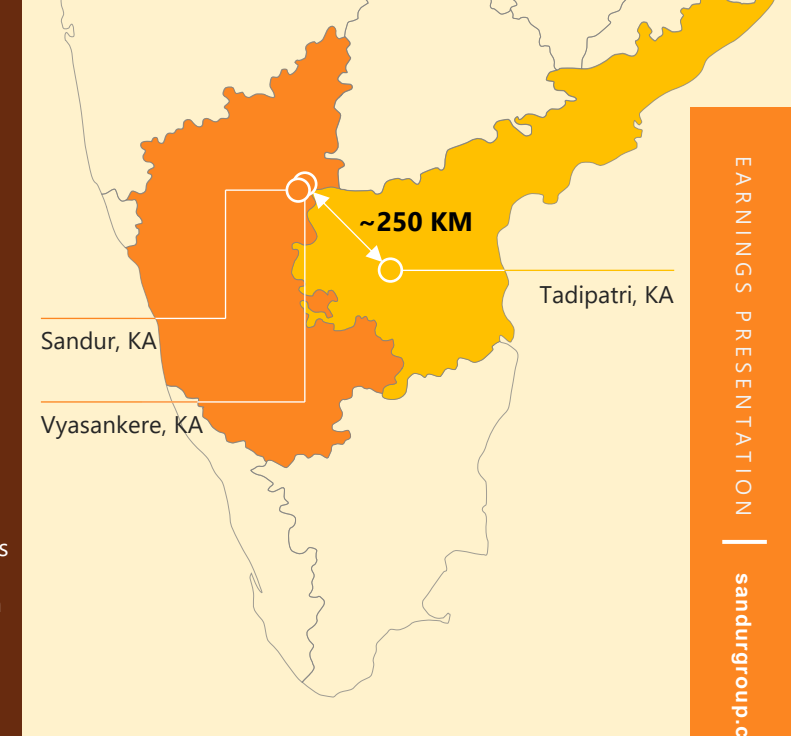
### Focusing on growing non-auto opportunities:

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

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



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



# Rationale for the Acquisition



**1 Accelerates SANDUR's forward-integration to become a steel company**

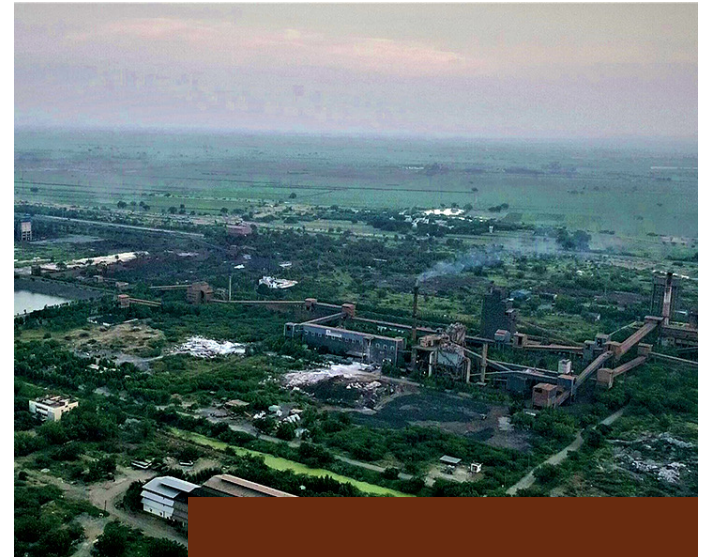
As opposed to a minimum 2-3 years of gestation period for a greenfield project, and further time to get numerous OEM empanelments

**2 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



**3 Potential for future brownfield investments**

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

# Key Milestones of FY24

## 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

SANDUR 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

## January 2024

SANDUR 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

## February 2024

ICRA upgraded SANDUR's credit rating to A+(Stable)

