# 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
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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 / 88

8 February 2024

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001
Scrip Code: 504918

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 nine months ended 31 December 2023***

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 nine months ended 31 December 2023.

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

Thank you

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

MOHAMMED ABDUL SALEEM
Digitally signed by MOHAMMED ABDUL SALEEM
Date: 2024.02.08 21:36:41 +05'30'

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

Encl: A/a


THE SANDUR MANGANESE &
IRON ORES LIMITED

Q3FY24

# TOWARDS AN INTEGRATED AND SUSTAINABLE FUTURE


**Earnings Presentation**

FEBRUARY **2024**

ABOUT SANDUR

# Sandur at a Glance



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

**3rd Largest**
Manganese ore miner in India

**A/ Positive**
**CRISIL RATED**
Robust credit rating

**2,569***
SANDUR family members

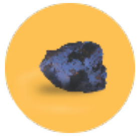
## VAST MINING RESERVES WITH LEASES UP TO 2033

**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 December 2023

ABOUT SANDUR

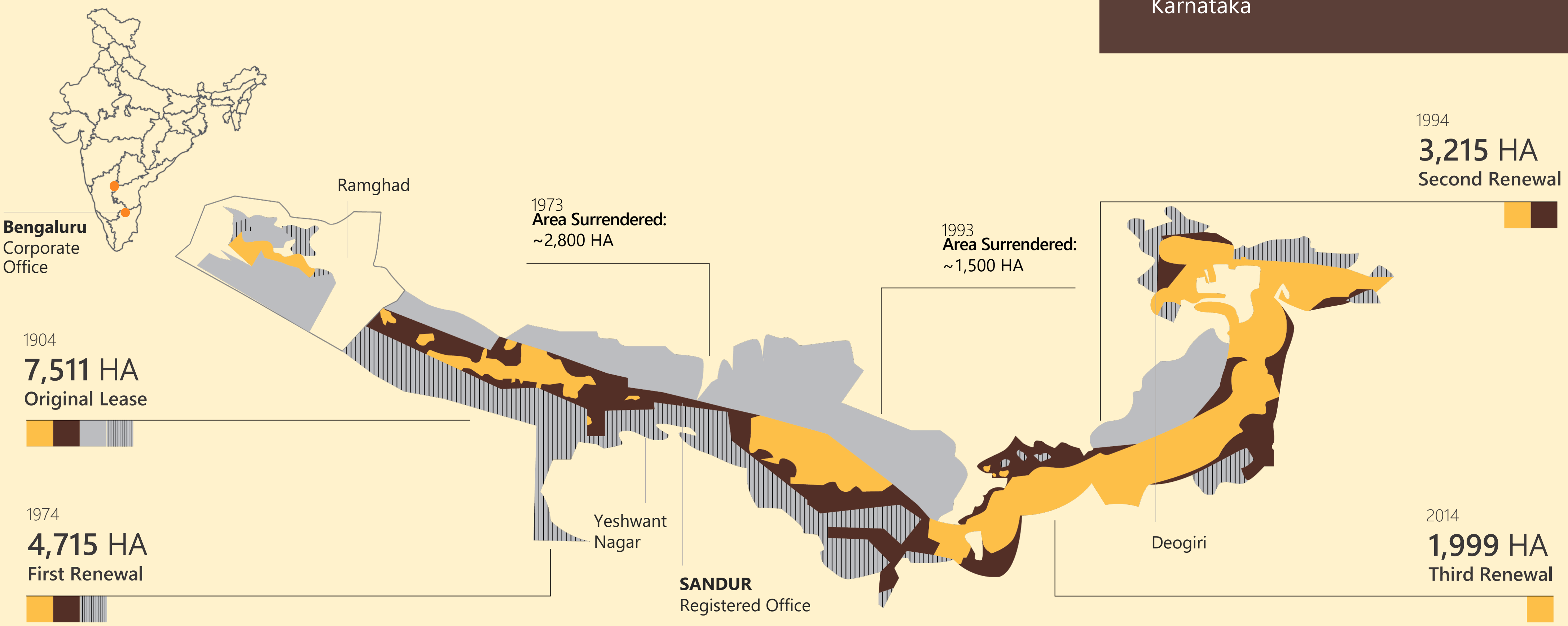
# Operational Units

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

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

Ballari and Vijayanagara Districts, Karnataka

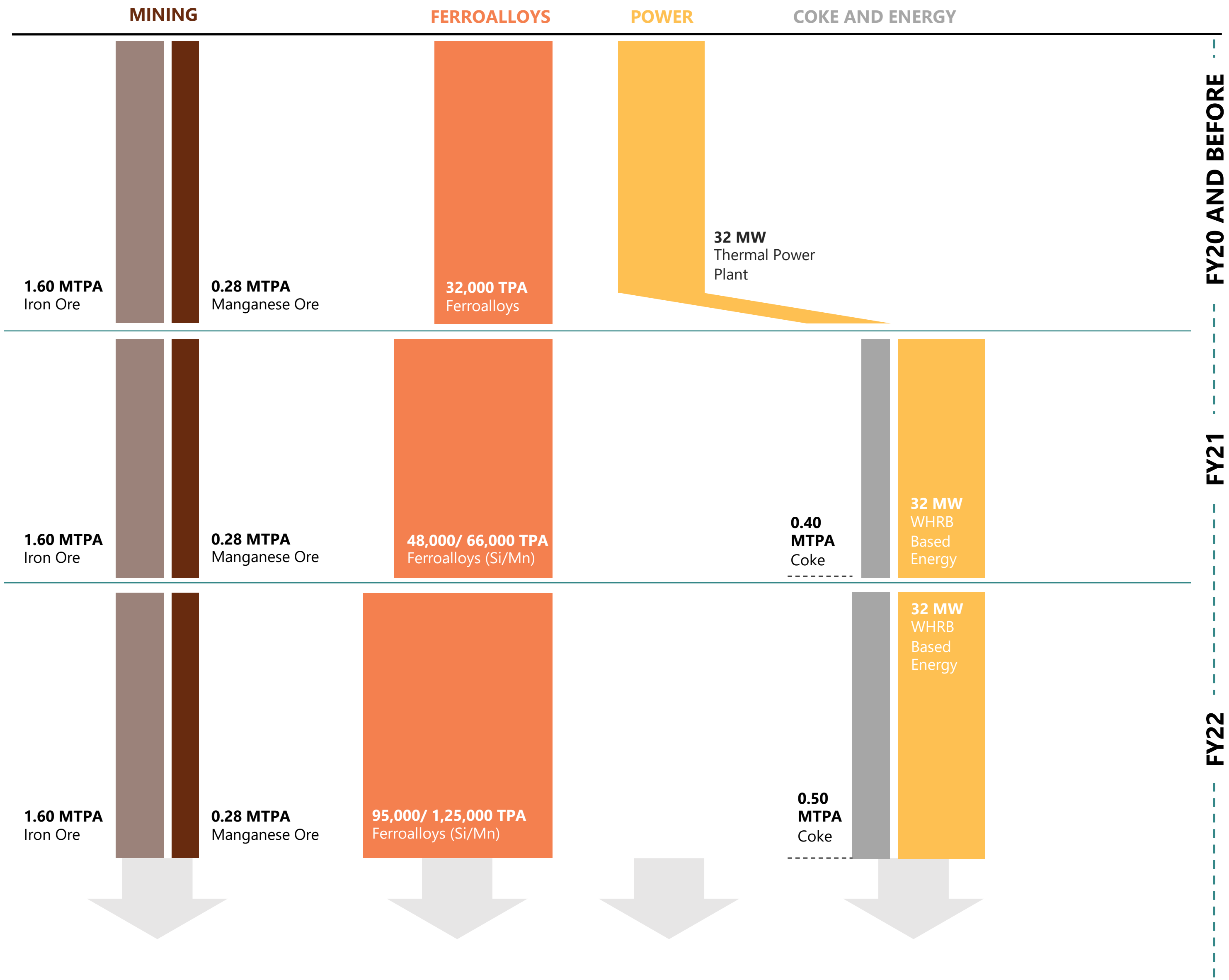
**EVOLUTION OF THE LEASE AREA OVER TIME**




*Map not to scale*

ABOUT SANDUR

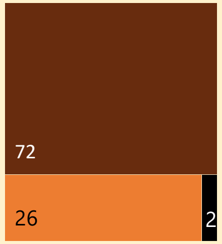
# Transforming Business Canvas



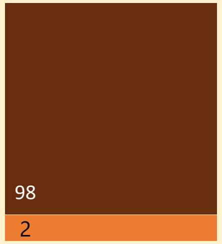

Mining Ferroalloys Coke and Energy Others

## TRAITS

**REVENUE CONTRIBUTION FY18-20 (%)**

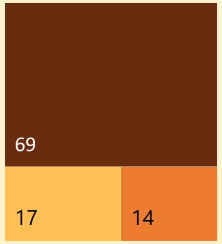



**PBT CONTRIBUTION FY18-20 (%)**

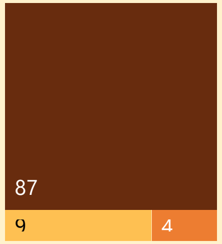



Asset light, cash generating mining operations coupled with marginally-profitable power-intensive ferroalloys operations

**REVENUE CONTRIBUTION (%)**

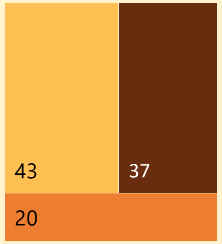



**PBT CONTRIBUTION (%)**

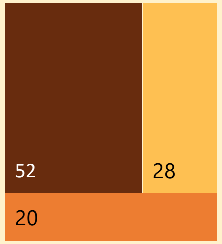



Asset light, cash generating mining operations coupled with self sustainable and profitable ferroalloys operations supported by Coke + WHRB based power generation