## April 2024

Announced strategic business acquisition of Arjas Steel Private Limited



01 02

03 04

05 06

07

08

CONCLUSION

# Investment Rationale

## Stable & Growing Cash Flows

Through long-standing mining operations

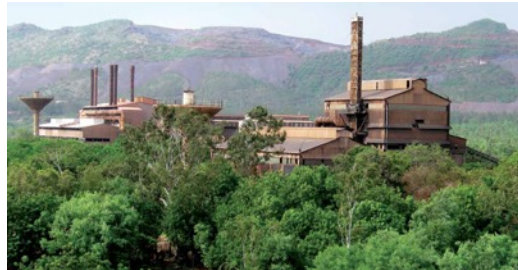


## Company With a Heart

Adhering to the highest standards of corporate governance and sustainability

## Strong Balance Sheet

With net-debt free status, supported by surplus liquidity



## Disciplined Capital Allocation

Guided by strong parentage

## Emerging Integrated Player

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



## New and Improved Ferroalloys

Operations, contributing meaningfully to financial performance

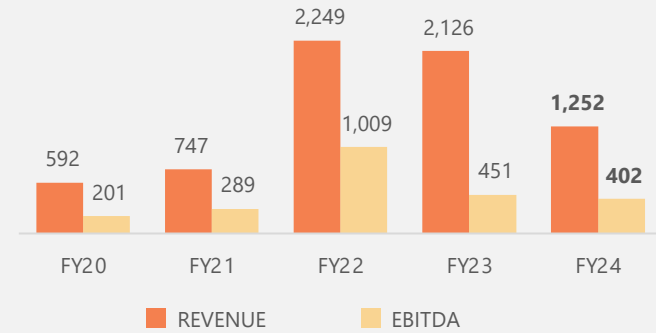
## Strategic Inorganic Growth

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

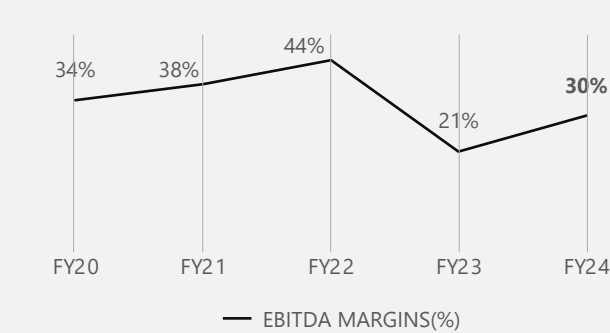


# Key Performance Indicators

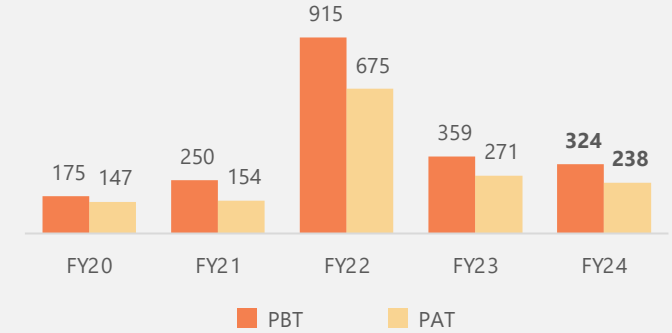
**REVENUE, EBITDA**  
(₹ IN CRORE)



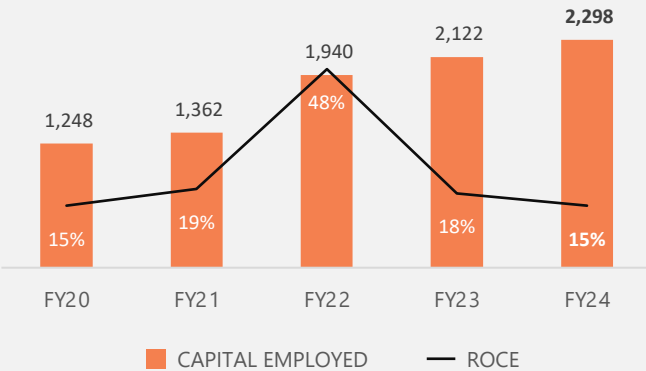
**EBITDA MARGINS**  
(IN %)



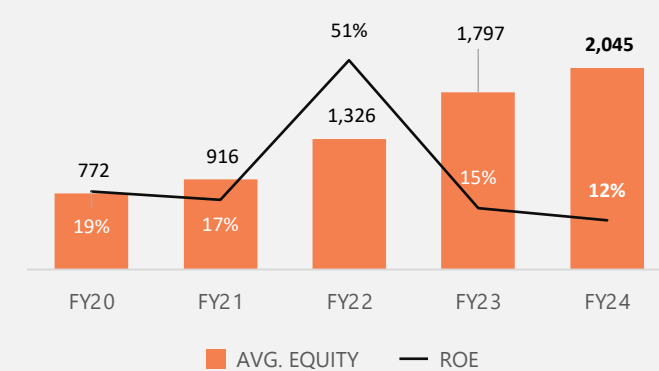
**PBT & PAT**  
(₹ IN CRORE)