**REVENUE CONTRIBUTION (%)**




**PBT CONTRIBUTION (%)**



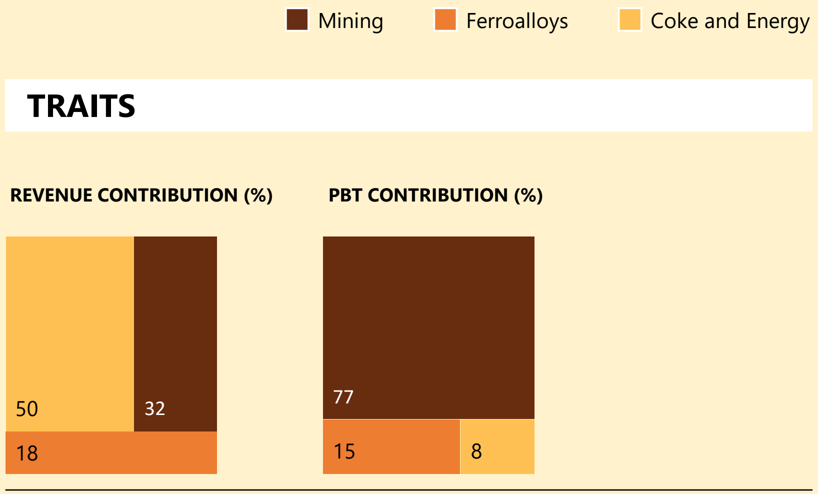
ABOUT SANDUR

# Transforming Business Canvas (Going Forward)

| | MINING | FERROALLOYS | POWER | COKE AND ENERGY |
|---|---|---|---|---|
| FY23 | 1.60 MTPA Iron Ore; 0.28 MTPA Manganese Ore | 95,000/ 1,25,000 TPA Ferroalloys (Si/Mn)* | | 0.50 MTPA Coke; 32 MW WHRB Based Energy |
| EXPANSION | 7.00 MTPA Beneficiation Unit; 4.50 MTPA Iron Ore; 0.58 MTPA Manganese Ore | **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.** | | 0.50 MTPA Coke; 32 MW WHRB Based Energy |
| TRAITS | • Asset-light and high ROCE<br>• Cost-efficient operations resulting in high OPM and significant operating-leverage<br>• Generating consistent Cash Flows | • Self-sustainable & profitable ferroalloys operations | | • Long-term vision of growth<br>• Mitigates sustainability concerns as a pure-play merchant miner<br>• 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.*

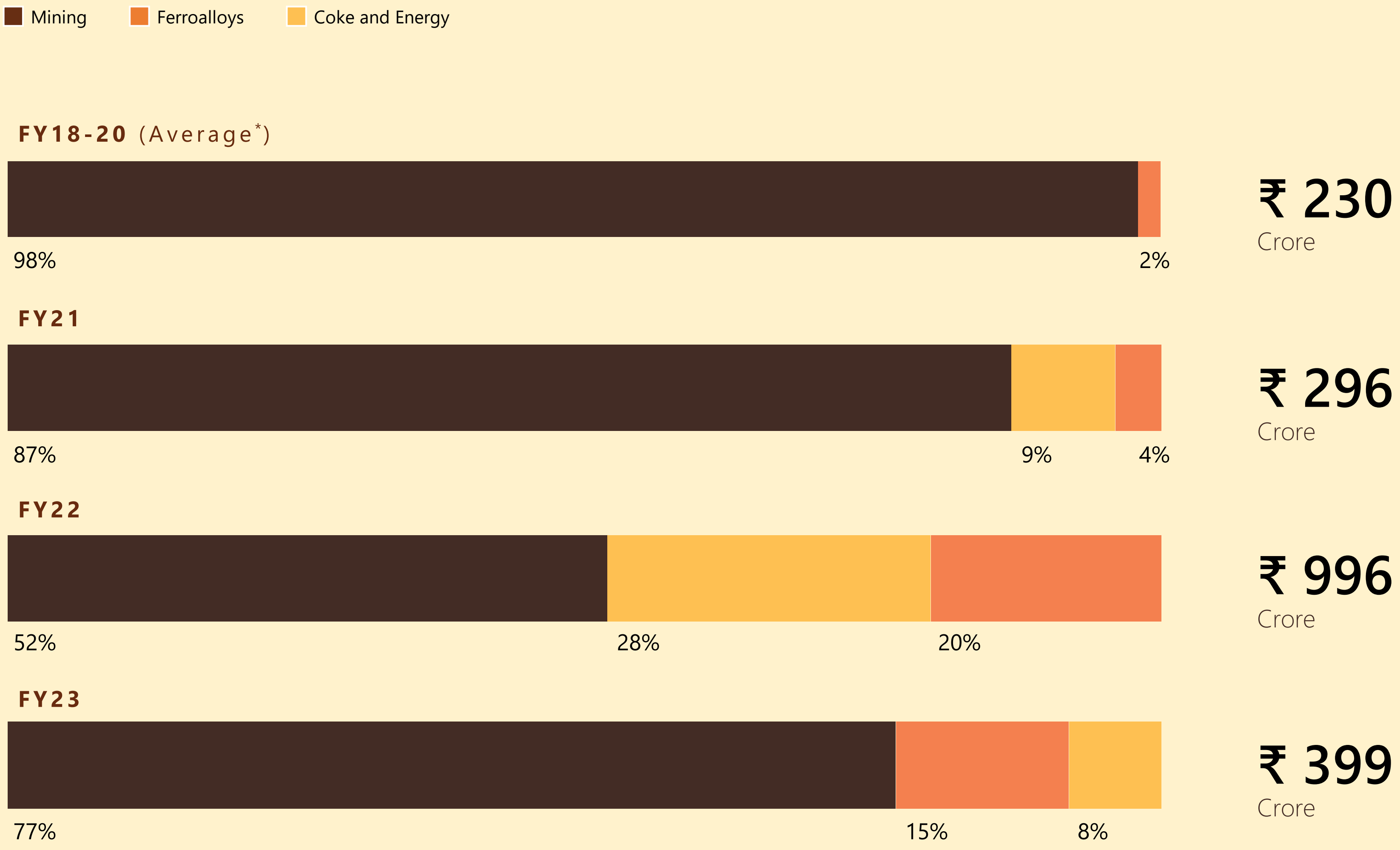
## TRAITS




Further expansion of mining operations

ABOUT SANDUR

# Improving Profit Profile




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



## Multifold increase

in absolute PBT

## Diversification

in profit profile of the Company

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 ~₹4,340, 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