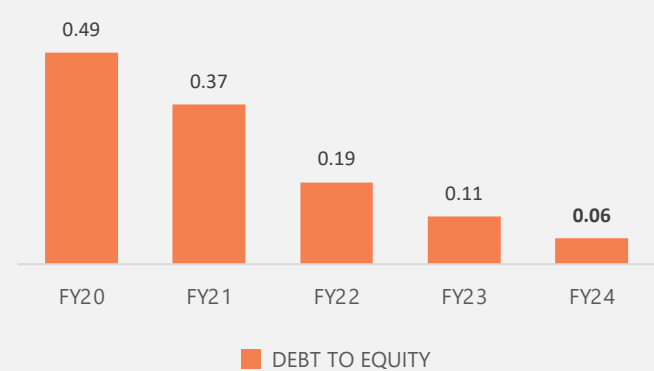
**CAPITAL EMPLOYED, ROCE**  
(₹ IN CRORE & IN %)



**EQUITY, ROE**  
(₹ IN CRORE & IN %)



**GROSS DEBT TO EQUITY**  
(IN TIMES)



# Q4FY24 Operational Highlights

## MANGANESE ORE



## IRON ORE



## FERROALLOYS



## COKE



Production	0.98 Lakh Tonne	7.63 Lakh Tonne	6,962 Tonne	20,112 Tonne*
Sales	0.75 Lakh Tonne	7.40 Lakh Tonne	16,538 Tonne	10,187 Tonne
YoY Sales Volume	(25%)	(19%)	0%	(67%)
QoQ Sales Volume	88%	400%	279%	65%
Average/Tonne Realization	₹8,047/-	₹4,746/-	₹60,069/-	₹29,869/-**
QoQ Change in Realizations	(1%)	9%	1%	(16%)
Realization Remarks	Flattish	Increase	Flattish	Decrease
Sales Volumes Remarks	Decrease in YoY & Significant increase in QoQ	Decrease in YoY & Significant increase in QoQ	Flattish YoY & Significant increase in QoQ	Significant decrease on YoY & Significant increase on QoQ

\*Excludes production under contract manufacturing of 0.36 Lakh tonnes during the quarter.

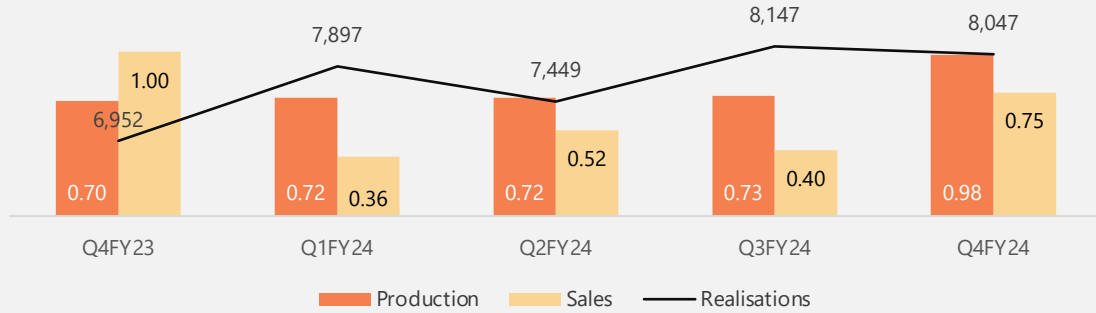
\*\*Excludes conversion & screening income under contract manufacturing of ₹ 6.30 Crore during the quarter.

Q4FY24 PERFORMANCE HIGHLIGHTS

# Q4FY24 Segment Highlights

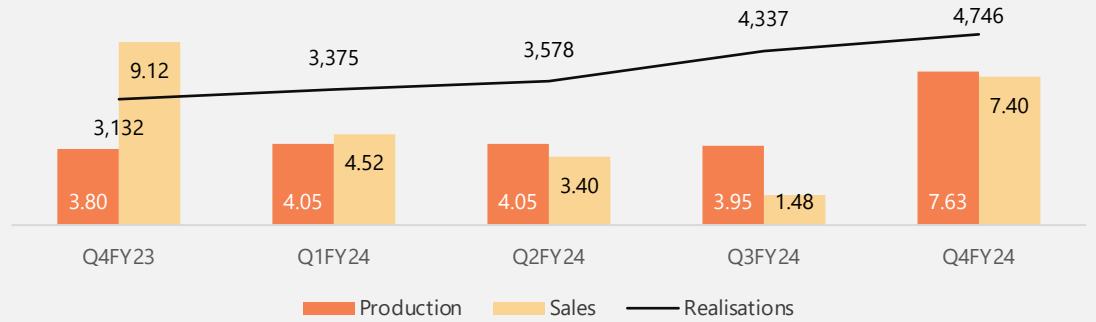
## MANGANESE ORE OPERATIONAL PERFORMANCE