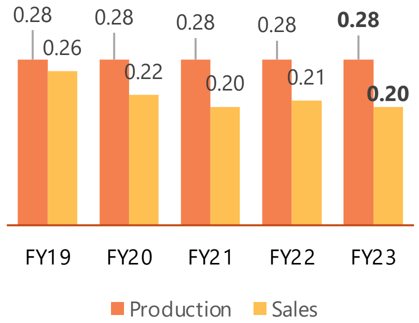
- Mining manganese and iron ores from two mining leases located in Sandur (Karnataka)
- Fully-mechanized iron ore mining contributing to higher margins
- Semi-mechanized, labour-intensive manganese ore mining with relatively lower margins but generating large scale employment opportunities
- Mining operations 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 4.50 MTPA. All of the proposed expansions are duly complying with the parameters prescribed by the Hon'ble Supreme Court.

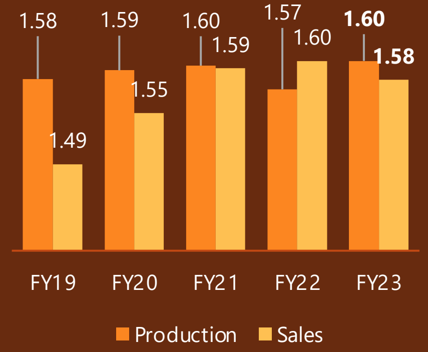

MANGANESE ORE MINING OPERATIONS

(MTPA)




IRON ORE MINING OPERATIONS

(MTPA)




BUSINESS VERTICALS REVIEW

# Ferroalloys – new and improved

Turnaround of ferroalloys operations in FY21 through feasible power generation

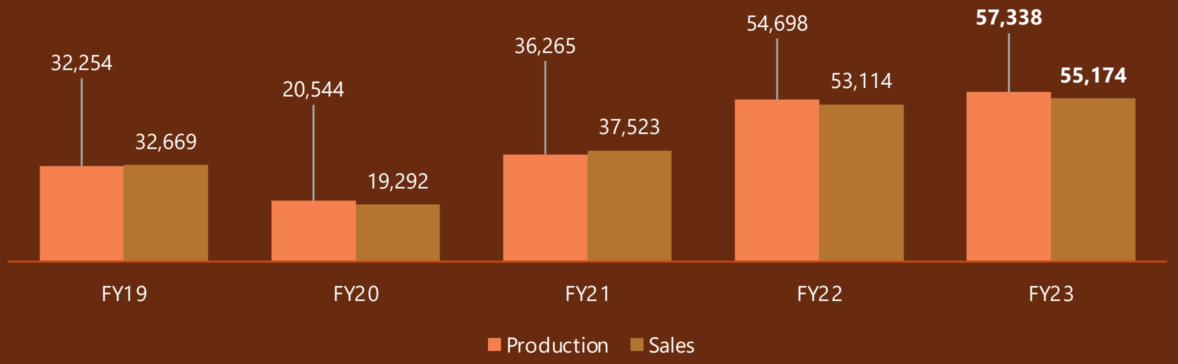
Achieved a shift towards a cleaner source of energy such as Waste Heat & Green Energy against previously used coal-based energy

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

(MTPA)