(Lakh Tonne & ₹/Tonne)



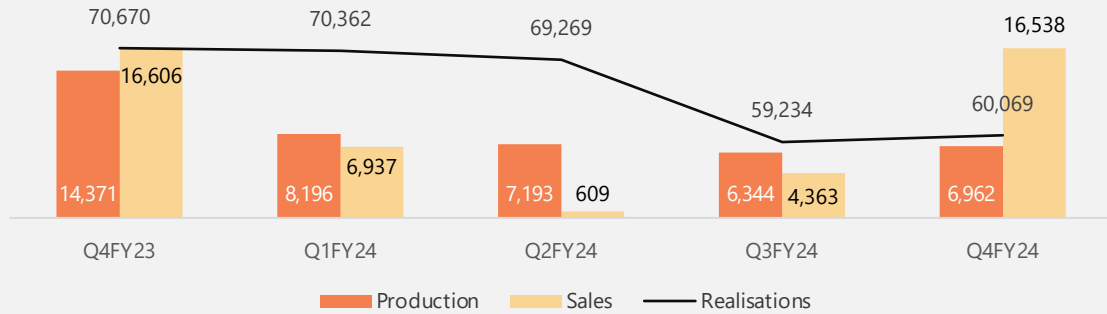
## IRON ORE OPERATIONAL PERFORMANCE

(Lakh Tonne & ₹/Tonne)



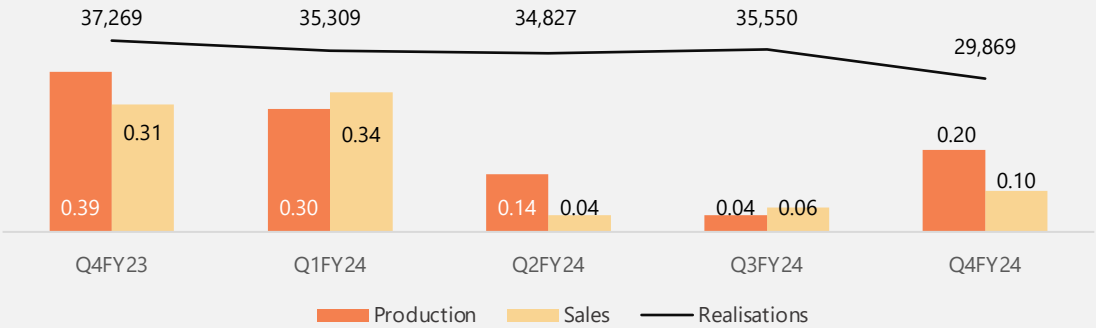
## FERROALLOYS OPERATIONAL PERFORMANCE

(Tonne & ₹/Tonne)



## COKE OPERATIONAL PERFORMANCE

(Lakh Tonne & ₹/Tonne)



\*Excludes production under contract manufacturing of 0.36 Lakh tonnes during the quarter.

\*\*Excludes conversion & screening income under contract manufacturing of ₹ 6.30 Crore during the quarter.

# Q4FY24 Financial Highlights



**₹ 582 Crore**

Total Income

**₹ 238 Crore**

EBITDA

**₹ 162 Crore**

PAT

**₹ 2,157 Crore**

Shareholders' Funds

	Total Income	EBITDA	PAT	Capital Structure
Growth (YoY)	(7%)	(5%)	(7%)	
Growth (QoQ)	246%	639%	1,587%	
Margin		41%	28%	
Margins Expansion/ (Contraction) (YoY)		(61 bps)	(1 bps)	
Gross Debt/Equity				0.06

# FY24 Financial Highlights



**₹ 1,334 Crore**

Total Income

**₹ 402 Crore**

EBITDA

**₹ 238 Crore**

PAT

**₹ 2,157 Crore**

Shareholders' Funds

	Total Income	EBITDA	PAT	Capital Structure
Growth (YoY)	(39%)	(11%)	(12%)	
Margin		30%	18%	
Margins Expansion/ (Contraction) (YoY)		948 bps	545 bps	
Gross Debt/Equity				0.06

# Management Commentary

“

*Recent acquisition of Arjas propels SANDUR into the steel industry.*

**BAHIRJI A. GHORPADE**  
MANAGING DIRECTOR



## Mining

The production activities for both manganese ore and iron ore has significantly increased following the enhancement of the Maximum Permissible Annual Production (MPAP) limits in February. The Company has fully utilised the enhanced pro-rata MPAP limits for FY24, leading to a rapid production ramp-up in Q4. Although sales of the mined ore saw a parallel increase, the surplus quantity mined could not be immediately offered to the market, resulting in some closing stock in Q4, which is now being sold in the subsequent quarter.