## 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.*

BUSINESS VERTICALS REVIEW

# Coke and Energy – strengthening operations

## 0.5 MTPA

4 Batteries with a cumulative capacity of 0.5 MTPA

## 32 MW

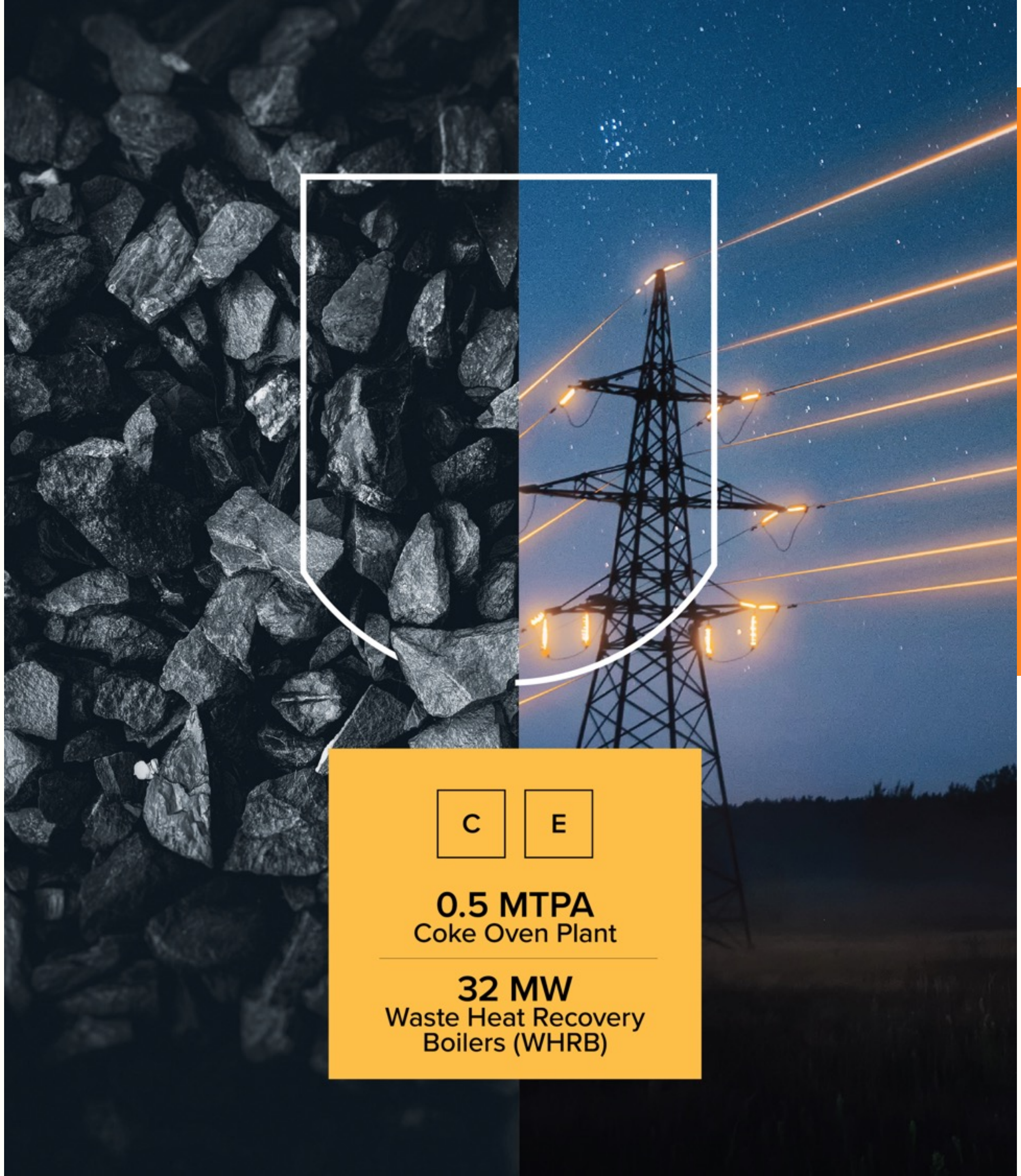
2 Waste Heat Recovery Boilers with a cumulative capacity of 32 MW setup for generating cleaner energy

## March 2018

Started expansion work

## 18 January 2021

Fully commissioned Coke Oven



CONCLUSION

# Investment Rationale

## Stable & Growing Cash Flows

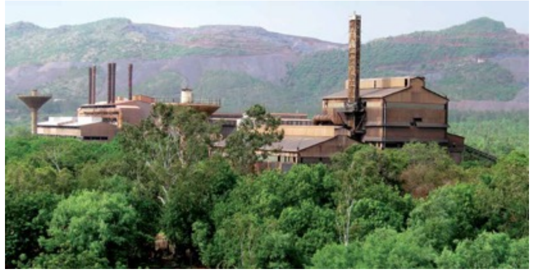
Through long-standing mining operations

## 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

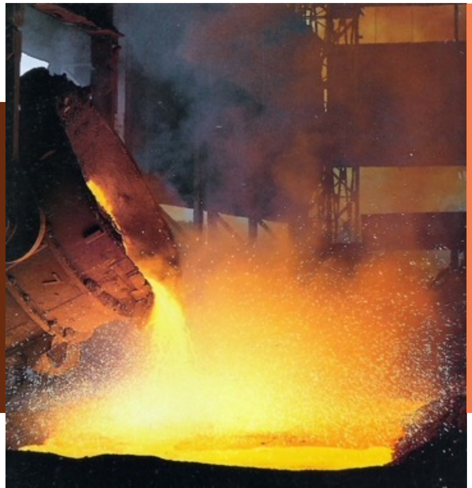


## Disciplined Capital Allocation

Guided by strong parentage

## Emerging Integrated Player

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



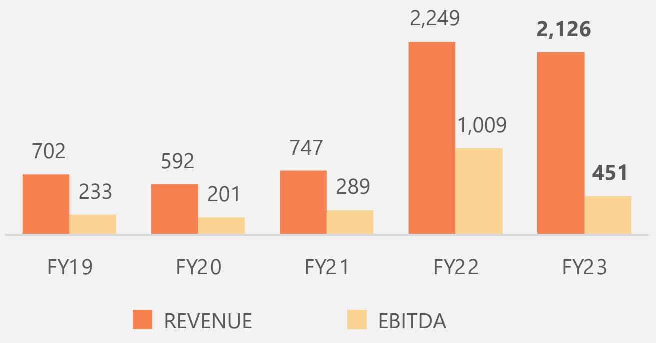
## New and Improved Ferroalloys

Operations, contributing meaningfully to financial performance

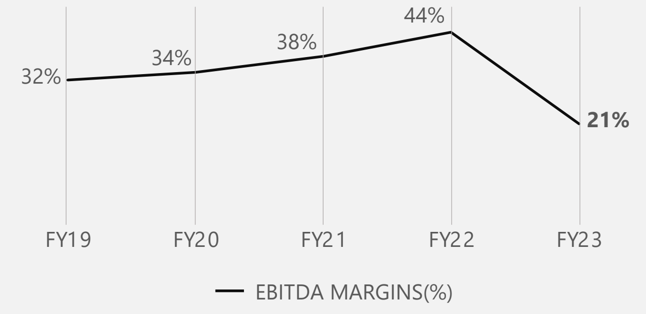
FINANCIALS REVIEW

# Key Performance Indicators

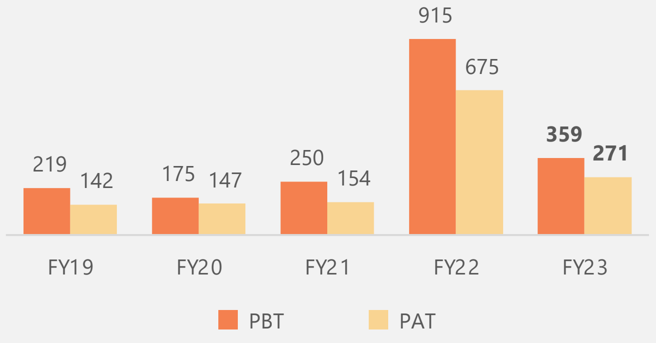
### REVENUE, EBITDA
(₹ IN CRORE)