Realisations for both products have been encouraging. Iron ore realisations improved in Q4 while manganese ore realisations have remained flattish. Notably, post-quarter closing manganese ore realisations have witnessed a significant increase, as evident across the industry.

A strategic initiative by the Company in this segment involves balancing quarterly volumes and cash flows evenly across all quarters, by offering steady volumes throughout the year considering enhanced production capabilities. This will help moving away from the historical skew towards the latter part of the financial year. This proactive approach aims to enhance cash flow management, especially considering the Company's expanding scale of operations in non-mining segments. The implementation of this strategy will commence from Q1FY25 itself.

## Mining Expansion

Following the recent expansion of MPAP limits to 3.81 MT of iron ore and 0.462 MT of manganese ore in February 2024, SANDUR is actively pursuing further expansion to 4.36 MTPA of iron ore and 0.58 MTPA of manganese ore, duly complying with the parameters prescribed by the Hon'ble Supreme Court. The Company is progressing towards obtaining clearances from the Karnataka State Pollution Control Board (KSPCB). Updates on this expansion endeavour will be shared as developments unfold.

## Coke and Energy

The volatility in coking coal prices continues to pose a significant challenge in this segment. SANDUR's primary focus remains on mitigating inventory losses due to fluctuating coking coal prices, followed by the production of coke for energy generation.

## Ferroalloys

The Ferroalloys business faced a slowdown in FY24, primarily due to lower product realisations and challenges in energy generation stemming from reduced coke volumes. While recent improvements in realisations post-quarter closure are promising, the constraint of lower power generation will persist until coke volumes recover.

## Strategic Business Acquisition

The recent strategic acquisition of Arjas Steel Private Limited marks a significant milestone in SANDUR's journey, propelling the Company into the steel industry with a strong operational foundation across two manufacturing sites. This move signifies a pivotal shift towards becoming an integrated and sustainable steel & commodities player, positioning SANDUR for transformative growth.

Further, I would also like to reiterate that we are taking this decision from a position of strength. Even post this acquisition, SANDUR's capital structure will remain robust with a modest Debt to Equity ratio, in line with industry standards.

## Corporate Event

We are also delighted to announce a dividend of ₹1 per share post-bonus issue, subject to shareholder approval at the ensuing AGM. This will entail an even higher dividend pay-out compared to FY23. SANDUR remains committed to delivering value to all its stakeholders.

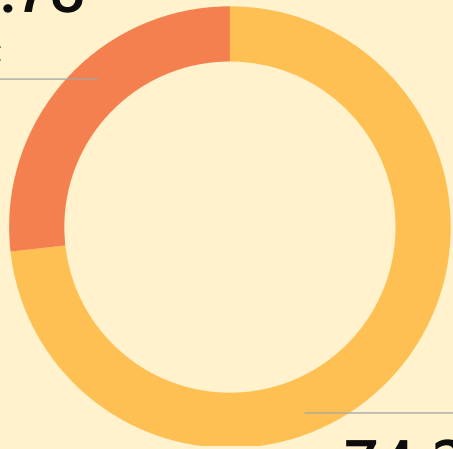
Additionally, we extend a warm welcome to Anand Sen, the newest addition to our esteemed Board of Directors. With nearly four decades of extensive experience in the steel industry at Tata Steel, and as the former Managing Director of Tata International, coupled with his past affiliations with nearly a dozen Tata companies, his insights will prove invaluable to our Company, especially in the context of our recent acquisition. The entire SANDUR team looks forward to collaborating closely with him.

# Corporate Information

## SHAREHOLDING SUMMARY (IN %)

25.78

Public



74.22

Promoters

Shareholding Data as on 31 March 2024



Market Price Data (BSE) as on 15 May 2024



THE SANDUR MANGANESE &  
IRON ORES LIMITED

## Get in touch

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# Safe Harbor

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