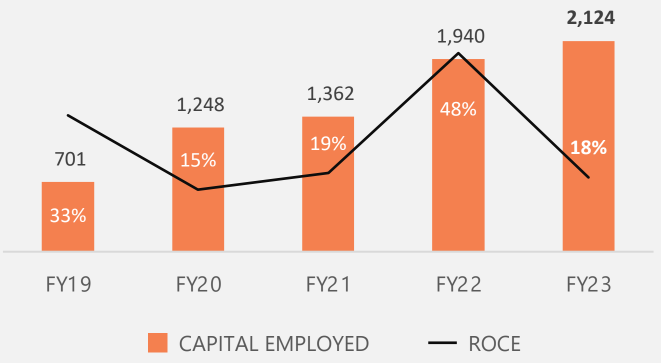

### EBITDA MARGINS
(IN %)



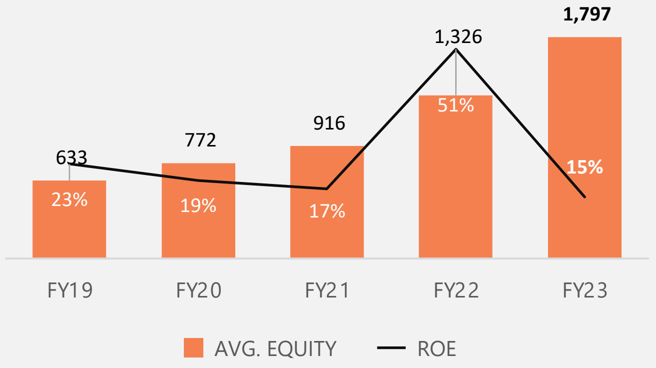

### PBT & PAT
(₹ IN CRORE)



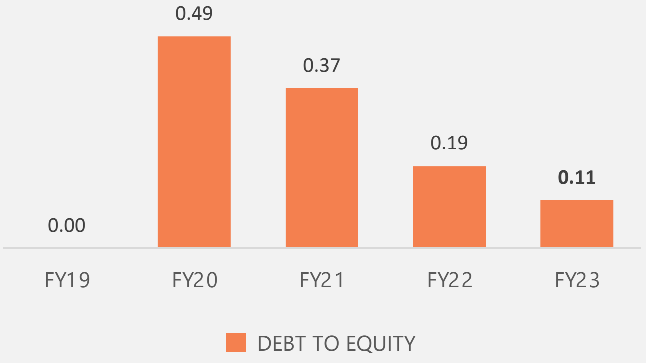

### CAPITAL EMPLOYED, ROCE
(₹ IN CRORE & IN %)




### EQUITY, ROE
(₹ IN CRORE & IN %)




### GROSS DEBT TO EQUITY
(IN TIMES)



# Q3FY24 Operational Highlights



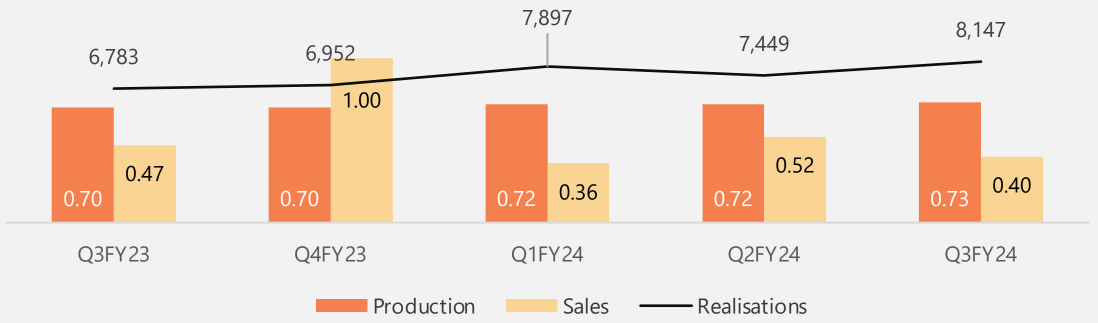
| | MANGANESE ORE | IRON ORE | FERROALLOYS | COKE |
|---|---|---|---|---|
| *Production* | **0.73** Lakh Tonne | **3.95** Lakh Tonne | **6,344** Tonne | **3,722** Tonne* |
| *Sales* | **0.40** Lakh Tonne | **1.48** Lakh Tonne | **4,363** Tonne | **6,174** Tonne |
| *YoY Sales Volume* | **(16%)** | **(64%)** | **(69%)** | **(82%)** |
| *QoQ Sales Volume* | **(23%)** | **(57%)** | **616%** | **68%** |
| *Average/Tonne Realization* | **₹8,147/-** | **₹4,337/-** | **₹59,234/-** | **₹35,550/-**** |
| *QoQ Change in Realizations* | **9%** | **21%** | **(14%)** | **2%** |
| *Realization Remarks* | **Marginal Increase** | **Significant Increase** | **Marginal Decrease** | **Flattish** |
| *Sales Volumes Remarks* | **Decrease on both YoY & QoQ** | **Significant decrease on YoY & QoQ** | **Significant decrease on YoY & Significant increase on QoQ** | **Significant decrease on YoY & Significant increase on QoQ** |

**Excludes production under contract manufacturing of 0.37 Lakh tonnes during the quarter.*
***Excludes conversion & screening income under contract manufacturing of ₹ 6.26 Crore during the quarter.*

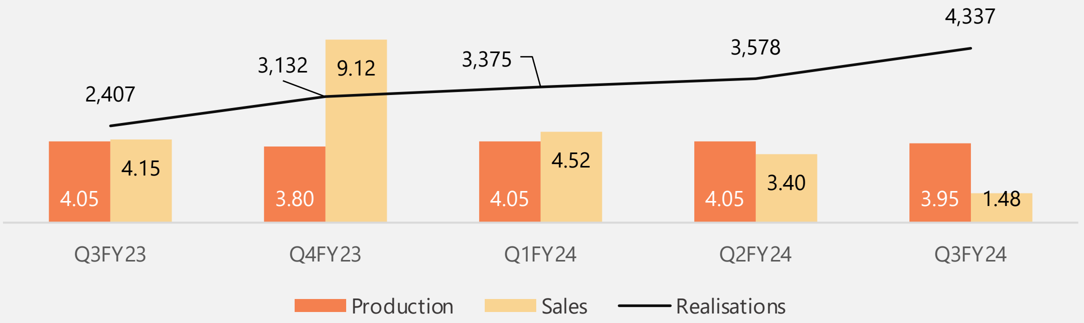
# Q3FY24 Segment Highlights



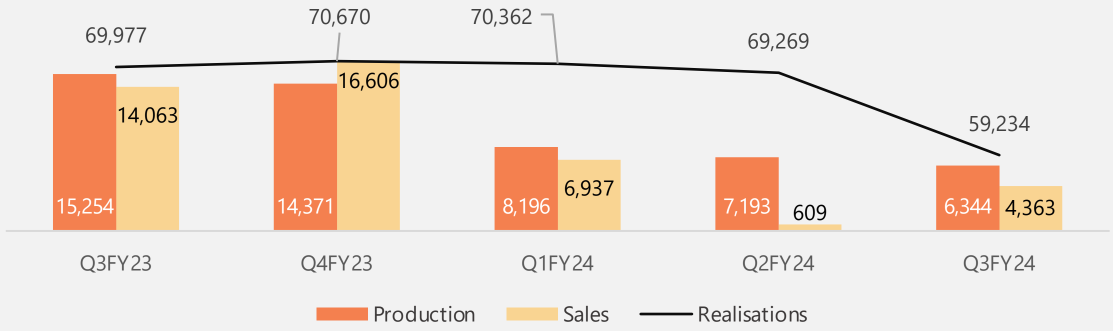
## MANGANESE ORE OPERATIONAL PERFORMANCE
(Lakh Tonne & ₹/Tonne)



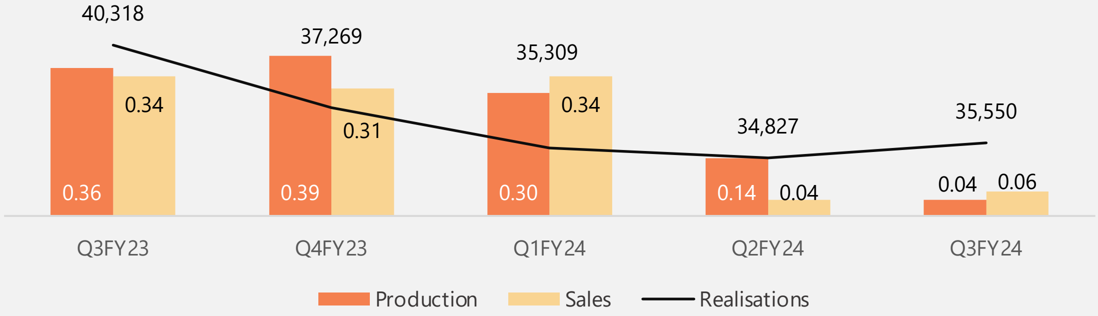

## IRON ORE OPERATIONAL PERFORMANCE
(Lakh Tonne & ₹/Tonne)




## FERROALLOYS OPERATIONAL PERFORMANCE
(Tonne & ₹/Tonne)




## COKE OPERATIONAL PERFORMANCE
(Lakh Tonne & ₹/Tonne)




*Coke production excludes production under contract manufacturing of 0.37 Lakh tonnes during the quarter.*
*Coke realizations excludes conversion & screening income under contract manufacturing of ₹ 6.26 Crore during the quarter.*

# Q3FY24 Financial Highlights

**₹ 168 Crore**
Total Income

**₹ 32 Crore**
EBITDA

**₹ 10 Crore**
PAT

**₹ 1,994 Crore**
Shareholders Funds

| | Total Income | EBITDA | PAT | Capital Structure |
|---|---|---|---|---|
| Growth (YoY) | (58%) | (59%) | (77%) | |
| Growth (QoQ) | (17%) | (41%) | (64%) | |
| Margin | | 19% | 6% | |
| Margins Expansion/ (Contraction) (YoY) | | (50 bps) | (459 bps) | |
| Gross Debt/Equity | | | | 0.07 |

# 9MFY24 Financial Highlights

**₹ 751 Crore**
Total Income

**₹ 164 Crore**
EBITDA

**₹ 76 Crore**
PAT

**₹ 1,994 Crore**
Shareholders Funds

| | Total Income | EBITDA | PAT | Capital Structure |
|---|---|---|---|---|
| Growth (YoY) | (52%) | (18%) | (22%) | |
| Margin | | 22% | 10% | |
| Margins Expansion/ (Contraction) (YoY) | | 897 bps | 387 bps | |
| Gross Debt/Equity | | | | 0.07 |

# Management Commentary

*In a significant milestone, we have commenced the export of iron ore.*

**BAHIRJI A. GHORPADE**
MANAGING DIRECTOR

## Mining

The production of both manganese and iron ores has remained in line with our quarterly production trends. Sales volume for iron ore has been lower in Q3, as the Company was strategically exploring opportunities to export the iron ore which would fetch better realisation. In a significant milestone, the Company has commenced its first export order in Q4FY24 and has already moved some more inventory to the port for further export shipments. We have been evaluating opportunities in export markets ever since the Hon'ble Supreme Court lifted export restrictions on iron ore from Karnataka in May 2022. However, the markets were not favourable for exports earlier.

Realisations for both manganese and iron ores have been on a rise with higher appreciation being witnessed in iron ore realisations during Q3. Overall, the mining segment continues to be the bedrock of our profitability.

## Mining Expansion

Subsequent to receiving Environmental Clearance on 25 April 2023 from Ministry of Environment, Forest & Climate Change (MoEFCC) and Consent for Establishment (Expansion) on 4 September 2023 from Karnataka State Pollution Control Board (KSPCB) for enhancement in manganese and iron ore production and setting up a beneficiation plant along with Downhill Conveyor System (DCS), the Company has on 2 February 2024 received Consent For Operation (CFO) from KSPCB for enhancement in manganese ore production from 0.286 to 0.46 Million Tonnes Per Annum (MTPA) and iron ore production from 1.60 to 3.81 MTPA.

All the requisite statutory approvals obtained by the Company have now been placed before the Monitoring Committee constituted by the Hon'ble Supreme Court, seeking Maximum Permissible Annual Production limits for undertaking enhanced level of production.

## Coke and Energy

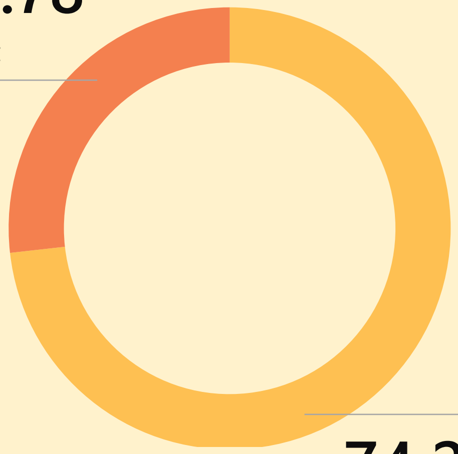
Volatility in the coking coal segment continues with fluctuations in pricing of raw materials. Continuing with its cautious stance in this segment, the Company has curtailed volumes in this segment. Higher volumes have been registered under contract manufacturing arrangements during the quarter, thus limiting exposure to market price fluctuations whilst maintaining production levels.

## Ferroalloys

Tepid demand scenario continues in the ferroalloy industry coupled with a further decline in realisations during Q3. Market fluctuations continue to be the primary headwind for the ferroalloy industry. However, for the Company, volumes have witnessed a recovery on both YOY and QOQ basis. We are hopeful of a better demand scenario in the coming financial year.

# Corporate Information

## SHAREHOLDING SUMMARY
(IN %)




*Shareholding Data as on 31 December 2023*

**₹547**
Current Market Price

**₹613/142**
52 Week High/Low

**₹8,860 Cr**
Market Capitalization

**16.20 Cr**
Shares Outstanding

**504918**
BSE Scrip Code

**SANDUMA**
NSE Scrip Code

*Market Price Data (BSE) as on 8 February 2024*

THE SANDUR MANGANESE &
IRON ORES LIMITED

## Get in touch

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# Safe Harbor

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